

FINANCE POLICY

**APPROVED BY CHIEF AND COUNCIL
OCTOBER 2009**

FINANCE POLICY TABLE OF CONTENTS

1.0	OBJECTIVES _ _ _ _ _	66
1.1	PURPOSE _ _ _ _ _	66
2.0	ROLES AND RESPONSIBILITIES _ _ _ _ _	66
2.1	CHIEF AND COUNCIL _ _ _ _ _	66
2.2	FINANCE COMMITTEE _ _ _ _ _	66
2.3	FINANCE OFFICER _ _ _ _ _	67
2.4	TLFN EMPLOYEES _ _ _ _ _	67
3.0	CONFLICT OF INTEREST _ _ _ _ _	67
3.1	PROVISIONS _ _ _ _ _	67
	3.2 DISCLOSURE OF FORESEEABLE CONFLICT _ _ _ _ _	69
	3.3 DISCLOSURE OF POTENTIAL CONFLICT _ _ _ _ _	69
4.0	ORGANIZATION OF FINANCES _ _ _ _ _	69
4.1	PURPOSE _ _ _ _ _	69
4.2	BAND-WIDE _ _ _ _ _	69
4.3	PROGRAM LEVEL _ _ _ _ _	70
5.0	FINANCIAL PRINCIPLES _ _ _ _ _	70
5.1	CAPITAL REPLACEMENT FUND _ _ _ _ _	70
6.0	LOANS AND BORROWING POWERS _ _ _ _ _	70
7.0	DEBTS _ _ _ _ _	71
7.1	COLLECTION _ _ _ _ _	71
8.0	INVESTMENT POLICY _ _ _ _ _	71
8.1	OBJECTIVES _ _ _ _ _	71
	9.1 CAPITAL PROJECTS, TENDERING, AND SERVICE CONTRACTS...	72
	9.2 CAPITAL PROJECTS	72
	9.3 SERVICE CONTRACTS	72
10.0	EXPENDITURES LARGER THAN \$1,000,000	73
10.1	GUIDELINES _ _ _ _ _	73
	11.1 INSURANCE COVERAGE.....	74
	11.2 COVERAGE	74
	12.1 DISCLOSURE	74
	12.2 PURPOSE	74
	13.1 EXCEPTIONS TO DISCLOSURE	75
	13.2 EXCEPTIONS	75
	14.1 ACCOUNTING AND REPORTING.....	75
	14.2 MEMBERSHIP	75
	15.1 AUDIT AND REPORTING REQUIREMENTS.....	75
	15.2 FINANCIAL STATEMENTS	75
	16.1 FINANCIAL CONTROL SYSTEMS	76
	16.2 CONTROLS.....	76
	16.3 BUDGETING PROCESS	76
	16.4 MONTHLY REPORTING	77
	16.5 PURCHASING AND EXPENDITURE AUTHORITY	77
	16.6 PURCHASE ORDERS.....	78
	16.7 AUTHORITY AND LIMITS	78
	16.8 PROCEDURES	78

16.9	PAYMENT PROCESSING.....	79
16.10	SIGNING AUTHORITIES.....	79
16.11	CHEQUE CONTROLS.....	79
16.12	PAYMENT PROCESSING PROCEDURES.....	80
	16.13 SPOILED OR LOST CHEQUES, CHEQUES	
ISSUED IN ERROR.....		80
16.14	PAYROLL CONTROLS.....	81
16.15	CASH MANAGEMENT	81
16.16	PETTY CASH.....	82
16.17	CREDIT CARD MANAGEMENT.....	82
16.18	PURCHASE AUTHORIZATION AND CREDIT LIMITS	82
16.19	ACCOUNTING FOR CREDIT CARD PURCHASES.....	83
16.20	FINANCIAL DATA MANAGEMENT.....	83
16.21	ASSET PROTECTION.....	84
16.22	PROTECTION OF EQUIPMENT.....	85
16.23	INSURANCE	85
16.24	KEYS AND SECURITY CODES.....	85
16.25	POLICY DEVELOPMENT.....	85
16.26	FUNDRAISING.....	85
16.27	TRAVEL.....	86
16.28	APPROVAL FOR TRAVEL.....	86
16.29	RESPONSIBILITY FOR COORDINATING TRAVEL	86
16.30	TRAVEL ADVANCES.....	86
16.31	TRAVEL EXPENSE CLAIMS.....	86
16.32	TRAVEL SUBSIDIES OFFERED BY HOSTS.....	87
16.33	AIRLINE TRAVEL	87
16.34	TRAVEL BY AUTOMOBILE.....	87
16.35	MEAL ALLOWANCES.....	87
16.36	ACCOMMODATIONS	88
16.37	VEHICLE RENTALS	88
16.38	EXPENSES NOT PERMITTED	88
16.39	CELL PHONES FOR CHIEF AND BAND MANAGER	88
16.40	ELDER'S HONORARIA	88
17.1	PAYROLL PROCESSING.....	88
17.2	CONFIDENTIALITY.....	89
17.3	APPROVED PAY RATES.....	89
17.4	PAYROLL DEDUCTIONS.....	89
17.5	FREQUENCY.....	89
17.6	PAYROLL PROCESSING.....	89
17.7	DISTRIBUTION OF PAY.....	91
	17.8 GRANTS, CONTRIBUTIONS, AND COST RECOVERIES	
FROM GOVERNMENT AND NON-PROFIT ORGANIZATIONS -	91 17.8..... ON-	
GOING PROCEDURES		92
17.9	MONTH END PROCEDURES	92
18.0	POLICY REVISIONS	92

APPENDICES

APPENDIX A – CHEQUE REQUISITION - - - - -



TAKLA LAKE FIRST NATION POLICY AND PROCEDURES MANUAL

1.0 OBJECTIVES

1.1 Purpose

This Financial Policy Manual is designed to regulate the receipt, management and expenditure of Takla Lake First Nation (TLFN) funds. The purpose of this Manual is to provide all TLFN employees and Council members with direction and guidance in connection with TLFN accounting transactions, procedures and reports. The objective of this Manual is to ensure that TLFN finances are administered in a manner that encourages and promotes:

- i. TLFN solvency
- ii. good value for expenditures
- iii. up-to-date reporting of TLFN's financial position

2.1 ROLES AND RESPONSIBILITIES

2.2 Chief and Council

- a) Chief and Council approve these and other TLFN policies. They are also responsible to review and approve subsequent changes to these Financial Policies, which may be brought forward from time-to-time.
- b) Chief and Council are to receive, amend if necessary, and approve the provisional and revised budgets.
- c) Chief and Council may establish such departments, boards, authorities or committees as may be necessary for the proper administration of TLFN funds and shall ensure that such bodies have a specified mandate, a clearly defined role, a defined relationship to the Chief and Council and appropriate policies and procedures to govern their activities.
- d) Chief and Council shall ensure that criteria are established to determine how services will be provided to TLFN members, including setting minimum standards for the following:
 - i. criteria for eligibility to TLFN services
 - ii. an impartial process for the appeal of administrative decisions
 - iii. procedures to ensure confidentiality of client information

2.3 Finance Committee

- a) The Finance Committee is to be a standing committee appointed each year by Council. It will consist of the Chief Councillor, the Finance Officer and the Band Manager.
- b) The general duties of the Finance Committee are as follows:
 - i. review the provisional budget for the new fiscal year and forward its recommendations to Council.
 - ii. review the revised budgets each Fall and forward its recommendations to Council.
 - iii. review the internal quarterly financial statements in order to monitor actual revenues and expenditures against those budgeted.
 - iv. review any other financial reports and forward its recommendations to Council, if any
 - v. recommend the appointment of external auditors to Council.
 - vi. review the audited financial statements and recommend their approval to Council.
 - vii. discuss new initiatives, auditing matters, and financial reporting issues.
 - viii. review the external auditor's annual management letter.

- ix. investigate and report on any financial matter referred to it by Council.
- c) The Committee is to meet at least four (4) times per year.
- d) Minutes are to be kept for all Finance Committee meetings and are to be available to the TLFN Council. With the exception of minutes of discussions held in-camera, all Finance Committee minutes are to be available to the membership.
- e) The Band Manager or his / her designate is to take the Committee's recommendations forward to Council.

