

Sipekne'katik



Finance Policy

Administrative Policy & Procedure Manual

Chief and Council Approved March 31, 2021

Chief Initials _____

SIPEKNE’KATIK

Approved by Chief and Council March 31, 2021.

This Finance Policy replaces (previous versions)

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Table of Contents

- 1. Financial Administration 8
 - Policy Statement 8
 - Guiding Principles..... 8
- 2. Title..... 8
- 3. Definitions 9
- 4. Hierarchy of Financial Authority..... 15
 - Roles and Responsibilities for Council..... 15
- 5. Annual Budget 16
 - POLICY 16
 - ADMINISTRATIVE PROCEDURES 18
 - Annual Integrated Planning and Budgeting Process 18
 - Departmental Budget Procedures 19
 - Five Year Strategic Plan 20
 - Multi Year Financial Plan..... 20
 - Adjustments to the Plans and Budgets 20
 - Monitoring of Financial Performance 21
- 6. Financial and Operational Reporting..... 22
 - POLICY 22
 - ADMINISTRATIVE PROCEDURES..... 23
 - Financial Reports List 23
 - Financial statement preparation..... 24
 - Financial Reporting Risks..... 26
 - Fiscal year 27
 - Annual Report 27
- 7. Financial Institution Account and Cash Management..... 28
 - POLICY 28
 - ADMINISTRATIVE PROCEDURES..... 29
 - Financial institution account management..... 29
 - Cash & Cheque receipts 31

- Petty Cash 31
- Cheque stock..... 32
- Credit Lines..... 32
- Corporate Credit Card 32
- Opening a Financial Institution Account 33
- Closing a Financial Institution Account 33
- Financial Agreements..... 33
- Account Reconciliation..... 34
- Internal Independent Review..... 34
- Irregularities 34
- 8. Borrowing 35
 - POLICY 35
 - ADMINISTRATIVE PROCEDURES..... 36
 - Determination of need and evaluation of options 36
 - Approval..... 37
 - Management and monitoring of debt obligations..... 37
 - Reporting..... 37
 - Use of Borrowed Funds..... 37
 - Information Management..... 38
- 9. Lending, Guarantees and Indemnities..... 39
 - POLICY 39
 - ADMINISTRATIVE PROCEDURES..... 40
 - Requirements..... 40
 - Leases..... 41
 - Collection 42
 - Debt Forgiveness..... 42
 - Write-offs 42
 - Monitoring and Reporting..... 43
 - Record Keeping 43
- 10. Investments 44
 - POLICY 44
 - ADMINISTRATIVE PROCEDURES..... 45

Chief Initials _____

- Determine Investment Management Strategy 45
- Risk Assessments..... 45
- Investment Accounts 46
- Selection of Investment Manager 46
- Termination of Investment Manager(s) 46
- Designation and transfers of investment funds..... 47
- Government Transfer Funds and Local Revenues Permitted Investments..... 47
- Monitoring of Investments 47
- Re-balancing of the Investment Portfolio 47
- Record Keeping 48
- 11. Procurement..... 49
 - POLICY 49
 - ADMINISTRATIVE PROCEDURES 50
 - Purchasing of Goods and Services 50
 - Competitive Purchasing Process 51
 - Approval, initiation and monitoring..... 53
 - Documentation requirements 54
 - Monitoring of Suppliers 54
 - Encouraging new contractors/suppliers 54
- 12. Financial Management: Expenditures & Records 55
 - POLICY 55
 - ADMINISTRATIVE PROCEDURES 57
 - General and Operational Expenditures..... 57
 - Sipekne’katik Payroll Procedures 60
 - Employee Utility Advances..... 62
 - Travel for Band Council and Staff 62
- 13. Capital Assets..... 68
 - POLICY 68
 - ADMINISTRATIVE PROCEDURES 69
 - Capital Asset Register..... 69
 - Amortization / Depreciation 70
 - Annual inspection and review 71

Chief Initials _____

- Safeguarding Assets 71
- Maintenance of Assets..... 71
- Life Cycle Management Program..... 72
- Capital Projects 72
- Construction management 73
- Acquisition of Tangible Capital Assets 73
- Capital Asset Reserve Fund 73
- Disposal of Tangible Capital Assets 73
- Inventories 73
- 14. Insurance 75
 - POLICY 75
 - ADMINISTRATIVE PROCEDURES..... 75
 - Identify significant material risks 76
 - Identify, procurement and approval of insurance products..... 76
 - Approval for Insurance Coverage..... 76
 - Maintenance of insurance coverage..... 76
- 15. Financial Management System Improvement..... 77
 - POLICY 77
 - ADMINISTRATIVE PROCEDURES..... 78
 - Financial Management System Review..... 78
 - Internal Assessments 78
 - Continual improvement process..... 78
 - Review of Financial Administration Law 78
 - Membership information or involvement 79
- 16. Community Disbursements and Land Claim Settlements 80
- 17. Amendment..... 80
- 18. Violation of Policies 80
- 19. Severable 80
- Appendix A – Annual Planning & Budget Calendar 81
- Appendix B – Financial Institution Account Reconciliation Template..... 83
- Appendix C – Sample Contractor/Supplier Evaluation Template..... 84
- Appendix D – Local Content 85

Chief Initials _____

Appendix E – Travel Distances and Per Diems 86

Appendix F – Reimbursable Expenses Claim Template 87

Appendix G – Payment Requisition Form..... 88

Appendix H – Payroll Time Sheet 89

1. Financial Administration

Policy Statement

This Sipekne'katik Finance Policy (SFP) regulates the receipt, management, and expenditure of Sipekne'katik monies and stipulates the required structures, processes and procedures for administering all funds. The policy has been written to ensure the integrity and transparency of all Sipekne'katik financial information. The use of administrative controls, transparency, and financial accountability will allow Sipekne'katik to better manage the resources entrusted to Sipekne'katik on behalf of its members.

Guiding Principles

- Sipekne'katik monies which are held "in common" for all members of Sipekne'katik must be used for the benefit of all its members;
- Whenever possible, consideration should be given to use or conserve existing monies in such a way as to benefit not only current members but also future generations;
- Sipekne'katik has been authorized to control, manage and expend its revenue monies under section 69 of the *Indian Act*, and assumes full responsibility for all revenue and expenditures that are formally approved by Sipekne'katik's Council.

2. Title.

This policy shall be called the "Sipekne'katik Finance Policy" (SFP).

3. Definitions

In this Policy the following definitions have been used:

“Agreement” means any written contract between Sipekne’katik and another party or parties, including a third party, pursuant to which money is to be paid to or paid out by Sipekne’katik;

“Annual budget” means the forecast of planned expenditures for activities, programs and services for the forthcoming fiscal year;

“Arrears” means unpaid, overdue debt, or an unfulfilled obligation;

“Assets” means anything of value owned by Sipekne’katik;

“Asset Recognition Criteria” means criteria to be used to set the threshold for determining whether a capital asset must be included in the capital asset register;

“Assign” means transfer of duties or functions from one person to another where the former person (the assignor) retains responsibility for ensuring the activities are carried out;

“Authorization and Delegation Table” means a table approved by Council specifying the delegation and assignment authorities over decisions or activities related to Sipekne’katik’s financial administration;

“Band Council Resolution (BCR)” means a record of Sipekne’katik Council decision made by a majority of the Councillors of Sipekne’katik at a duly convened meeting of the Council which is normally requested by outside organizations.