2.4 Finance Officer

- a) The Finance Officer must possess a professional accounting designation or an equivalent combination of education and experience and reports to the Band Manager.
- b) The Finance Officer is to provide Council, committees, and employees with the financial information necessary to carry out their roles and responsibilities.

2.5 TLFN Employees

The TLFN financial management policies apply to all TLFN employees and to all areas of operations that are included in the annual audited consolidated financial statements.

3.1 CONFLICT OF INTEREST

3.2 Provisions

- a) The objective of this Conflict of Interest policy is to enhance public confidence in the integrity of the TLFN Council, Council committees, and employees by establishing clear rules of conduct respecting conflict of interest.
- b) It shall be deemed a conflict of interest when a Councillor, committee member or employee participates in making a decision that benefits or appears to benefit that member and/or his/her immediate family.
- c) Therefore no member may involve themselves in discussions and decisions that may be perceived to benefit them or their "immediate family"¹.
- d) Where a conflict is identified by any third party, the TLFN Councillor, employee or committee member must excuse himself / herself from the discussion and the decision making process.
- e) Where a Councillor, committee member or employee member is unsure of whether they have a conflict of interest, he / she will raise the perceived conflict of interest with the Council and the Council will decide whether a conflict of interest exists.
- f) The TLFN administration recognizes the right of employees to be involved in activities as citizens of the community. However, employees shall keep their role as private citizens separate and distinct from their responsibilities as staff members.
- g) Conflict of interest shall include situations:

¹ For this purpose, "immediate family" is defined as: spouse (including common-law and same sex), children (including biological, adopted, foster, step), brother (including step), sister (including step), mother (including step), father (including step), nieces or nephews of brother and sister, grandchildren and those who permanently reside in the same household.

- i. where an employee's private affairs or financial interests are in conflict with his / her work duties, responsibilities and obligations or may result in a community perception that a conflict exists
- ii. where an employee's ability to act in the public or in the administration's interest could be impaired
- iii. where an employee's actions would compromise or undermine the trust which the community places in the administration
- iv. where an employee's personal interests, and "immediate family"² relationships, or supervisory position are in a conflict of interest with his / her role on an administration committee
- h) An administration committee or Band Council, through a majority vote, may ask any employee to absent himself / herself during a particular discussion or vote. (It is assumed that in the majority of circumstances, employees will recognize the potential conflict, and will volunteer to absent themselves without a vote being necessary).
- i) Employees shall not place themselves in a situation where they are under obligation to any person who might benefit from or seek to gain special consideration or favour. The honesty and impartiality of all employees must be beyond reproach.
- j) A conflict of interest is a circumstance which has the possible effect of advancing one's own interest, or associated interests, in a way detrimental to the interests of, or potentially harmful to the integrity of, the organization. Conflicts of interest and the appearance of conflicts of interest are often difficult, yet too common, problems.
- k) This conflict of interest policy is designed to more clearly establish the obligations of an individual to the TLFN by:
 - i. identifying the scope of conflicts concerns
 - ii. identifying conditions which would result in a breach of governance obligations to an organization due to a conflict
 - iii. identifying processes to administer the understanding, disclosure, mitigation, evaluation and enforcement of conflicts of interest issues
- l) The practical implications are that conflicts of interest fact patterns or cases must first be identified and disclosed, and then the Band Manager must decide what steps could be taken, if any. This policy attempts to provide guidelines for more timely and consistent decisions in the more common circumstances. Because nothing stays the same, conflicts processes require constant revisiting due to changing responsibilities or opportunities, and changing risks. It is important to remember the context and the more general obligations to act honestly, in good faith, and in the best interests of the organization.
- m) The duty of care however, is also a factor. For councilors, officers and directors of First Bands governments and organizations to meet their fiduciary duties, they must also use due care and diligence by actively learning about risks of conflicts of interest, and by

² For this purpose, "immediate family" is defined as: spouse (including common-law and same sex), children (including biological, adopted, foster, step), brother (including step), sister (including step), mother (including step), father (including step), nieces or nephews of brother and sister, grandchildren and those who permanently reside in the same household.

seeking guidance from advisors whenever in doubt, through building a common understanding of expectations.

- n) Conflicts of interest are rooted in fiduciary duties to act honestly, in good faith, and in the best interests of the organization. As with any governance decision, conflicts of interest situations require the balancing of interests, based on such related principles as:
 - i. Councillors and officers will hold all information received in the course of his / her responsibility in utmost confidence, and such duty of confidentiality to the TLFN on all matters and information persists unless expressly authorized otherwise.
 - ii. Councillors and officers will uphold due process and accountability as in the best interests of the TLFN.
 - iii. Councillors and officers will foster the long-term reputation and integrity of the TLFN.

3.3 Disclosure of Foreseeable Conflict

- a) Each staff member must assess and disclose material interests which may reasonably be viewed as interfering with the exercise of the individual's independent judgment.
 - b) Examples of foreseeable conflicts include:
 - i. a direct or indirect financial interest in the matter.
 - ii. a direct timely or business connection to the matter.
 - iii. any other interest which may involve a personal or related benefit, including offers of employment, influence and gifts.

3.4 Disclosure of Potential Conflict

- a) In addition to the general obligation to disclose foreseeable conflicts, if an employee is aware of a matter which may be considered a potential conflict of interest, he / she is not entitled to participate in the discussion or decision of said matter until
 - i. The individual discloses the concern to the Program Manager.
 - ii. The Program Manager advises employee on appropriate steps to take. Program Manager must seek Band Manager input if the Program Manager is uncertain on how to proceed.
- b) A person who is found by the Band Member to have breached the duties or restrictions of this policy, subject to the exceptions above, is subject to disciplinary action, including immediate dismissal.

4.1 ORGANIZATION OF FINANCES

4.2 Purpose

- a) Finances are to be organized so that they are clear and understandable.

4.3 Band-wide

- a) Band operations are to be divided into their major functional areas, namely education, health and social development, natural resources and housing and finance.
- b) All of the programs in a functional area are to be grouped together into "pools." For example, all of the education programs are to be placed into the "education pool."

4.4 Program level

- a) An activity that is significant in terms of funding received and / or money spent, and that differs significantly from other types of activities or programs, should be tracked as an individual program with a separate financial statement.
- b) Every program shall have a budget prepared as per this policy.
- c) Every program shall have one (1) individual who is responsible for the revenues and expenditures and for fulfilling the program's objectives.

5.1 FINANCIAL PRINCIPLES

5.2 Capital Replacement Fund

- a) Provision is to be made for replacing major assets such as the backhoe, and for the repair and maintenance of TLFN public buildings such as the school, recreation centre, etc. The operations and maintenance budget for each public building and the budgets for those programs which operate major equipment must each contain an amount to be transferred annually to the "Capital Replacement Fund," which is a program in the Capital Pool. The basis for the amount of the transfer should be noted in the annual budget.
- b) Capital Replacement funds are only to be spent with the approval of Council.

6.1 LOANS AND BORROWING POWERS

- a) The TLFN Council is prohibited from making loans to any member of Council, or any individual or group of individuals, from monies designated for the use and benefit of the Band, with the exception of housing loans duly approved by the Housing Committee and Council.
- b) The Council shall not co-sign any loan or provide any form of security for any loan made for the benefit of any individual or group of individuals other than for the Band as a whole and must follow the procedures as set out below in sub-sections 6.0 c) 2. i – iii.
- c) For the purposes of conducting Band business, Council may on behalf of the Band, borrow monies from a Chartered Bank, Trust Company, Credit Union or any other lending source under the following conditions:
 - 1. By Council Resolution, Council may obtain credit not exceeding \$1,000,000 to maintain local services and / or to finance capital projects. The Council Resolution must state the amount of the loan, its intended use, the interest rate, and how it will be repaid.
 - 2. Any loans over \$1,000,000 taken out by TLFN must have the approval of the membership at a duly convened Band meeting. Approval shall be obtained by the Council in the following manner:
 - i. Notice to authorize the loan shall be given by Council to all households on the Reserve and Band members who live off the Reserve. The notice shall state that the Council wishes to engage in a loan and details of the loan and repayment terms shall be included in the notice. A similar notice shall be posted at the TLFN administration office and at a conspicuous place on the Reserve fourteen

(14) days prior to the meeting.

- ii. The notice mentioned above shall state a time, date and location of a meeting of the TLFN membership to authorize the loan.
- iii. Council must inform the membership at the meeting of the amount of the loan, its purpose, the cost of the interest and how it will be repaid.
 - iv. The Council must hold a vote of members present at the meeting, before proceeding to contract the loan. Fifty-one percent (51%) of the persons present must indicate, by a show of hands, or secret ballot, approval to contract the loan.

7.1 DEBTS

7.2 Collection

- a) The Council, or its designate, on behalf of the Band membership, shall use debt collection agencies or the British Columbia Courts to collect debts, which are more than ninety (90) days in arrears. Prior to initiating collection action, the Council shall make reasonable efforts to re-negotiate payment of outstanding debts with the debtor. This re-negotiation must conform to section 7.0 of this Manual. If after thirty (30) days, no negotiation is possible, the Council shall take collection action as set out in this section.
- b) The Band Manager, or his/her designate, shall bill debtors monthly. These billings must be forwarded to the debtor by the 20th day of each month.
- c) When employees and Council, or their spouses (common-law or otherwise) owe the Band money and are in arrears, those amounts are to be deducted from their pay cheques or from other monies that are due to them from the Band.
- d) Band members, or other persons, are to be responsible for the debts owed to the TLFN by their spouses, which includes common-law relationships as well as marriages.
- e) Any debtor who feels he /she has not been treated fairly may appeal in writing to the Band Manager. The Band Manager will select two (2) Band members to form a grievance committee that includes the Band Manager. They will meet with the debtor, review the appeal and respond in writing to the appeal within fifteen (15) work days.
- f) Any debtor who disagrees with the decision of the grievance committee may appeal to TLFN Council in writing. Council's decision will be final and binding.

8.1 INVESTMENT POLICY

8.2 Objectives

- a) The investment objectives are as follows:
 - i. to preserve capital
 - ii. to maintain liquidity and adequate cash flow
 - iii. to optimize investment return within the constraints of the policy
- b) Allowable investments are as follows:
 - i. interest bearing chequing accounts in Schedule I or II banks
 - ii. direct obligations of the Canadian Government, such as treasury bills
 - iii. federally insured certificates of deposit (e.g. Term Deposits or Guaranteed Investment Certificates issued by the chartered banks or credit union central)
 - iv. First Nations Finance Authority Money Market Fund – up to \$100,000
 - v. First Nations Finance Authority Intermediate Fund – up to \$100,000

- c) The Finance Officer is to invest surplus funds in accordance with this policy.
- d) All investment transactions require the approval of the Finance Officer and one (1) other signing authority. The Finance Committee is to be provided with a Schedule of Investments every quarter. The Schedule is to show the amounts invested, rates of return, maturity dates, type of investment, and the institution with which it is lodged.

9.1 CAPITAL PROJECTS, TENDERING, AND SERVICE CONTRACTS

9.2 Capital Projects

- a) The Band recognizes that “best value” is a balance between achieving the lowest costs and maximizing the economic benefits from capital projects. The following principles and policies are to apply with regards to the tendering of capital projects:
- b) The use and development of local resources and people is to be maximized, subject to costs and available skills.
- c) The evaluation of tender bids will be conducted with full and open disclosure. For projects greater than \$100,000, the invitation to tender package should contain the following documents:
 - i. Tender instructions
 - ii. Tender and Contract form
 - iii. General Conditions
 - iv. Insurance Schedule
 - v. Contractor Statement of Qualifications
 - vi. Proof of Workers Compensation Board coverage
 - vii. Statement of work plan and specifications.
- d) The Band reserves the right to hire outside professionals, such as engineers, to execute the tendering procedures on their behalf.
- e) All tender documents will be treated confidentially until they are opened in public. The contract bidder who best meets the evaluation criteria shall be recommended to receive the contract, subject to Council approval.
- f) Copies of the bids and of each tendering process are to be kept on file.
- g) For contracts of less than \$500,000, three (3) bids will be invited from a list of qualified contractors. If necessary, a public tender will be issued in local and regional newspapers.
- h) For contracts over \$500,000 there is to be a public call for tenders advertised in appropriate newspapers and construction publications.
- i) For all contracts, the lowest tender received shall normally be accepted unless Chief and Council deem it to be in the best interest of the Band to accept a higher tender proposal because it:
 - i. Provides a better quality product or service
 - ii. Provides economic benefits to the Band or its members.
- j) The Council must approve the higher tender proposal by a motion containing the reasons for the decision to accept the higher tender.

9.3 Service Contracts

The contractor and the TLFN should document all work that outside parties are hired to do for the TLFN in writing in the form of a signed contract. The contract should clearly spell out such things as:

- a) For non-construction (professional) contract services exceeding \$75,000, proposals for services should be invited from at least three (3) individuals or firms, or be publicly advertised in local and regional newspapers.
- b) A Request for Proposals should have the following documentation available for interested contractors:
 - i. timing and key deadlines
 - ii. services to be provided, or deliverables expected
 - iii. amount to be paid and timing (e.g. progress payments)
 - iv. holdbacks, if any
 - v. other important key terms or conditions
 - vi. a letter of invitation
 - vii. a statement of work required
 - viii. proposal evaluation criteria
 - ix. Contract Agreement that includes general conditions and terms of payment

10.1 EXPENDITURES LARGER THAN \$1,000,000

10.2 Guidelines

The guidelines in this section are to be applied when Council is considering acquiring assets using unattached TLFN funds (i.e. funds that TLFN owns outright and is not tied to any government criteria). Most of the projects and programs the Band operates are funded by outside agencies. Some projects, however, are paid for with money that has been generated by the Band itself through land claims settlements, private enterprise, or by surpluses due to careful management of the annual operating programs that it carries out. All projects or outright purchases that will need at least \$1,000,000 of the Band's own funds (i.e. funds not provided by outside parties for that project or purchase) must be taken to the membership for their approval. Projects that cost more than \$1,000,000 but that are fully funded by outside agencies, or that require less than \$1,000,000 of the Band's own money, may be approved by Council alone.

- a) Projects or purchases that require more than \$1,000,000 of the Band's internally generated funds must have the approval of the Band membership at a duly convened Band meeting. The Council shall obtain approval in the following manner:
 - i. Notice to authorize the expenditures shall be given by Council to all households on the Reserve and Band members who live off the Reserve. The notice shall include a brief description of the project or purchase, the total cost, all of the sources of funding and the amounts from each source. A similar notice shall be posted at the TLFN administration office and at a conspicuous place on the Reserve fourteen (14) days prior to the meeting.
 - ii. The notice described above shall state a time, date and location of a meeting of the TLFN membership to authorize the expenditures.
 - iii. Council must inform the membership at the meeting as to what is being built or purchased, the total cost, all of the sources of funding and the amounts from each source.
 - iv. Council must hold a vote of members present at the meeting, before proceeding to spend the funds. Fifty-one percent (51%) of the persons present must

indicate, by a show of hands, or secret ballot, approval to proceed with the expenditures.

11.1 INSURANCE COVERAGE

11.2 Coverage

- a) Potential liabilities arising from accidents on or off Reserve that involve TLFN employees or assets, or liabilities arising from actions of TLFN employees, must be adequately protected by insurance. The following minimum coverage should be in place:
 - i. Commercial General Liability – protects against third party claims
 - ii. Medical/Professional Malpractice Insurance – to cover all of our health centre staff
 - iii. Property Insurance covering all Band assets from fire, earthquake and other perils
 - iv. Construction Insurance – the contractors should provide this during construction.
- b) The third party liability insurance on all vehicles is to be reviewed annually to ensure that the third party coverage is adequate.

12.1 DISCLOSURE

12.2 Purpose

The purpose of this section is to clearly outline the membership's rights of access to financial records of the Band.