“Budget” means a plan or outline of expected money and spending over a specified period;

“Capital Assets” means tangible capital assets (physical assets) such as buildings, land, and major equipment;

“Capital Plan” means a consolidated plan or outline of expected money and spending of all capital projects to be undertaken in a fiscal year;

“Capital Project” means the construction, rehabilitation or replacement of Sipekne’katik’s capital assets and any other major capital projects in which Sipekne’katik or its related entities are investors;

“Capital Project Plan” means a project management plan to carry out a capital project that includes the budget;

“Cash” means money, cheques, money orders, and equivalent forms of currency;

“Cash Reserves” means money that a company keeps on-hand to meet short-term and emergency funding needs;

“Change-of-Purpose BCR” refers to a new BCR that supersedes a previous BCR and which is identified with a new BCR number;

“Code of Conduct Declaration” means a statement that Council, committee members, employees, and

contractors must sign on an annual basis that states they understand and agree to Sipekne'katik government's code of conduct;

"Committee" means a group of people appointed by Council for advising Council or conducting decision-making activities assigned by Council until or unless they are suspended or disbanded by Council;

"Contract" means a legally binding agreement between two parties;

"Contribution Agreement" means any written funding agreement contract between Sipekne'katik and the Government of Canada and/or with its various departments, corporations and agencies; or with the Province of Nova Scotia and/or with its various departments, corporations and agencies, pursuant to which money is to be paid to Sipekne'katik;

"Control" means a policy, procedure, or process put in place to manage a Sipekne'katik government's administration;

"Cost" means an amount of money to be paid or spent to obtain something;

"Council" means the elected or appointed official representatives of Sipekne'katik that includes Chief, Councillors and the equivalent terminology used by Sipekne'katik;

"Council Honorarium" means the amount paid bi-weekly to elected members of Sipekne'katik Council, members of Council receiving a stipend are not employees of Sipekne'katik;

"Debt" means something that is owed or due, usually money;

"Deficit" means a shortage that occurs when an organization spends more money than it has on-hand or over a period;

"Delegation" means transfer of specific responsibilities from one person to another;

"Direct Supervisor" means the employee responsible for managing and overseeing the work and development of other staff;

"Director of Administration (DOA)" means the member of Senior Management Group who leads the day to day administration of Sipekne'katik and is the direct supervisor to department managers. This position is the link between the Director of Operations and the Managers as well as Sipekne'katik members;

"Director of Finance (DOF)" means the employee who manages the day to day financial transactions of all departments and supervises the employees in the Finance Department. This position is a member of the Senior Management Group, reports to the Executive Finance Officer and is the first point of contact for Program Managers/Directors regarding financial transactions.

"Director of Operations (DOO)" means the most senior member of the Senior Management Group who directly reports to Chief and Council. This position leads the vision, mission and strategic priorities of Sipekne'katik. The Director of Operations works closely with and may delegate responsibilities to the

Director of Administration.;

“Engagement Letter” means a written document prepared by the auditor that serves as a contract to confirm the audit arrangements between the auditor and Sipekne’katik government; it is required by Canadian Generally Accepted Auditing Standards;

“Entity” means a corporation, partnership, joint venture or unincorporated association or organization whose financial transactions are consolidated with Sipekne’katik government’s financial statements in accordance with GAAP;

“Expenditure” means an amount of money spent by Sipekne’katik to buy goods or services;

“Expenses” means an amount of money spent on transportation, accommodation, meals, hospitality or incidentals, to be paid back (reimbursed);

“FAL” means Sipekne’katik Financial Administration Law;

“Finance Advisory Committee (FAC)” means the standing committee of Sipekne’katik Council;

“Finance Committee” means the Chief and the Senior Management Group who meet to review financial requests in accordance with the Authorization & Delegation Table.

“Financial Reporting Risk” means the possibility of a significant error in financial information often caused by weak internal controls or fraud;

“Financial Statement” means a formal record of all money and property of Sipekne’katik within a specific period;

“Fiscal Year” means the period of April 1st of each year to March 31st of the following year;

“Fraud” means wrongful or criminal act that involves lying or holding back information; this is usually done for personal or financial gain;

“GAAP” means Canadian Generally Accepted Accounting Principles, the framework of accounting guidelines, rules and procedures;

“Honorarium” means a standard daily rate (excluding travel costs) paid to individuals providing specific services to Sipekne’katik, or an amount received from a third party organization for providing specific services on behalf of Sipekne’katik;

“Indemnity” means security or protection against a loss or other financial commitment;

“Integrated Planning and Budgeting” means an annual process of planning and budgeting activities across every level of Sipekne’katik government that are linked, coordinated, and driven by

Sipekne'katik's vision and strategic objectives;

"Internal Assessment" means a review of an activity/process by an independent Sipekne'katik staff members (ie. an individual not responsible for or involved in the activity) to determine the effectiveness of that specific activity or process;

"Investment" means an asset or item bought with the hope that it will gain value or provide income in the future;

"ISC" means Indigenous Services Canada, formally INAC or AANDC;

"Life-Cycle Plan" means a plan of Sipekne'katik's assets in terms of costs to buy, operate, upkeep and get rid of over a specified period;

"Loan Guarantee" means a promise to pay all or a part of the principal and/or interest on a debt obligation in the event of default by the borrower;

"Materiality" means the financial amount that Sipekne'katik government considers significant, typically large amounts; the materiality threshold is the minimum financial amount that a Sipekne'katik government considers significant;

"Motion" is used to record a decision made by Council at a duly convened Council meeting for internal purposes;

"Officer" means an employee of Sipekne'katik designated by Council to perform official duties as outlined in Sipekne'katik's Financial Administration Law and is limited to such duties assigned to the Director of Operations, Director of Administration, Executive Finance Officer, Tax Administrator and any other employee of Sipekne'katik government designated by the Council to perform similar duties

"Own Source Revenue" means the revenue generated from profit-oriented ventures including but not limited to, tobacco, fisheries, gaming, and gas bar;

"Program Director" means a person who has a Manager(s) reporting to them and oversees and administers a program or department for Sipekne'katik

"Program Manager" means an employee in charge of a specific area within Sipekne'katik who has management responsibilities pursuant to this Policy and as identified in their job description

"Projection" means estimates for a future situation based on all the information available now;

"Purchase Order" means a document stating the wish of a buyer to purchase something from a seller that shows the exact details of the items the buyer wishes to buy;

"Purchasing" means buying an asset or item. Also referred to as "procurement" per the First Nations Financial Management Board Standards;

"Rehabilitation" means asset alternation, extension and renovation but does not include routine

maintenance;

“Remuneration” means salaries, wages, stipends, honoraria and any other monetary and non-monetary benefits;

“Replacement” means substitution, in whole or in part, with another of Sipekne’katik government’s capital assets;

“Requisition” means purchase order used by Sipekne’katik government when recording expenditures;

“RFP” means Request for Proposal, competitive process followed by Sipekne’katik government to enter into a major service contract. RFPs lay out Sipekne’katik government’s needs and conditions and leave it up to the potential contractors to present a proposal that shows their experience, skills and ability to carry out the contract within time and cost specifications;

“Risk” means possibility of a loss or other negative event that could threaten the achievement of a Sipekne’katik’s goals and objectives;

“Salary” means the amount paid on a bi-weekly basis to on-going full-time staff; based on working a regular workweek (see further definition in Sipekne’katik HR Policy);

“Senior Management Group” means the group consisting of the Director of Operations, Director of Administration, Executive Finance Officer, HR Manager, Director of Finance;

“Sipekne’katik” means Sipekne’katik;

“Sipekne’katik Funds” means all monies belonging to Sipekne’katik and includes two particular types of revenues:

- a. Capital monies - derived from the sale of surrendered lands or the sale of the capital assets of Sipekne’katik or through funding received for capital projects.
- b. Revenue monies - defined as all Indian monies other than capital monies.

“Sipekne’katik Member” means those person(s) who are registered or are eligible to be registered on Sipekne’katik’s (membership) list, in accordance with the *Indian Act*.