- a) Copies of the following documents shall be made available to any member of the TLFN who requests them during regular office hours:
 - i. annual, or multi-year budget
 - ii. monthly financial statements
 - iii. audited consolidated financial statements
- b) To obtain access to other financial records, the member must make a written request to the Band Manager for a copy of the financial record, subject to Section 13.0.
- c) The Band Manager must make every effort to assist members who make a request for the disclosure of financial records. Also, the Band Manager must respond openly, accurately and completely to the member within thirty (30) days from the date a request is received unless more time is required. If more time is required, the Band Manager will inform the applicant when the Band Manager can respond.
- d) In his / her response, the Band Manager must advise the member in writing:
 - i. whether the member is entitled to have the financial record or part of the record disclosed to him / her
 - ii. if access to the financial record or to part of the record is refused, the reasons for the refusal.
- e) If the member is entitled to have the financial record disclosed to him / her and it can be reasonably reproduced, a copy of the financial record must be provided with the Band Manager's response. The applicant may be charged a reasonable fee for copying.

- f) If the member is entitled to have the financial record disclosed to him / her and it cannot be reasonably reproduced, the member must be permitted to examine the financial record at the TLFN administration office during regular business hours.

13.1 EXCEPTIONS TO DISCLOSURE

13.2 Exceptions

- a) The Band Manager must refuse to disclose to an applicant financial information as follows:
 - i. legal opinions which are subject to solicitor-client privilege
 - ii. other privileged documents which could reasonably be expected to reveal information received in confidence from a government, Band, Society, or Corporation
 - iii. information that could jeopardize negotiations relating to aboriginal self-government, treaties, or other issues
 - iv. information that could reasonably be expected to harm the financial or economic interests of the TLFN
 - v. information that would be an unreasonable invasion of a third party's personal privacy, including personal financial information relating to eligibility for or receipt of employment benefits, income assistance, education benefits or social service benefits, unless the financial information pertains to the payment of money, honorariums, contract fees, or employment benefits paid to a Councilor by the TLFN

14.1 ACCOUNTABILITY AND REPORTING

14.2 Membership

- a) It is important for the membership to receive financial information related to the effective delivery of the various programs and services offered by the Band. In order to evaluate the effectiveness of money spent, the following should be put in place for each program:
 - 1. clear objectives for the program
 - 2. measurable indicators that will help to show how successful the program is in terms of meeting some or all of its objectives
 - 3. employees should strive to meet with the membership once a year to:
 - i. review the objectives, activities, and performance indicators for each program
 - ii. seek feedback and ideas on how to improve the programs and services offered

15.1 AUDIT AND REPORTING REQUIREMENTS

15.2 Financial Statements

- a) Council shall have all TLFN finances audited annually by an independent auditor, in the following manner:

- i. an auditor shall be appointed by Council on or before the 15th of February of each year
 - ii. the audit shall be completed by JULY 31 of each year
- b) The audit must be carried out in accordance with Generally Accepted Auditing Standards and consolidated financial statements must be prepared in accordance with Generally Accepted Accounting Principles for local government entities.
- c) The audit will include all transactions involving TLFN finances. Council and employees shall provide the auditor with all required accounting records, minutes of Council meetings, vouchers and documents supporting the financial records.
- d) The audit shall report on all TLFN financial activities and shall include:
 - i. statements of revenue and expenditures for each program, service or activity
 - ii. details of surplus or deficits for each local service or capital program
 - iii. a consolidated balance sheet and statement of revenues and expenditures.
- e) A letter to Council that identifies any shortcomings in the accounting procedures or systems of internal control, and any other concerns that the auditor feels should be considered.
- f) All TLFN members are to be notified in writing when the audited financial statements are ready for distribution. Copies are to be made available to all members who request them.
- g) A copy of the audit must be permanently kept in the TLFN administration office.
- h) The Finance Officer will present the audited financial statements to the membership at a duly convened general meeting within six (6) months of the end of the fiscal year.

16.1 FINANCIAL CONTROL SYSTEMS

16.2 Controls

- a) The Finance Officer will ensure that adequate internal controls and systems are in place to ensure that:
 - i. all financial transactions are properly authorized
 - ii. all financial transactions are recorded and coded correctly
 - iii. all assets of the Band are safeguarded
 - iv. relevant, timely, and clear financial information is provided to those who need it to carry out their duties
 - v. error and fraud will be prevented and / or detected

16.3 Budgeting Process

- a) The TLFN's annual budgeting process is to be as follows:
 - i. Blank budgets are distributed to department heads during the first week of February in order to prepare the "provisional" budgets. Unless significant changes in funding are expected, funding for long-term programs is estimated using the prior year's figures.
 - ii. Budgets are finalized for presentation to Council by the fourth week of March.
 - iii. In October all budgets are reviewed and revised if necessary to reflect actual funding levels and significant changes to expenditures.
 - iv. All possible efforts must be made to balance each budget or to plan for a small surplus.

16.4 Monthly Reporting

- a) Annual budget figures are to be allocated as appropriate to the twelve (12) months of the year and are to be entered into the financial accounting system.
- b) Financial statements will be produced quarterly. By the fifteenth day of the month after each quarter is complete, financial statements for every Band program for the prior quarter are to be produced. The statements must minimally demonstrate the revenues and expenditures (R&E's) for the prior quarter, total R&E's for the year-to-date, the budgeted R&E's for the year-to-date, and the total budget for the year.
- c) A detailed general ledger listing and trial balance are also to be produced. All three documents are to be scrutinized for errors by the Finance Officer prior to release to TLFN employees.
- d) The Finance Officer and program managers responsible for their budgets are to scrutinize the monthly financial statements for over / under spending, uncollected revenues, and other anomalies.

16.5 Purchasing and Expenditure Authority

- a) Expenditures of TLFN funds may only be made if the expenditures have been budgeted for or approved by the Finance Officer, Controller/Band Manager, Program Manager, Operations Manager, Finance Committee, or Council, subject to the approval limits noted elsewhere in this document. If the purchase of an item has been approved as part of the annual budget and Council has approved the budget, then employees may purchase the item without further approvals being required. In these cases, the item and its expected cost should be specifically noted in the budget notes.
- b) Only the following employees have the authority to order or purchase goods or services on behalf of the Band.
 - Chief: Up to \$50,000 (anything over \$50,000 requires a quorum of Council to approve)
 - Councillors: Up to \$10,000 (anything over \$10,000 requires the Chief's approval)
 - Controller/Band Manager: Up to \$25,000 (anything over \$25,000 requires Chief and Council approval)
 - Program Manager: Up to \$10,000 (anything over \$10,000 requires Controller/Band Manager approval)
 - Operations Manager (Village and Water Treatment): Up to \$2,500 (anything over \$2,500 requires Controller/Band Manager approval)
- c) If an item to be purchased exceeds the approval limit of the employee who wishes to purchase it, and it has not been approved as part of the budget, then the employee must receive approval from their Program Manager. If the expenditure exceeds their Program Manager's expenditure limit, then the Program Manager must take it forward to the next level for approval.
- d) The Finance Committee may approve expenditures and transfers between programs of up to \$10,000. Written notice of the expenditures and / or transfers approved must be provided to each Councilor within one (1) week of the approval being given. Council must approve transfers or purchases totaling more than \$10,000. All approvals by the Finance Committee and Council, regardless of amount, should be clearly noted in the minutes.
- e) Council must approve all donations over \$500.

- f) Cheque signers are to be limited to the Band Manager, up to four (4) Councillors and one additional staff to be a signatory only in when no other Councillors are available. Two (2) signers are to sign every cheque.
- g) The Chief must sign every cheque. A Councilor or Controller will typically be the other signer. If the additional staff referred to in Section 16.4 f) is to sign any cheques, the Controller will make an attempt to inform at least one Council member by phone of the cheques that the additional staff member will sign, including identifying whose name is on the cheque, the amount and the purpose for the distribution.

16.6 Purchase Orders

- a) Purchasing goods or services consists of three separate functions:
 - i. initiating a purchase order
 - ii. receiving goods or services
 - iii. payment
- b) Procedures are required in each of these areas to ensure that all purchases are authorized and are accurately recorded in the accounts of the TLFN, and that the liability arising on purchases is paid on a timely basis.

16.7 Authority and Limits

- a) Chief and Council shall designate positions within the organization that have purchasing authority, and shall establish purchasing limits for each staff position that is granted purchasing authority.
- b) Purchases in excess of the limits established shall require the approval of a quorum of Chief and Council.
- c) Any changes made to the designated purchasing authorities or purchasing limits shall be approved by a quorum of Chief and Council and recorded in Chief and Council meeting minutes.
- d) Under no circumstances are the purchasing limits of each authority to be circumvented through the use of two (2) or more purchase orders to commit funds in the purchase any one (1) item or service.
- e) Persons with purchasing authority shall authorize purchases relating to the program budgets for which they are responsible.
- f) Under no circumstances shall employees authorize purchases outside of their designated program area(s).

16.8 Procedures

- a) Purchase orders will be used only by the following staff: Band Manager, Controller, O/M Manager, Social Development Manager.
- b) The TLFN will use purchase orders wherever possible when placing orders for goods or services.
- c) Blank, sequentially pre-numbered Purchase Order forms shall be issued and controlled by the Finance Officer. The blank Purchase Order forms are to be safeguarded under lock and key.
- d) Program Managers shall be provided with current charts of accounts of their programs to assist them when account-coding purchase orders.
- e) Any TLFN employee who wishes to purchase an item or service shall obtain the best possible financial arrangement for the TLFN. This means:

- i. obtaining the best possible price quotes
 - ii. purchasing in bulk when beneficial to do so
 - iii. minimizing shipping costs
- e) Purchase orders shall only be completed by individuals who have purchasing authority.
- f) All Purchase Order forms shall be completed in duplicate. A completed purchase order shall contain the following information:
 - i. name and address of the vendor
 - ii. description of the item or service
 - iii. quantity to be purchased
 - iv. total cost of the purchase
 - v. expected receipt date
 - vi. general ledger code used when recording the expense
 - vii. initials of the purchaser, as an indication of authorization
- g) Prior to completing a purchase order, the Program Manager shall determine if:
 - i. the program budget for which the purchase relates has sufficient funding available
 - ii. the goods or services are to be purchased for the benefit of the TLFN
 - iii. the purchase is in accordance with any existing funding agreements between the TLFN and funding agencies
- h) The Program Manager shall submit the original Purchase Order to the supplier, retain one (1) copy for his / her records, and forward one (1) copy to the accounting department. The Bookkeeper will enter the details of approved purchase orders into a control listing in order to track outstanding cash commitments.

16.9 Payment Processing

- a) The opening of any TLFN bank account shall require a resolution duly passed by Chief and Council.
- b) The TLFN must open a bank account with a recognized chartered banking institution to take care of the banking needs of the organization. Additional bank accounts may be opened if required.

16.10 Signing Authorities

- a) Cheques issued by the TLFN shall require two (2) signatures. Signing authorities are limited to the Band Manager, up to four (4) Councillors and one additional staff.
- b) Authorized signing officers shall not sign or prepare cheques made payable to themselves or to related persons.
- c) Any changes to the signing authorities must be approved by a quorum of Chief and Council and shall be noted in the minutes of a Chief and Council meeting.
- d) The bank shall be notified of any changes in signing authority.
- e) Blank cheques shall never be signed. Cheques must be properly completed prior to being signed.

16.11 Cheque Controls

- a) Blank cheques should be sequentially pre-numbered and stored in a secure location accessible only by the Accounting department.
- b) Cheques should be three-part forms, consisting of a cheque and two (2) advices (cheque stubs). Advices shall include the following information:

- i. payee
 - ii. date of payment
 - iii. amount of payment
 - iv. cheque number
 - v. reference numbers for documents being paid
- c) Once the approved accounts payable coding voucher has been entered into the general ledger, cheques must be prepared, issued, and recorded in the general ledger in order to discharge the liability.

16.12 Payment Processing Procedures

- a) Cheque runs should be prepared on a regular basis.
- b) Purchase discounts should be taken when available.
- c) A pre-cheque register shall be prepared by the Bookkeeper. The pre-cheque register shall list the following information for each cheque that is to be prepared:
 - i. payee
 - ii. amount
 - iii. invoice numbers and invoice amounts that are being paid
- d) The Finance Officer shall review the pre-cheque register to verify that only invoices that are due will be paid during the cheque run. The Finance Officer shall initial the pre-cheque register as an indication of review.
- e) The Bookkeeper will prepare cheques based on the pre-cheque register.
- f) The entry to record the payment in the general ledger will be a debit entry to the accounts payable account and a credit entry to the designated cash account.
- g) The printed cheque and related accounts payable coding voucher will be matched together to form a payment voucher.
- h) Prior to signing the cheques, the payment voucher shall be reviewed by the two (2) signing authorities.
- i) Cheque signers shall review the payment voucher to ensure that the documentation is accurate and complete.
- j) Signed cheques will be mailed on the day of signature.
- k) The cheque and one (1) copy of the cheque advice shall be forwarded to the vendor.
- l) The second copy of the cheque advice shall be attached to the completed payment voucher.
- m) The completed payment voucher will be stamped "PAID" by the Bookkeeper and filed alphabetically by vendor name.
- n) A finalized cheque register by the Bookkeeper shall be prepared and kept on file.

16.13 Spoiled or Lost Cheques, Cheques Issued in Error

- a) When a cheque is reported lost, destroyed, or stolen, the cheque shall be canceled and a stop payment order sent to the bank. A second cheque may be issued only after the bank has received a stop payment order and confirmed that the original cheque has not cleared the bank.
- b) If a cheque contains an error, it must be marked "VOID", and the signing area must be blotted or cut out. The spoiled cheque must be retained and filed in numerical sequence with the cancelled cheques for that month when the cheques are returned from the bank.

- c) TLFN cheques not presented to the bank for payment (outstanding cheques) within six (5) months of the date of issue are considered “stale dated”. These payments shall be voided and a stop payment shall be ordered. Another cheque may be issued upon request of the payee.
- d) The Bookkeeper will prepare adjusting entries to reverse voided, staled-dated, and spoiled cheques on a timely basis.
- e) Lost cheques must have a stop payment and confirmation that it has not cleared the bank before another cheque will be reissued.

16.14 Payroll Controls

To ensure that all salaries, wages, and benefits paid are correct and are for bona fide employees, the following procedures have been put in place.

- a) A Hiring Form must be completed for each new employee. The manager who has hired the employee must ensure that the TD1 exemption is submitted to finance before payroll can be processed for any new employee.
- b) Hiring letters specifying the name, wage and start date must be completed for each new employee and be stapled to the Hiring Form.
- c) The wage and particulars on the Hiring Form must be checked against the wage grid and initialed by the payroll clerk.
- d) Wage Change Forms must be completed for all pay rate changes.
- e) Timesheets must be fully completed bi-weekly and signed by the immediate supervisor. Employees must complete their own timesheets and are responsible for ensuring that their timesheets are accurate.
- f) All statutory and non-statutory leaves and overtime must be tracked on a running basis on each time sheet.
- g) All leave taken by employees must be approved in advance by the immediate supervisor and Band Manager and copies of the Leave Form are to be forwarded to Accounting to be checked against the employee’s timesheet(s) and to be entered on the employee’s annual Leave Tracking sheet.
- h) Payroll will only be processed when the payroll processing form is completed by the employee and signed off by the Manager.
- i) For Direct Deposit Cheques, the Finance Officer or Program Manager is to review and initial each page of the Payroll Register for EFT (Electronic Fund Transfer) payments. Whoever reviews the EFT payroll should be one of the two people who reviews the manual payroll.
- j) The Finance Officer or Program Manager is also to initial the Payroll Register Grand Total Report that shows the grand total of all EFT payments.
- k) The employee completing the bank reconciliation must agree the EFT payments total on each Payroll Register Grand Total Report to the bank statement and must initial the Payroll Register Grand Total Report(s) to show that she / he has done so.
- l) If the Finance Department knows of or finds a discrepancy on any forms, Finance Department will clarify the issue with the person who signed off on the form.