“Sipekne’katik membership” means the membership list of persons who are registered members of Sipekne’katik as maintained under section 8 of the *Indian Act*;

“Sole Source” means a contract entered into by Sipekne’katik government without a competitive process to purchase goods and/or services;

“Special Purpose Report” means a financial report on a specific activity;

“Tax Administrator” means the person responsible for managing the local revenues and local revenue account on a day-to-day basis, if Sipekne’katik government is collecting local revenues;

“Terms of Reference” means the outline of the purpose and structure of a project, committee, meeting or negotiation;

“Travel Status” means pre-approved travel on official Sipekne’katik government business by an individual’s direct supervisor; Travel Status begins from the individual’s place of work (eg. Sipekne’katik government office) to the approved destination and ends once they return to their place of work;

“Useful Life” means an estimate of how long a capital asset is expected to be used by Sipekne’katik government; the life of a capital asset may extend beyond the Useful Life and the life of a capital asset, other than land, is fixed (limited);

“Value for Money” means the best combination of price, quality, and benefits of a product or service;

“Wages” means the amount paid to employees (either full-time or part-time, on-going or on term contract) who are paid based on hours worked as recorded in authorized timesheets (see further definition in Sipekne’katik HR Policy).

4. Hierarchy of Financial Authority

Roles and Responsibilities for Council

Sipekne'katik Council is accountable to its membership regarding the management and administration of Sipekne'katik funds and shall ensure that the annual budget, audit, policies and procedures, and reviews/evaluations of Sipekne'katik funds are accessible to the membership of Sipekne'katik.

The Council is responsible for the oversight and care of all Sipekne'katik funds but has in part delegated the financial management to the Executive Finance Officer. The Council shall appoint a Finance Advisory Committee to be responsible for reviewing and making recommendations to Council on financial management administration matters.

5. Annual Budget

POLICY

Policy Statement

The Director of Operations and Executive Finance Officer shall ensure that the Annual Budget is developed and presented to Sipekne'katik Council for review and discussion. The final Annual Budget, subject to having received confirmation of all funding, shall be presented to Council for consideration and approval by March 31st each year. Approval of the Annual Budget shall be made by motion of Council.

Sipekne'katik funds, including estimated figures when required/as appropriate, shall be used for the purposes of preparing the annual budget for each individual program and department, as well as the Annual Budget for Sipekne'katik. The Executive Finance Officer shall, in accordance with Canadian Generally Accepted Accounting Principles, prepare a consolidated Annual Budget for Sipekne'katik.

Purpose

The purpose of this policy is to ensure that a comprehensive planning process is established to support the on-going decision making of Sipekne'katik.

Scope

This policy applies to Council, the Finance Advisory Committee, Officers, and employees of Sipekne'katik involved in the planning and budgeting process.

Responsibilities

Council is responsible for:

- Annually review, discuss and approve the Annual Budget, ensuring it was prepared in accordance with Sipekne'katik's Financial Administration Law and other applicable Sipekne'katik laws, and provides for required programs and services; as well as the quarterly variance budget reports and all supportive department or program budgets of Sipekne'katik;
- Reviewing and approving:
 - any circumstances that are expected to create a budget deficit including consideration of any recommendations from the Finance Advisory Committee on plans to eliminate the budget deficit in a future period;
 - other planning documents including but not limited to a strategic plan, capital budget, and a multi-year financial plan;
 - the annual materiality threshold for budget amendments, per the approved amounts in the Authorization and Delegation Table;
 - any amendments to the annual budget or other planning documents greater than the approved annual materiality threshold for budget amendments;
- Ensuring that:
 - a process is in place to address membership priorities in the strategic plan and other planning documents as appropriate;

- the membership of Sipekne'katik is informed about the preparation and presentation of the annual budget, multi-year financial plan, forecast budget deficits or projected emergency expenditures as set out in Sipekne'katik's Financial Administration Law;
- Establishing general budget policies such as requirements for balanced budget and use of cash reserves.

The Finance Advisory Committee is responsible for:

- Providing recommendations to Council respecting plans to eliminate any budget deficit in a future year;
- Reviewing and recommending to Council:
 - an annual operating budget, multi-year plan, and annual capital budget consistent with the long-range financial plan and financial policies;
 - the draft Annual Budget and the multi-year financial plan;
 - draft amendments of the annual budget
 - information within the capital plan, such as schedules and proposed budget for rehabilitation or replacement of capital assets and plans for new construction of capital assets;
 - the annual materiality threshold for budget amendments to Council for approval;

The Director of Operations is responsible for:

- Reviewing:
 - other draft Planning Documents in consultation with the Finance Advisory Committee;
 - draft budgets and budget amendments in consultation with the Finance Advisory Committee;
- Overseeing the:
 - establishment and maintenance of the appropriate administrative structures and ensure processes and procedures are developed and followed by the Finance Department regarding the management of all financial activities and records of Sipekne'katik;
 - preparation of the Annual Budget of Sipekne'katik in accordance with the annual budget process.

The Director of Administration is responsible for:

- Making sure that the annual planning and budget calendar is met by arranging necessary budgeting planning meetings with Council and employees;
- Maintaining a current register of all Sipekne'katik's Tangible Capital Assets and arrange for annual inspections.

The Executive Finance Officer is responsible for:

- Creating a planning and budgeting calendar and making sure deadlines are met – subject to Sipekne'katik's Financial Administration Law;
- Establishing the format for draft budgets;
- Participating in budget planning sessions with Council, the Finance Advisory Committee, Director of Operations and other key stakeholders;
- Preparing draft departmental budgets for input by Program Managers/Directors and prepare the draft consolidated budget, for review by the Finance Advisory Committee;
- Recommending the annual materiality threshold for budget amendments to the Finance

Advisory Committee for recommendation to Council for approval;

- Preparing and communicate to the Finance Advisory Committee any budget amendments that meet the Council approved materiality threshold, for recommendation to Council for approval;
- Presenting draft annual budgets to the Director of Operations and to the Finance Advisory Committee on an annual basis;
- Communicating the approved budget to Program Managers/Directors;
- making projections and preparing budgets for capital assets, within the capital plan
- any other responsibilities as outlined in the Financial Administration Law

The Director of Finance is responsible for:

- Collaborating with the Executive Finance Officer to ensure department budgets are prepared
- Overseeing departmental expenses to ensure they are in line with the annual budget
- Working with Program Managers/Directors to provide training and information on their understanding and following policies as it relates to their annual budget

ADMINISTRATIVE PROCEDURES

Annual Integrated Planning and Budgeting Process

An annual planning session will be held within the timeframe set out in the annual planning and budget calendar. The planning session will generally include:

- a) Council, Finance Advisory Committee members, Director of Operations, Director of Administration, Director of Finance, Executive Finance Officer and other appropriate employees;
- b) development or communication of operational goals and objectives based on priorities established by Council;
- c) presentation of the budgeting calendar;
- d) development or update of key budget assumptions, constraints, and cost drivers for the current year and the multi-year plan;
- e) development or update of a multi-year capital plan to ensure the effective management of capital assets which identifies and prioritizes expected needs, costs, and expected sources of financing;
- f) development or update of strategic plan, goals and objectives.

Sipekne'katik's integrated planning and budgeting process must link and provide the relationships between related aspects of the strategic plan, multi-year financial plans, tangible capital asset project plans, capital plans and annual budgets. Planning must address the strategic priorities and goals in all aspects of the planning documents to operational levels, such as departmental work plans. Documentation of Sipekne'katik's integrated planning should be evident at all participating levels including Program Managers/Directors, Director of Operations, Director of Administration, Executive Finance Officer, Director of Finance, Finance Advisory Committee and Chief & Council review process. The integrated planning process can include the following items:

- integrated planning and budget calendar,
- departmental work plans,
- process documentation,

- regular reporting on integrated planning process,
- meeting minutes or notes of review

The Finance Advisory Committee will review the appropriate planning documents to ensure integration of all relationship aspects are considered in the process and provide recommendation to Council.

The Executive Finance Officer will coordinate and ensure regular reporting on integrated planning takes place and is documented.

These planning documents should be informed or involve membership in accordance with Sipekne'katik's communication practices and strategies in this Finance Policy.

Sipekne'katik must follow communication procedures that will ensure members of Sipekne'katik are kept informed. If a public notice must be posted under the Financial Administration Law requirements, the public notice must be properly posted in a conspicuous and accessible place for public viewing. If a public notice of a meeting is required under the Financial Administration Law, the notice must be posted at least 15 days before the date of the meeting.

Special general band membership meetings (GBMs) must be held for capital projects requiring membership approval. Members may be kept informed of general matters at quarterly general band membership meetings (GBMs). Other forms of communication procedures may include the following:

- Annual General Meeting
- general band membership meetings as needed
- Newsletters
- Sipekne'katik Website
- Mail outs
- Facebook
- Email

Departmental Budget Procedures

The Executive Finance Officer, in collaboration with the Director of Finance and Program Managers/Directors, shall be responsible for establishing and maintaining each department and program's annual budget through the following process:

- 1) Based on the annual integrated planning sessions, the initial departmental annual draft budgets should be prepared, and the multi-year capital plan estimate will be prepared or updated accordingly prior to the start of the new fiscal year;
- 2) Capital plan estimates should include all capital improvement projects (purchase, construction, or renovation of physical facilities) and all capital equipment expenditures;
- 3) Any projected deficit must be accompanied by a report, in accordance with the FAL, that outlines the contributing factors and circumstances and the plan by which it will be eliminated in a future year;
- 4) The draft budget will be presented for discussion at a Finance Advisory Committee meeting;
- 5) Where a projected deficit exists, the Finance Advisory Committee will provide recommendations to Council on plans to eliminate the budget deficit in a future year;
- 6) The final draft budget recommended for approval to Council by the Finance Advisory Committee will be approved by Council no later than March 31st of the fiscal year preceding the budget year;

- 7) The draft budget must meet the requirements of Sipekne'katik's Financial Administration Law and the integrated planning process must comply with the schedule for planning activities set out in that Law.

Five Year Strategic Plan

Based on the annual integrated planning session, a strategic plan will be prepared that will include:

- a) Development of a community vision that provides the guiding principle of the plan;
- b) Development of a community priorities list (e.g. housing, education, etc.);
- c) Setting a realistic timeframe to implement the plan;
- d) Identifying the requirements to implement the plan (i.e. using legislative tools of governance and public finance to support activities or the need to acquire additions to reserve, or invest in new businesses to generate additional revenues etc.);
- e) Determining how the implementation of the plan will be resourced.

The plan should include:

- community input on the vision and priorities in accordance with Sipekne'katik's communication procedures indicated above;
- a long-term vision for Sipekne'katik and be used to guide financial and community decision-making.
- Program Managers/Directors input into the activities that support the established priorities;
- Review by the Finance Advisory Committee;
- Council approval.

The strategic plan will be reviewed annually and updated as necessary.

Multi Year Financial Plan

Based on the annual integrated planning session and elements from the 5 Year Strategic Plan, a multi-year financial plan that has a planning period of five years (the current fiscal year and the next four fiscal years) will be prepared that will also include the following:

- a) Revenue projections by major revenue type that demonstrate trends in existing revenue streams;
- b) Expenditure projections that set out separate amounts for payments, including payments of principal and interest on debt, payments required for capital projects and the life-cycle management program as defined in the Financial Administration Law, payments required to address any deficits and payments for all other purposes;
- c) Projected transfers between accounts;
- d) Projected deficits or surpluses.

The draft multi-year financial plan will be presented for discussion at a Finance Advisory Committee meeting. The Committee may accept the plan as presented or request amendments, within the context of the operating objectives and the strategic plan.

The final multi-year financial plan recommended for approval to Council by the Finance Advisory Committee will be adopted as a formal planning document no later than March 31st of each fiscal year.

Adjustments to the Plans and Budgets

Amendments to budgets are limited to situations of material changes to the projected revenues or expenditures of Sipekne'katik or to the expenditure priorities of Council. Materiality is approved by Council

each year as indicated in the Authorization and Delegation Table.

Budget amendments will be brought to the Finance Advisory Committee for review and recommendation to Council.

Budget Adjustments for Local Revenues

The amendment budget timeline for local revenue must meet the requirements of Sipekne'katik's Financial Administration Law which is the following:

- On or before June 15 of each year the Executive Finance Officer must prepare and submit to the Finance and Audit Committee for review a draft amendment of the component of the annual budget respecting Sipekne'katik's local revenue account.
- On or before June 30 of each year, the Finance Advisory Committee must review the draft amendment of the component of the annual budget respecting Sipekne'katik's local revenue account.
- No later than July 15 of each year, the Council must approve the amendment of the component of the annual budget respecting Sipekne'katik's local revenue account.

Monitoring of Financial Performance

Departmental Directors/Managers are responsible for monitoring the financial performance of their department, including budget variances and are expected to operate within the approved budget. Any spending outside of the approved budget requires prior approval as per the Authorization & Delegation Table.

6. Financial and Operational Reporting

POLICY

Policy Statement

It is Council's policy to establish financial and operational processes that promote transparency and accountability and to communicate to members of Sipekne'katik government's progress towards achieving its goals.

Purpose

The purpose of this policy is to establish financial and operational reporting requirements and practices to provide timely, accurate and relevant financial and operational information to decision-makers. This will support Sipekne'katik in assessing progress toward achieving its goals.

Scope

This policy applies to all of the financial operations and activities of Sipekne'katik including those operations that Sipekne'katik controls. The persons affected by this policy include the Council, Finance Advisory Committee, Officers, and employees of Sipekne'katik.

Responsibilities

Council is responsible for:

- Reviewing
 - recommendations from the Finance Advisory Committee on all reports prepared for Council approval;
 - financial reporting risks and fraud risks reported by the Finance Advisory Committee and approving and implementation of internal controls to mitigate risks;
- Approving:
 - (quarterly and annually) the financial reports list, the financial statements and reports;
 - the annual audited financial statements and annual Special Purpose Reports within 120 days of fiscal year end;
 - and publishing an annual report within 180 days of fiscal year end, that details the progress towards the financial and operational goals of Sipekne'katik over the course of the fiscal year;
- Determining the preferred level of auditor involvement for the report to be issued by the auditors on the special purpose reports referred to in the FAL;
- Documenting procedures for identification of risks;
- Holding an annual meeting for membership each fall to review accomplishments of the past period and the annual audited financial statements;
- Ensuring that as defined by this policy, all the financial records of Sipekne'katik are in accordance with the ISC Year-End Financial Reporting Handbook for First Nation Audited Financial Statements and Year-End Reporting Guide and generally accepted accounting practices;

The Finance Advisory Committee is responsible for:

- Determining the Financial Reports List contents and frequency of reporting it requires from Sipekne'katik's Senior Management Group;
- Reviewing:

- the Financial Reports List quarterly and annually, the quarterly and annual financial statements and reports and the Director of Operations' corresponding recommendations, and making appropriate recommendations to Council;
- financial reporting risks and fraud risks reported by the Director of Operations or Director of Administration and making recommendations to Council;
- Ensuring significant irregularities or unusual reconciling items are investigated;

The Director of Operations is responsible for:

- Identifying, assessing, monitoring and reporting on financial reporting risks to the Finance Advisory Committee;
- Monitoring and reporting on the effectiveness of mitigating controls for the financial reporting risks and fraud risks taking into consideration the cost of implementing these controls;
- Ensuring that financial reporting risk assessment and management practices have been performed in relation to quarterly and annual financial statements;
- Periodically reviewing these policies in consultation with the Executive Finance Officer and other staff as appropriate;
- Annually, as part of the performance evaluation process, the Director of Operations will make sure that the persons engaged in the financial management system:
 - Have the necessary knowledge, skills and competence to perform the services for which they have been engaged
 - Confirm in writing that they understand their responsibilities

The Executive Finance Officer is responsible for:

- Preparing and updating:
 - the financial reports list;
 - with input from the Program Managers/Directors, the quarterly and annual financial statements and reports, including variance analysis, in accordance with Canadian GAAP and this policy and procedure and make appropriate recommendations to the Finance Advisory Committee;
- Annually complete a “financial closing and reporting process checklist” which will include procedures to mitigate financial reporting risk;
- Identifying, assessing and managing financial reporting risk, fraud risks and reporting risks to the Director of Operations and recommend procedures to mitigate those risks;
- If Sipekne’katik has a loan from the First Nations Finance Authority (FNFA) that is secured by other revenues: Maintaining a complete set of all records respecting other revenues of Sipekne’katik, including all records referred to in section 5 of the *Local Revenue Management Implementation Regulation* as amended by the *Financing Secured by Other Revenues Regulations*;

ADMINISTRATIVE PROCEDURES

Financial Reports List

Council and the Finance Advisory Committee, with the assistance of the Director of Operations, is responsible for preparing a list of all financial statements and reports that are to be prepared on a regular basis.

The Financial Reports List must include the required monthly information, as well as quarterly and annual financial statements.

Monthly reports prepared by the Executive Finance Officer will be tailored to the needs of Sipekne'katik for monitoring purposes in the form and content recommended by the Finance Advisory Committee and approved by Council. The monthly financial reports will be provided to the Director of Operations as written in the FAL.

If Sipekne'katik has borrowed money from the FNFA secured by other revenues, these other revenues must be accounted for and reported on separately.

For each report or financial statement listed, the following information must also be identified:

- A brief description or contents of the report;
- The person responsible for its preparation;
- When it is to be made available and its frequency; and
- The report's distribution list.

The Executive Finance Officer will review and update the Financial Reports List quarterly and annually and submit the list to the Finance Advisory Committee quarterly and annually for their review and recommendation.

Council will review and approve the financial reports list quarterly and annually.

Financial statement preparation

The Executive Finance Officer is responsible for ensuring monthly information on the financial affairs of Sipekne'katik is available and preparing its quarterly and annual financial statements. Other financial reports that are listed in the approved Financial Reports List will be prepared by the Executive Finance Officer or designate.

1) Quarterly financial statements

The quarterly financial statements will be considered and recommended to Council by the Finance Advisory Committee and considered and approved by Council no later than 45 days following quarter end.

Quarterly reports shall consist of the following information:

- a) Summary statement of actual revenues and expenditures;
- b) Explanations of important variances between budgeted expenditures vs. actual expenditures;
- c) Statement of financial position;
- d) Projected operational results for the remaining period(s) of the fiscal year;
- e) If applicable, financial information for the local revenue account as required by the Financial Administration Law and the Local Revenue Policy;
- f) If Sipekne'katik has borrowed money from the First Nations Finance Authority secured by other revenues: Financial information on these other revenues;
- g) Any other information requested by the Finance Advisory Committee or Council.

The Executive Finance Officer shall set-up a quarterly meetings, if required, for Program Managers/Directors to review and discuss their respective quarterly reports.. Program

Managers/Directors are responsible for providing all requested information in relation to the preparation of financial statements and reports.

2) Year-end audit

Sipekne'katik is required to complete a Comprehensive Audit by July 31st each year.

Each year the Council shall, by motion, appoint the Auditors for Sipekne'katik.

The Executive Finance Officer shall work with the Auditors to prepare for the annual Audit process including preparation of all documentation required by the Auditors and ensuring that the General Ledger and all reporting is current, up-to-date and closed for year end.

Annual financial statements will be prepared according to a standard "financial closing and reporting process checklist".

Each annual audited financial statement will include the following for Sipekne'katik:

- a) The financial information and disclosures for Sipekne'katik for the fiscal year prepared in accordance with Canadian GAAP;
- b) A Special Purpose Report setting out all payments made to honour guarantees and indemnities;
- c) A Special Purpose Report setting out the information required in the Financial Administration Law (Reporting of Remuneration and Expenses);
- d) A Special Purpose Report setting out all debts or obligations forgiven by Sipekne'katik;
- e) Any other report required under the Act or an agreement.

A "financial reporting record" file will be created for each annual financial statement. The financial statement record file will at a minimum contain the:

- a) Financial statements presented to Council for approval;
- b) Record of, or reference to Council's decision to approve or not approve the financial statements, the Finance Advisory Committee's recommendation(s), and the Executive Finance Officer's recommendation(s);

The financial reporting record file will be classified as confidential and secure, and maintained according to the Record Information Management policy.

Annual financial statements will be presented to the Finance Advisory Committee no later than 110 following the end of the fiscal year for which they were prepared.

The Finance Advisory Committee will review the annual financial statements, the accompanying information, and the Executive Finance Officer's comment(s) and recommendation(s). Subsequently, the Finance Advisory Committee will forward the financial statements, accompanying information, and its comment(s) and recommendation(s) to Council..

Council will review the annual financial statements, the accompanying information, and the recommendation(s) of the Finance Advisory Committee and the Director of Operations and approve through a duly convened motion at a council meeting no later than 120 days after the fiscal year end.

If the financial statements are not approved by Council, a documented rationale will be communicated to the relevant Officer(s) for corrective action. The financial statements will be re-submitted for approval within the timeframe stated by Council.

Upon receipt and acceptance of the auditor's report by Sipekne'katik Council, copies (electronic and/or hard copy printed) of the report shall be made available to the Sipekne'katik membership.

The Executive Finance Officer shall retain the written report of the auditors, together with the related financial statements.

Financial Reporting Risks

Annually, as part of the performance evaluation process, the Director of Operations or designate will ensure that the persons engaged in the financial management system:

- a) Have the necessary knowledge, skills and competence to perform the services for which they have been engaged;
- b) Confirm in writing that they understand their responsibilities.

The Executive Finance Officer will develop a "financial closing and reporting process checklist" for use at the end of each fiscal year, which will include procedures to mitigate financial reporting risk. The financial closing process checklist will include the following minimum procedures:

- a) Reconciliation / analysis of all statement of financial position accounts with approval by the Executive Finance Officer; in those instances, where the Executive Finance Officer prepared the reconciliation or analysis, then the Director of Operations or Director of Administration will be required to approve the reconciliation or analysis;
- b) Review of trade, loan and other receivable balances to identify late payment; that late payments followed up on and have been reviewed for collectability and any necessary adjustment to the allowance for doubtful accounts has been prepared;
- c) Reconciliation of general ledger balances with sub-ledger balances (e.g. trade accounts receivable, trade accounts payable, contribution receivable, etc.);
- d) Search for unrecorded liabilities and preparation of accrual journal entries, including:
 - i. Reconciliation of supplier statements;
 - ii. Review of unmatched receiving information;
 - iii. Review of unmatched purchase orders;
 - iv. Review of numerical continuity of purchase orders;
 - v. Review of current contracts for supplies or services, including follow-up with supplier when necessary;
 - vi. Department/program inquires, expense reports, commitments or any other knowledge of liabilities incurred at reporting date.
- e) Reconciliation of payroll expense to the payroll register and bank account balance;
- f) Preparation of non-recurring journal entries with supporting documentation;
- g) Review of financial statements for accuracy, additions, and cross-references and for agreement with the general ledger;

- h) Presentation of the financial statements has been reviewed; necessary disclosures and reclassification entries have been prepared and have been approved by the Executive Finance Officer;
- i) The Executive Finance Officer is satisfied that the financial statements are accurate and presented in accordance with Canadian GAAP.