16.15 Cash Management

- a) Receipts are to be issued for all cash and / or cheques received over the counter.
- b) Deposits are to be made at least once a week, or when more than \$10,000 is on hand.

- c) The amounts deposited must correspond to the total of the cash received per the cash receipts listing.
- d) The controller will hold any cash, keeping it in a secure location and place it in a bank at the earliest convenience.
- e) The bank account is to be reconciled prior to the monthly financial statements being printed.

16.16 Petty Cash

Occasionally, the TLFN may require the use of immediate cash on hand when the cheque disbursement process may not be practical. The use of petty cash is intended only for the purchase of incidental items where cash is the only practical method of payment.

- a) The Finance Clerk shall be the petty cash custodian. This person is responsible for disbursing the petty cash, when needed, in exchange for an original, signed, and account coded receipt for the disbursement amount.
- b) A Petty Cash Fund shall be established in the amount \$100.
- c) The petty cash box will be maintained on a balanced basis, meaning that at all times, the petty cash box shall contain cash and expenditure receipts that equals the amount of the Petty Cash Fund.
- d) Petty cash funds shall be stored in a locked box in a secure place.
- e) To establish the fund, a cheque shall be drawn, made payable to the Band Manager. The cash obtained from cashing the cheque shall be placed in the petty cash box.
- f) A general ledger entry shall be made by the Bookkeeper to debit petty cash, and credit the main cash account.
- g) When petty cash runs low, the Band Manager shall submit a purchase order with the petty cash receipts attached for the amount to be replenished. This purchase order will be coded by the Band Manager with the appropriate general ledger expense account codes and recorded as debits to the expense codes and a credit to cash.
- h) The Finance Officer or some other individual who is not the custodian of the Petty Cash Fund should count petty cash monthly.

16.17 Credit Card Management

From time to time, a credit card may be necessary to purchase certain products or services for the TLFN. To minimize the risk of inappropriate purchases, the number of individuals authorized to use the credit card should be kept to a minimum, and access to the card shall be restricted.

16.18 Purchase Authorization and Credit Limits

- a) Chief and Council will designate the persons who will be authorized to use the credit card. The names of the authorized employees and / or Chief and Council shall be noted in the minutes of a Chief and Council meeting. The credit card shall be registered in the name of the TLFN and shall indicate the name of the authorized employee on the credit card.
- b) The TLFN's credit limit on the credit card, in accordance with the credit lending institution, shall be established at a maximum amount of \$10,000.
- c) Only authorized personnel may use the credit card and sign for purchases on the credit card. The Band Manager must be notified any time that the credit card is being used.

- d) The credit card shall not be used for cash advances or bank transfers. A Personal Identification Number (PIN) will not be permitted.
- e) Personal purchases are not permitted on the TLFN's credit card.
- f) When not in use, the credit card shall be kept in the safe.
- g) Examples of purchases permitted with the credit card are as follows:
 - i. meeting costs
 - ii. travel expenses
 - iii. accommodation
 - iv. vehicle rentals
 - v. office supplies

16.19 Accounting for Credit Card Purchases

When a credit card purchase is completed, the purchaser shall:

- a) Initial the invoice or receipt as an indication of authorization.
- b) Code the invoice with the appropriate general ledger expense account code.
- c) The purchaser shall promptly submit the receipt and invoice to the Accounting department.
- d) Each month, the Bookkeeper shall reconcile the credit card monthly statements to actual credit card receipts. Any discrepancies shall be investigated immediately.
- e) Each purchase appearing on the monthly statement shall be recorded as a debit to the appropriate expense account and a credit to the accounts payable account.
- f) An accounts payable coding voucher will be completed by the Bookkeeper.
- g) The Finance Officer shall review the voucher, initial it, and return the approved voucher to the Bookkeeper for payment on the next cheque run.
- h) Credit card balances should be paid in full by the due date, except in circumstances where certain purchases may be in dispute, in which case only the balance not in dispute shall be paid.

16.20 Financial Data Management

All financial data is to be managed and protected in the following ways:

- a) Computerized accounting data is to be stored on the server.
- b) The server is to be backed up each night and the backup media taken off site. The back-up may be in the media form of a disc and should be stored:
 - i. under lock and key
 - ii. at a location away from the TLFN office
 - iii. in a fire-proof container
- c) Anti-virus software is to be installed and regularly updated.
- d) Passwords are required to access each computer.
- e) Absolutely no one who is not an authorized TLFN employee is allowed access to the Band's computers, including immediate family before, during or after work hours. This policy is strictly enforced.
- f) The use of external (Non-TLFN) discs is not permitted. As well, the use of TLFN discs with other computers is not allowed.
- g) All hard copy accounting information is to be stored neatly in binders or file folders and is to be kept in lockable filing cabinets unless it is not confidential in nature.
- h) Hard copy files are to be kept for seven (7) years. Digital data (excluding backups) should be kept for the same length of time.

- i) Extremely sensitive or valuable accounting documents are to be kept in the safe.

16.21 Asset Protection

TLFN assets are for use in all TLFN programs. Assets are not for personal use. There are three (3) main goals that relate to the TLFN's capital assets.

- a) To be able to identify what assets the TLFN owns. This information is useful in the following ways:
 - i. Employees know what assets they have to work with.
 - ii. Program heads can periodically verify that the assets in their care have not gone missing. Having a list of assets for each program is both a preventive and detective internal control that helps to protect assets from theft.
 - iii. Employees can tell all interested parties (members, Council, etc) what assets the TLFN owns.
- b) To track the costs of assets so that the value of TLFN assets is known. This information is useful for insurance purposes and so that the TLFN knows roughly how much it might cost to replace assets when they need replacing.
- c) To track the accumulated depreciation of the assets to identify to what degree certain assets are reaching the end of their useful lives. This information is particularly useful with respect to municipal infrastructure such as piping, which is not visible.

In order to fulfill the above-stated goals, the following procedures are to be carried out:

- a) A complete inventory list of all TLFN assets shall be established and updated annually to include:
 - i. cost and year of original purchase
 - ii. program that purchased the item
 - iii. brief description of the item purchased
 - iv. item's serial number
 - v. date of sale (if sold)
 - vi. write-off or sale price
- b) This inventory shall be updated annually. A copy is to be provided to the auditor. Each year each program head is also to be given a list of the assets that belong to their program.
- c) New assets purchased shall be recorded in the asset database or capitalized if they cost more than \$500 and are deemed to have "lasting value".
- d) All capital assets are to be amortized.
- e) Periodically, the existence of items contained on the master inventory list should be verified. At the same time a list of missing, unserviceable or obsolete items should be drafted for the Finance Officer to review for writing-off purposes and for the Band Manager to review for follow up with departmental employees.
- f) Only the Chief and Council are authorized to write-off an asset whose value is \$1,000 or more. Write-offs should be done through a formal motion. Such a motion is to be recorded in the meeting minutes.
- g) Assets are to be locked up and protected to a degree that is commensurate with their value and ease of theft. Small, desirable items are to be engraved.
- h) Program Managers are responsible and will be held accountable for ensuring the protection of the assets that belong to their program.

- i) All employees (not just managers) will also be held accountable for the security of TLFN assets that relate to their job function and / or program.

16.22 Protection of Equipment

- a) Chief and Council, and other TLFN management personnel are responsible for safeguarding the assets of the TLFN. Unauthorized, personal use of the TLFN's assets shall not be permitted. The three main duties of equipment protection are:
 - i. to monitor
 - ii. to update
 - iii. to protect
- b) All employees will sign a form when removing equipment from the TLFN grounds and sign when the equipment is returned.

16.23 Insurance

- a) Adequate insurance coverage must be provided on all assets to protect against all perils. In addition, third party liability insurance should be maintained.
- b) Insurance coverage should be reviewed by the Band Manager and updated, if necessary, on an annual basis.
- c) Fraud Insurance shall be purchased to protect the TLFN from fraudulent cheques being issued in the case of employee dishonesty.
- d) Employees who are required to handle the TLFN's cheques and cash must be bonded.