Changes to the accounting software (i.e. new system or major changes to the current system set-up) require authorization from the Executive Finance Officer with consultation and communication with the Finance Advisory Committee and Council. Changes such as the addition/deletion/ modification of general ledger accounts, customer/member accounts, or vendor accounts require approval from the Executive Finance Officer or designate.

Fiscal year

The fiscal year of Sipekne'katik shall be from April 1 of each year to March 31 of the following year.

Annual Report

The Council must prepare and publish an annual report within the earlier of 180 days after the fiscal year end, or the timeline specified in the Financial Administration Law, that details the progress towards the financial and operational goals of Sipekne'katik over the course of the fiscal year.

The annual report will contain, at a minimum, the following:

- a description of the services provided by Sipekne'katik and its operations
- a progress report on any established objectives and performance measures of Sipekne'katik
- reference to the audited annual financial statements for the previous fiscal year
- reference to any special purpose reports

The annual report will be made available to all members of Sipekne'katik as required by the Financial Administration Law, and provided to all Council members, the First Nations Finance Authority, and other organizations as required no later than 180 days after the fiscal year end.

- Sipekne'katik members who have requested but have not been provided with the annual report of Sipekne'katik within the required timeframe should contact the Director of Administration. The Director of Administration will record: the name of Sipekne'katik member who made the request and their contact information
- the response time (should be no later than 5 business days)
- report to the Finance Advisory Committee on requests received and solutions to rectify delayed requests and accessibility of information

7. Financial Institution Account and Cash Management

POLICY

Policy Statement

It is Council's policy to establish effective and efficient controls for all banking activities and financial service agreements with financial institutions.

Purpose

The purpose of this policy is to specify authorities and responsibilities over banking activities including signing and approval authorities, opening and closing of accounts, and processing transactions. Having control over access to, and the management of, Sipekne'katik's bank accounts limits the chance of financial loss.

Scope

This policy applies to Council, the Finance Advisory Committee, Officers, and employees assigned financial institution account responsibilities.

Responsibilities

Council is responsible for:

- Designating the financial institutions that Sipekne'katik may conduct banking activities with;
- Approving:
 - the opening, maintenance and closing of bank accounts;
 - the addition or the removal of authorized signatories (including a minimum of four members of Council) for each financial institution account used by Sipekne'katik;
 - loans and investments in accordance with the Borrowing and Investments policies;
 - the transfer of funds between financial institution accounts;
- Appointing trustees to any trusts created on behalf of Sipekne'katik membership and ensure trust monies are transferred to trust accounts.

The Finance Advisory Committee is responsible for:

- Ensuring irregularities or unusual reconciling items are investigated;
- Recruiting and screening applicants for trustee positions and make recommendations to Council.

The Executive Finance Officer is responsible for:

- Representing Sipekne'katik in dealing with Financial Institutions;
- Coordinating the opening, maintenance and closing of bank accounts;
- Assigning banking duties and ensuring that adequate segregation of duties is maintained;
- Documenting and alerting the Finance Advisory Committee of any irregularities in the reconciliation process;
- Managing Sipekne'katik's short term liquidity and working capital including credit line facilities;
- Ensuring:
 - physical safeguards are implemented over any handling of cash and blank cheques;
 - that all contracts and financial transactions are conducted according to Sipekne'katik's

- Finance Policy and supporting procedures and approved budgets;
- that strict cash flow controls are in place, and be responsible for the on-going daily management and release of funds.

The Director of Finance is responsible for:

- Maintaining a list of individuals with authorized signing authorities for each financial institution account;
- Ensuring:
 - all money received by Sipekne'katik is deposited as soon as practicable into the appropriate accounts;
 - that a reconciliation is performed each month for every financial institution account;
 - that supporting documentation and records are retained for each reconciliation;
 - that strict cash flow controls are in place, and be responsible for the on-going daily management and release of funds;
 - that all contracts and financial transactions are conducted according to Sipekne'katik's Finance Policy and supporting procedures and approved budgets;
- Approving (sign and date the bank reconciliation summary) and doing an independent review of monthly bank reconciliations for each financial institution account;
- Establishing lines of credit with various suppliers as required;
- Collecting monies owing to Sipekne'katik, as required;

The employees assigned banking duties by the Executive Finance Officer are responsible for:

- preparing cheques and cash for deposit to the appropriate financial institution account
- reconciling petty cash accounts on a regular basis, if applicable
- recording revenue deposited in the accounting system
- making sure all anticipated recurring deposits have been received

The employee designated by the Executive Finance Officer to prepare financial institution account reconciliations is responsible for:

- preparing a reconciliation for each of the financial institution bank accounts
- ensuring that supporting documentation and records are retained for each reconciliation
- alerting the Executive Finance Officer of any irregularities
- signing and dating each bank reconciliation summary that they complete

ADMINISTRATIVE PROCEDURES

Financial institution account management

No account may be opened for the receipt and deposit of money for Sipekne'katik unless the account is:

- in the name of Sipekne'katik;
- opened in a financial institution and
- *authorized by Council*

Sipekne'katik must establish the following accounts in a financial institution:

- (a) general account for money from any sources other than those described in (b) to (d)
- (b) a local revenue account for money from local revenues, if applicable
- (c) a trust account if Sipekne'katik has money held in trust and
- (d) a tangible assets reserve account for money set aside for tangible capital asset replacement

Sipekne'katik may establish any other accounts not referred to above as may be necessary and appropriate to manage Sipekne'katik financial assets.

All interest earned on a trust account, local revenue account and tangible capital assets reserve account must be retained in their respective accounts.

The Executive Finance Officer maintains correspondence and official documents relating to the opening, maintenance, and closing of all financial institution accounts.

The Executive Finance Officer will develop a clear description of the purpose of each financial institution account and provide it to all employees who are responsible for depositing funds or reconciling the accounts.

The list of individuals with authorized signing authorities for each financial institution account will be maintained by the Director of Finance. All changes to signing authorities must be approved by Council through a Council motion.

Online financial institution access will be permitted and controlled as follows:

- The Executive Finance Officer and Director of Finance will be granted access to online banking.
- The Executive Finance Officer and Director of Finance will maintain possession of a bank token as provided by the bank. The bank tokens must be maintained in a safe location.
- The Executive Finance Officer and Director of Finance have the authority to make electronic fund transfers between accounts as is necessary as part of their duty to monitor Sipekne'katik's cash flow.
- Non-recurring Wire Transfers require supporting documentation and an authorized cheque requisition approved as per the Authorization and Delegation Table and the Approval for Payment procedures.
- Recurring Wire Transfers require the authorization of Council through a Council motion at a duly convened Council meeting prior to the first payment.
- Wire Transfers require the use of a bank token.
- The EFO and DOF have the authority to post direct deposit transactions (payroll, social and admin). All direct deposit transactions require signed approvals as per the Authorization and Delegation Table and the Approval for Payment procedures. A bank token is required to complete all direct deposit transactions.

Bank Drafts

Bank drafts can be purchased by an individual designated at the discretion of the Executive Finance Officer, Director of Finance or the Director of Operations where required and must have the required backup documentation. A cheque will be prepared (with appropriate backup documentation and adhering to policies and procedures) to the vendor and taken to the bank to be converted to a bank draft. If it is not the EFO or DOF who has taken the cheque to the bank to be converted to a bank draft, the cheque will require an additional amount included in the cheque to cover the service fee for the bank draft.