16.24 Keys and Security Codes

- a) Office keys and alarm codes shall be provided to a limited number of TLFN employees.
- b) Employees must sign to receive keys at the time they are issued.
- c) Keys should be engraved "Do Not Duplicate", and under no circumstances shall any key be transferred to, or duplicated for, another employee or person. Any individual leaving the employ of the TLFN must return keys to the Band Manager.
- d) Employees assigned key(s) and the alarm code have the responsibility of locking and securing the office before leaving and are also responsible for using their assigned keys to secure assets located within the office.

16.25 Policy Development

- a) Written policies are to be developed and implemented for all programs or program areas that handle money. This includes Patient Travel, Social Assistance, Post Secondary and other programs. The policies should state clearly:
 - i. who is eligible to receive money
 - ii. how much they are eligible to receive
 - iii. the process followed to decide who is eligible to receive money
 - iv. an appeal or grievance process through which members can seek redress if they are unhappy with a decision that has been made

16.26 Fundraising

- a) All funds that are raised on behalf of activities overseen by TLFN employees are to be brought to the Accounting department and deposited to the credit of the program or project that the money was raised for. Cash that is raised is to be brought to Accounting within twenty-four (24) hours of the event. Fundraisers are to make arrangements with

the Accounting department to ensure the money is deposited promptly, even if the event is on a weekend.

- b) Employees and / or the group that has fundraised can only spend up to the amount of money raised. Old debts (e.g. past overspending) must be repaid and cleared before new spending can occur.

16.27 Travel

From time-to-time, TLFN employees may be required to travel to carry on the business affairs of the TLFN. Travel budgets shall be established for all TLFN departments that may require travel

16.28 Approval for Travel

- a) The Band Manager shall authorize travel for employees.
- b) Estimated travel costs must be within the travel budget limit for that program, and cannot exceed the purchasing authority limits set by Chief and Council.
- c) Any travel cost in excess of available budgets or in excess of purchasing authority limits must be approved by Chief and Council, and noted in the minutes of a meeting.
- d) The Band Manager shall review the reasonableness of the claim and sign the Travel Expense Claim form as an indication of approval.

16.29 Responsibility for Coordinating Travel

Upon receiving authorization to travel, individuals are responsible for making their own travel arrangements. Travel arrangements must result in the most economical use of resources.

16.30 Travel Advances

- a) Travel advances must be approved by the Chief for Program Managers and the Controller's travel prior to the individual(s) requesting a travel advance from the Accounting Department.
- b) Travel advances must be approved by the Program Manager responsible for staff travel prior to the individual(s) requesting a travel advance from the Accounting department.
- c) A cheque requisition form (See Appendix A – Cheque Requisition) must be completed and approved. Once approved, it shall be submitted to the Bookkeeper for payment.
- d) In the event that an employee cancels the travel arrangement, or cannot attend the out-of-town meeting / conference, any advances received prior to travel cancellation must be repaid immediately.
- e) When an employee who has received a travel advance from TLFN and is also getting reimbursed by another agency for the said travel, the employee will make the travel claim out to the TLFN, and not to the individual traveler / employee. Failure to comply with this policy will result in discipline.
- f) All travel advances will be deemed cleared only after the employee has submitted the necessary receipts that show that expenses were incurred for the travel.

16.31 Travel Expense Claims

- a) Employees must submit completed Travel Expense Claims to the Band Manager within ten (10) days of completing travel.
- b) Travel Expense Claim forms shall include:

- i. purpose of the trip
 - ii. dates of travel
 - iii. amount of expenditures
 - iv. general ledger expense codes
 - v. original travel expenditure receipts
 - vi. amount of travel advances received
- c) Charge card slips for expenses other than gas and taxi costs are unacceptable on their own, as they do not provide sufficient information for auditing purposes.
- d) Claims that do not follow the guidelines will be returned to the claimant for adjustment and completion, and are to be re-submitted within five (5) days after the return of the claim.
- e) The approved Travel Expense Claim form will be submitted to the Bookkeeper with the original receipts attached.
- f) The Bookkeeper will check the addition of the Travel Expense Claim form, and verify the amount of advances to be deducted from the claim.
- g) The Bookkeeper will process payment for the travel expense claim.

16.32 Travel Subsidies Offered by Hosts

From time-to-time, host agencies of conferences and meetings may subsidize transportation and accommodation expenses. In these cases, the employee must provide the Accounting department with the details of any subsidies offered by the host agency.

16.33 Airline Travel

- a) Prior approval must be obtained from the Band Manager for all airline travel, including the ability to cancel or transfer and the related costs, if any, for canceling or transferring the airline travel.
- b) All airline travel must be "economy" class.

16.34 Travel By Automobile

- a) All employees and representatives using private vehicles for authorized travel must have a valid class five (5) drivers license and a minimum two million dollars (\$2,000,000) third party liability vehicle insurance.
- b) Travel mileage will be reimbursed at rates established by Chief and Council. The approved rates shall be noted in the minutes of a Chief and Council meeting.
- c) If mileage exceeds the cost of economy airfare, only the lesser amount will be reimbursed.

16.35 Meal Allowances

- a) Each employee who travels on authorized business will be provided with a meal allowance. Rates will be set by Council and updated from time to time.
- b) Meal allowances cannot be claimed if:
 - i. meals are provided at the meeting
 - ii. there is only a partial days travel
 - iii. another travelling member pays for a meal

16.36 Accommodations

- a) Only the most reasonable single hotel rates will be reimbursed, and will not cover family or other persons who accompany a representative.
- b) The employee is responsible for obtaining a cancellation confirmation number whenever a hotel room booking is cancelled.

16.37 Vehicle Rentals

- a) All rentals should be for non-luxury, intermediate-size or smaller cars, unless four (4) or more people are travelling together.
- b) Prior approval must be obtained from the Band Manager for all vehicle rentals.
- c) Adequate insurance must be obtained on all vehicle rentals.

16.38 Expenses Not Permitted

- a) Typical expenses not be permitted include the following (this list is neither exclusive, nor exhaustive):
 - i. interest charges on outstanding credit card balances
 - ii. mini-bar charges, excursions, or similar items
 - iii. travel expenses are not reimbursable for family members
 - iv. laundry and dry cleaning
 - v. costs resulting from failure to cancel a guaranteed reservation
 - vi. parking fines and traffic fines
 - vii. excess personal baggage fees
 - viii. any personal travel, or personal travel expenses that are an extension of an TLFN-related trip that are either personal or related to another business or committee meeting
 - ix. representatives will only be reimbursed if they attend a full meeting or the majority of the meeting
 - x. childcare costs

16.39 Cell Phones for Chief and Band Manager

The Chief and Band Manager cell phone will be 100% funded up to \$400/month.

16.40 Elders' Honoraria

- a) Funds used by Administration to support Elder's Honoraria will be provided at the following rates:
 - i. \$100 for full-day meetings
 - ii. \$50 for ½ day meetings
 - iii. \$20/hour for meetings that are two hours or less
- b) Council members must adhere to the TLFN Council Travel Policy.
- c) Employees must adhere to the TLFN Employee Travel Policy.

17.1 PAYROLL PROCESSING

First Nation Administrations, on reserve, are subject to federal jurisdiction. Therefore, all employee payroll policies must adhere to the Labour Codes of Canada.

17.2 Confidentiality

Payroll information is confidential. Access to payroll information and personnel files must be restricted to authorized TLFN employees.

17.3 Approved Pay Rates

- a) Annual salary schedules shall be established for each employment position at the TLFN. These salary schedules shall be approved by the Band Manager and shall contain the following information:
 - i. employee name
 - ii. job title
 - iii. wage rate or annual salary
- b) Pay rate information for each employee should be stored in his / her personnel file.
- c) Any changes to an employee's rate of pay must be reflected in both the accounting records and the personnel records.
- d) Payroll must be notified in writing of any terminations, vacations, or leaves of absence.
- e) From time-to-time, the employee master payroll file should be reviewed by the Band Manager to ensure that the master file agrees with personnel records.

17.4 Payroll Deductions

- a) All employees must complete a TD 1 form annually on the first work day of January. The purpose of completing / updating this form is to provide the employer with such information as name, address, SIN, dependants, and tax position. New employees must complete this form on their first work day.
- b) Under no circumstances should a name be added to the payroll without having received a formal authorization notice from the Band Manager.
- c) TD 1 forms should be stored in the employee's personnel file.
- d) The following deductions may be required from employee pay cheques:
 - i. Canada Pension Plan ("CPP")
 - ii. Employment Insurance ("EI")
 - iii. Federal income taxes
 - iv. Provincial income taxes
- e) The employee must authorize other optional deductions, such as social housing rent, in writing.

17.5 Frequency

- a) The TLFN pays salaries to its employees on a bi-weekly basis, twenty-six (26) pay periods per year.
- b) The TLFN pay periods are every second Friday.
- c) The pay period shall include hours worked up to the previous Friday.

17.6 Payroll Processing

- a) Each employee is expected to make daily work attendance entries on timesheets. Completed Time Sheets must be handed in with the Signing In and Out forms confirming and deducting all lunches / breaks taken, and time away for personal appointments. Payroll will not be calculated unless forms are handed in together.

- b) Tardiness will be deducted to the nearest quarter hour (e.g. if scheduled start time is 8:30 a.m., an 8:35 a.m. arrival will result in payroll calculating work starting at 8:45 a.m.) An opportunity to make up lost time will be at the discretion of the Band Manager.
- c) Each employee is responsible for remitting their completed Time Sheet to their responsible Program Manager at the end of each pay period.
- d) At the end of each pay period, each Program Manager shall ensure that all Time Sheets have been collected for their department(s) and forwarded to the Band Manager.
- e) Cheques will be calculated and processed before 10:00 a.m. on the Monday prior to Friday's scheduled pay. Therefore, the Time Sheet and Signing In and Out form must be remitted before this time. Failure to comply with this policy will lead to delays in cheque processing. Cheques will not be issued before the scheduled payday. There will be a one-week holdback for all employees.
- f) The Program Manager shall review Staff Monthly Timesheets as follows:
 - i. add the hours worked for each employee
 - ii. sign the Time Sheet as an indication of review and approval for pay
 - iii. submit the Time Sheets to the Accounting department
- g) Overtime and requests for time off must be approved by the Band Manager. She / he shall confirm the employee's entitlement (e.g. vacation entitlement) to the requested time off prior to approving the time-off request.
- h) The Bookkeeper will review the authorization and adding on each Time Sheet for accuracy. Any time-off in excess of available sick days or vacation days must be deducted from an employee's payroll for that pay period.
- i) No payroll cheque shall be issued to an employee, or direct deposited into an employee's bank account until an accompanying approved Time Sheet and Signing In and Out form is received, and reviewed by the Bookkeeper.
- j) Each pay period, the Bookkeeper shall prepare a payroll register that lists the following information for each employee receiving a pay cheque:
 - i. earnings
 - ii. deductions
 - iii. benefits
 - iv. net pay for the pay period
- k) The Finance Officer prior to preparing pay cheques shall review the payroll register for reasonableness and accuracy. The Finance Officer will initial the payroll register as an indication of review.
- l) The Bookkeeper shall record the payroll into the general ledger based on the payroll register.
- m) Each employee's pay should be recorded to the responsible department. Payroll accruals for federal source deductions and other benefits should be entered at this time.
- n) Pay cheques, including two (2) advices, shall be prepared and submitted to two (2) authorized cheque signers.
- o) The advice portion of each payroll cheque should contain a summary of the employee's earnings, deductions, and benefits for the pay period, and should provide year-to-date summary information.
- p) All cheques will require signatures from two (2) signing authorities. The signing authorities must review the pay cheques for reasonableness prior to signing.
- q) Authorized signing officers will not sign or prepare cheques made payable to themselves or to related persons.

- r) After the pay cheques have been signed, the Bookkeeper shall record each pay cheque number next to the relevant employee line on the payroll register.
- s) An advance on an employee's salary may be made only with written pre-approval from the Band Manager, and shall only be approved in unusual / emergency situations, never to exceed the amount of the employee's salary.

17.7 Distribution of Pay

- a) An employee of the TLFN may choose to direct deposit their payroll into their bank account. Steps to initiate direct deposit are as follows:
 - i. Employee must obtain a form to request a direct deposit.
 - ii. The employee obtains the necessary account information and signatures from their banking institution
 - iii. It is returned to the Finance department, where the process to set-up direct deposit takes approximately two (2) weeks.
 - iv. Any change in banking information must be reported to the Finance department as soon as possible.
 - v. Although there are many benefits to direct deposit (pay deposited on Statutory holidays, sick days, holidays, etc), incorrect amounts of earnings cannot be deposited until the next scheduled pay period.
- b) When distributing pay, the Bookkeeper will require proof of identity from each individual receiving a pay cheque.
- c) All cheques for absent employees shall be retained in the Accounting department and must not be turned over to another individual for delivery. However in emergency situations, with the Band Manager's approval, a cheque may be distributed for an absent employee to an approved immediate family member.
- d) It is the employee's responsibility to deposit their pay cheque into their own financial institution, and not the responsibility of the Bookkeeper. The employee however may wish to choose to have their earnings directly deposited into their account.
- e) Any payroll cheques issued should be distributed to employees by the end of the day.

17.8 Grants, Contributions, and Cost Recoveries from Government, and Non-profit Organizations

- a) A copy of all funding agreements is to be forwarded to the Finance Officer.
- b) A "Summary of Funding Arrangements" shall be prepared and updated by the Finance Officer on an on-going basis. The Summary shall contain the following information:
 - i. name of the funding organization
 - ii. anticipated date of receiving the funding
 - iii. date funding is actually received
 - iv. basis on which funding is calculated (flat amount, costs incurred, etc.)
 - v. TLFN employees in charge of project(s) being funded
 - vi. due dates for required project reporting to the funding organization
- c) The Summary of Funding Arrangements shall be updated for:
 - i. funding received as recorded on the daily cash sheets
 - ii. amendments made to the funding agreements

17.9 On-going Procedures

- a) The Band Manager will review all funding agreements.
- b) The Finance Officer shall prepare a journal entry voucher to record the revenue into the related program in the general ledger as a credit to revenue as at the earlier of:
 - i. the date that the funding is received
 - ii. the date that the funding becomes receivable
- c) For revenue recorded at the date that the funding is received, a credit shall be recorded to the revenue account and a debit shall be recorded to the cash account based on the amounts received per the cash control sheet.
- d) For revenue recorded before the funding is received, a credit shall be recorded to the revenue account and a debit shall be recorded to the accounts receivable account based on the dates and amounts stated in the funding agreement.
- e) Funding received after it has been recorded as an amount receivable, shall be recorded as a debit to cash and a credit to accounts receivable.

17.10 Month End Procedures

- a) At month end an "Accounts Receivable Aging Report" shall be prepared by the Bookkeeper indicating funding amounts receivable based on:
 - i. the previous month's balance, plus
 - ii. amounts that became receivable during the month, minus
 - iii. cash amounts received from funding organizations during the month
- b) The total amount of funding receivable as indicated on the Accounts Receivable Aging Report must agree to the balance of the accounts receivable control account in the general ledger. Any discrepancies shall be promptly investigated and corrected by the Bookkeeper.
- c) The Finance Officer shall review the daily cash sheets and ensure that all cash deposits have been recorded correctly in the general ledger as a credit to revenue, (or as a credit to accounts receivable for revenue previously recorded).
- d) The Finance Officer shall review any funding not received by the anticipated due date, and follow up with the responsible Program Manager and / or funding agency to determine when the funding will be received and determine if the amount is collectible.
- e) The Finance Officer shall ensure that all required project reports are completed and filed on time by the responsible Program Manager, and whether any projects can file a cost recovery claim based on the TLFN's completion of project activities up to the month-end.
- f) The Finance Officer shall review all project reports prior to filing the report with the funding agency.

18.0 POLICY REVISIONS

Council has the authority and responsibility to update this Manual from time to time after consultation with the Band Manager and staff.