Cash & Cheque receipts

Cheques received by direct mail be forwarded to the Director of Finance who will record all cheques received into a log-book. The log will include the date, source amount, reason for payment, g/l code and financial institute account the funds are to be deposited to. For cheques received by mail, the receipt will be mailed back to the payor. Deposits will be made at the discretion of the Director of Finance depending on how much cash is on hand and the amount of cheques to be deposited.

A list of anticipated ongoing deposits will be maintained and reviewed on a monthly basis. Any expected deposits that have not been deposited in the financial institution account(s) will be reported to the Executive Finance Officer immediately.

Any cash received by the Finance Department is received by the Director of Finance. When cash is provided, the Director of Finance will fill in the Cash Received sheet, have the person giving the cash review and sign off on the completed sheet. Cash is locked in a drawer until it is deposited. The completed and signed Cash Received sheet will be included as backup for the deposit and will include the date, source, amount, reason for payment, general ledger account code and financial institution account the funds are to be deposited to. Director of Finance or designate will take any deposits to the bank as soon as possible. Deposits will only be used for their intended purpose as per their respective agreements.

Tobacco - The Manager would receive the cash and/or bank draft and make the deposit. Supporting documentation is provided to the Finance Department as soon as possible. Director of Finance does a weekly count to reconcile inventory and amounts received. Cash is deposited daily. Cheques are not accepted for tobacco sales.

Gaming – The Manager makes the cash deposits. Weekly printouts from the VLT machines are provided to the Director of Finance from the Validators to support the deposits made (all VLT machines are hooked into the Atlantic Lottery Corp system). Reconciliations are done monthly by the Director of Finance. Cash is maintained in a safe until it is deposited or picked up (twice per week).

Gas Station – Cash register is reconciled at the end of each day. Daily printout from the cash register is provided to Director of Finance monthly. Cash deposits are made daily.

Recreation Department – Funds received by the Recreation Department are locked in a safe until they are delivered to the Director of Finance for deposit on a monthly basis, or as needed.

Lists of anticipated ongoing deposits will be maintained and reviewed on a monthly basis, such as the following:

- A 30/60/90 day outstanding accounts receivable list that could assist in determining whether the deposits were posted to the correct account
- An outstanding deposits list that could assist in determining whether all expected deposits were deposited in the financial institution account(s)

Any expected deposits that have not been deposited in the financial institution account(s) will be reported by the employee to the Director of Finance immediately.

Petty Cash

Petty cash is not allowed.

Cheque stock

Blank cheque paper is stored in a locked closet in Finance Department. Employees responsible for printing cheques have a supply of blank cheque paper at their desk. Passwords are required to enter the Xyntax system in order to print cheques. Xyntax system has internal controls set up to determine who is allowed to print cheques and code expenditures to specific departments.

The person who approves an expenditure (eg. invoice/purchase order) cannot be the same person who signs the cheque.

No one person or employee will be allowed to enter invoices, select invoices for payment and then print and sign cheques. At minimum, this process requires at least two individuals to ensure there is segregation of duties.

Cheque signers will not sign blank cheques under any circumstances.

Only original signatures will be accepted on cheques. Signature stamps are not allowed.

Credit Lines

The Council upon recommendation of the Executive Finance Officer and Finance Advisory Committee will authorize the establishment of any line of credit or overdraft facilities.

Corporate Credit Card

Corporate credit cards may be provided to the Director of Finance, Executive Finance Officer and Director of Operations upon approval of Council by Council motion at duly convened meeting. Once a credit card is issued, the following shall apply:

- a) The holder of the credit card will not be issued cash advances for items which can be covered by the credit card;
- b) The credit card must not be used for personal expenses;
- c) In the event where a personal charge is mistakenly applied to the corporate credit card, Sipekne'katik will not be responsible for personal charges made to the credit card, and the employee will be required to reimburse Sipekne'katik for all personal charges;
- d) Lost or stolen credit cards must be reported immediately to the Executive Finance Officer and/or Director of Finance;
- e) The credit card must be returned to the Finance Department when the cardholder terminates employment with or retires from Sipekne'katik;
- f) Employees are required to ensure that any charges made on their corporate cards fall within their approved available budget limits and/or they have the required approvals as per the Authorization and Delegation Table;

Credit limits will be recommended by the Executive Finance Officer to Council for approval by Council motion at a duly convened meeting.

Credit cards must only be used for authorized Sipekne'katik purchases for bona fide business purposes.

Holders of credits cards are required to provide supporting documentation, including receipts and general ledger account number to be charged, to the Director of Finance or designate on a monthly basis for review and reconciliation.

Where applicable, when purchases are made on the behalf of a Program Manager / Director, a copy of that request should be attached to the supporting documentation.

Opening a Financial Institution Account

Once the financial institution account has been approved, the Executive Finance Officer outlines the following:

- a) Name of account;
- b) Instructions regarding purpose of account;
- c) Names of signatories and authority limits;
- d) Address where all statements and correspondence is to be sent; and
- e) Financial institution contact person.

The financial institution accounts will be created such that all non-deposit transactions (such as cheques, electronic transfers, etc.) require two signatures for approval according to the relevant policy.

Once the financial institution account is opened, the Executive Finance Officer will activate the account in the general ledger.

Closing a Financial Institution Account

The request to close a financial institution account must include:

- a) Name of account;
- b) Financial institution account number;
- c) Closing bank balance and statement; and
- d) Approval by Council.

Upon approval, a financial institution account closing letter will be prepared and delivered to the financial institution with instructions to transfer any remaining account balance. The letter will be signed by at least two authorized signatories of Sipekne'katik.

Once the financial institution account has been closed, the Executive Finance Officer will deactivate the account in the general ledger.

Transfers Between Bank Accounts

The Monthly Transfer Summary Report will be provided for review and signature by two Council signatories and the Executive Finance Officer.

Financial Agreements

Sipekne'katik may enter into the following agreements in the name of Sipekne'katik:

- For the purpose of efficient management of Sipekne'katik's financial assets, agreements with financial institutions and related services agreements
- For the purpose of reducing risks or maximizing benefits in relation to the borrowing, lending or investing of Sipekne'katik's financial assets, agreements with financial institutions respecting currency exchange, spot and future currency, interest rate exchange and future interest rates

With Council approval, the Executive Finance Officer and Chief may enter into any financial agreements referred to above on behalf of Sipekne'katik.

Account Reconciliation

Each of Sipekne'katik's financial institution/bank accounts will be reconciled to the accounting system records on a monthly basis within thirty (30) business days of the end of the month.

The individual who completes the independent review must not report to the person who completed the reconciliation.

Reconciliation and documentation records to support the amounts recorded on the reconciliation will be retained according to the Information Management policy;

The employee preparing the financial institution/bank account reconciliation will monitor and investigate unreconciled and outstanding amounts carrying forward beyond 30 business days of month end and will complete the following:

- a) Monitor outstanding cheques and inquire to determine whether the cheques are valid, void or stale-dated;
- b) Monitor outstanding deposits and inquire if not cleared by the financial institution/bank;

The employee preparing the reconciliation will sign and date it as evidence that the reconciliation is complete and submit the reconciliation to the Director of Finance for internal independent review;

Internal Independent Review

Each financial institution account's monthly reconciliation must be independently reviewed for completeness, timeliness and accuracy to ensure the following:

- a) reconciliation balances;
- b) all amounts recorded on the reconciliation are appropriately supported by documentation such as financial institution/bank statements and financial system reports;
- c) adjustments are reasonable, routine in nature (e.g. financial institution/bank fees), supported by documentation, and are not carried over for multiple months on the reconciliation;
- d) unusual adjustments are well explained, supported, and, if material in nature, are brought to the attention of the Finance Advisory Committee and the Director of Operations.

The independent review must be undertaken by someone other than the preparer who does not report to the preparer.

The independent reviewer will sign and date the reconciliation summary.

Irregularities

Irregularities, such as significant reconciliations that do not balance or unusual adjustments, will be reported by the Executive Finance Officer to the Finance Advisory Committee and the Director of Operations as soon as practical.

8. Borrowing

POLICY

Policy Statement

It is Council's policy to establish a process around borrowing, repayments, use of borrowed money and recording and reporting of borrowing to members.

Purpose

The purpose of this policy is to establish an effective and accountable borrowing framework for Sipekne'katik. Borrowing money can support Sipekne'katik in carrying out its plans and achieving its goals.

Scope

This policy applies to Council, Officers, Finance Advisory Committee and those persons with the authority to recommend or approve borrowing.

Responsibilities

Council is responsible for:

- Reviewing and approving any proposed borrowing, including the terms and conditions, recommended by the Finance Advisory Committee;
- Approving:
 - the establishment of an operating line of credit or overdraft account;
 - repayment terms for any approved interim borrowings (eg. construction loans) converting to long-term borrowing unless delegated to the Director of Operations.

The Finance Advisory Committee is responsible for:

- reviewing borrowing proposals presented by the Director of Operations and Executive Finance Officer and recommending a course of action to Council;
- monitoring borrowings and repayments.

The Director of Operations is responsible for:

- Reviewing borrowing proposals prepared by the Executive Finance Officer and recommending a course of action to the Finance Advisory Committee;
- Approving the repayment schedule for any interim borrowings (eg. construction loans) converting to long-term borrowings that have been delegated by Council.

The Executive Finance Officer is responsible for:

- Preparing borrowing proposals for each proposed borrowing (in conjunction with the Tax Administrator for local revenue account related to debts, if applicable) and presenting it to the Director of Operations for review;
- Reporting and disclosing borrowings in the financial statements in accordance with Canadian GAAP, the Financial Administration Law and any agreements under which the borrowings were incurred.

The Director of Finance is responsible for:

- Ongoing monitoring and management of all borrowing, including timely payments, maintaining sufficient documentation, and performing regular reconciliations of debt transactions;

ADMINISTRATIVE PROCEDURES

Determination of need and evaluation of options

- 1) Sipekne'katik may incur trade accounts or other current liabilities payable within normal terms of trade for expenditures provided for in the budget for the fiscal year if the debt will be repaid from money within available funds in the approved budget.
- 2) If the bank account is not sufficient to meet operational needs the Executive Finance Officer may recommend establishment of a line of credit and/or overdraft..
- 3) Subject to the Financial Administration Law and local revenue law (if applicable), Sipekne'katik may borrow for the repayment or refinancing of any debt.
- 4) The Director of Operations and Executive Finance Officer will document the requirement for Sipekne'katik to incur borrowing by examining the strategic plans, multi-year financial plan, annual budget, current financial situation, and any planned activities requiring borrowing. Once the need and amount of borrowing required is determined, the Executive Finance Officer will work with the Director of Operations to outline the various financing options available to Sipekne'katik.
- 5) The Executive Finance Officer will prepare a long-term debt financing proposal report which includes the following:
 - a) Need for financing and alternatives considered;
 - b) Evaluation of available borrowing options and security required for each option (if applicable)
 - c) Recommended financing option;
 - d) The purpose, use and application of borrowing;
 - e) Description of repayment plans based on cash flow analysis including identification of revenue sources for debt repayment;
 - f) Reference to the integrated planning process, including the strategic plan, multi-year financial plan, annual budget, and cash flow statements;
 - g) The timely payment of debt obligations;
 - h) Identification of any provisions in the Financial Administration Law or in any other applicable law that limits borrowings or that imposes requirements or conditions which must be met before debt may be incurred;
 - i) Requirement to inform Sipekne'katik members about any capital project related debt that is incurred by Sipekne'katik. Requirement to consult with and get approval from Sipekne'katik members for any capital project related debt that is incurred by Sipekne'katik for over \$5,000,000.
 - j)
- (2) The Executive Finance Officer will consider at least the following prior to preparing a borrowing proposal:
 - a) Impact on future budgets and projected cash flow;
 - b) Cost and interest rate;
 - c) Level of risk involved (i.e. borrowing covenants, ratios, etc);
 - d) Ability to service the borrowing and repayment schedules;

- e) An analysis of the terms and conditions and impact;
 - f) Any financial reporting implications;
- (3) The Director of Operations will review the borrowing proposal and recommend a course of action to the Finance Advisory Committee.
 - (4) The Director of Operations may engage legal counsel on the borrowing proposal.

Approval

- 1) The Director of Operations and Executive Finance Officer will present the borrowing proposal report to the Finance Advisory Committee for their review. The Finance Advisory Committee will review the report and make a recommendation to Council.
- 2) Council will review the borrowing proposal and recommendations. Subject to the Financial Administration Law, Council will vote on whether to approve the requirement for entering into a borrowing obligation. Council must also approve the borrowing and terms and conditions by Council Resolution.

Management and monitoring of debt obligations

a)

The Director of Finance will manage and monitor the borrowings by:

- a) Making sure that any financial covenants contained in borrowing agreements are reported to the appropriate stakeholders in a timely manner;
- b) Ensuring that timely payments are made according to the terms and conditions and repayment schedule;
- c) Performing reconciliations between Sipekne'katik's financial records and statements from the lender on a quarterly basis;
- d) Ensuring that money borrowed for a specific purpose is not used for any other purpose;
- e) Calculating any financial covenants contained in borrowing agreements and evaluating whether compliance with the terms of the covenants have been met.

Reporting

- 1) The Executive Finance Officer will report to the Finance Advisory Committee on the following:
 - a) The gross amount outstanding;
 - b) Interest paid or payable for the period.
- 2) The Executive Finance Officer will make sure that the borrowing obligations are reported to the Finance Advisory Committee and Council on a quarterly basis in the financial statements in accordance with Canadian GAAP, and any requirements of the Financial Administration Law and any obligations under the borrowing agreement(s).

Use of Borrowed Funds

The Executive Finance Policy will ensure that borrowed money is only used for the specific purpose of the borrowed funds.

All or some of the money borrowed for a specific purpose by Sipekne'katik and not required to be used immediately for that purpose may be temporarily invested under one or more of the following until required:

- Securities issued or guaranteed by Canada, a province or the United States of America
- Fixed deposits, notes, certificates and other short-term paper of, or guaranteed by, a financial institution

- Securities issued by the First Nations Finance Authority or by a local, municipal or regional government in Canada
- Commercial paper issued by a Canadian company that is rated in the highest category by at least two (2) recognized security-rating institutions

If some of the money borrowed for a specific purpose is no longer required for that purpose, that money must be applied to repay the debt from the borrowing.

Information Management

- 1) The Executive Finance Officer will make sure borrowing records are created, maintained and retained in accordance with the Information Management policy. For each borrowing, the following will be documented:
 - a) The loan agreement and any supporting agreements;
 - b) The borrowing proposal on which council based its decision;
 - c) Documented council approval and required membership information or involvement;
 - d) An interest and principal repayment schedule (if applicable) that includes the dates of all payments required under the loan agreement or plan for borrowing retirement;
 - e) The cost of borrowing including interest payments and service or other charges;
 - f) The purpose for which the long-term debt has been incurred

9. Lending, Guarantees and Indemnities

POLICY

Policy

It is Council's policy to establish a process around lending, loan guarantees and indemnities.

It is Council's policy to not provide loans or guarantees to any:

- Sipekne'katik member (registered or non-registered);
- Business owned by a Sipekne'katik member (registered or non-registered).

Purpose

The purpose of this policy is to provide Sipekne'katik with an effective and transparent process for the approval, collection and documentation of lending, loan guarantees and indemnities given by Sipekne'katik as permitted in the Financial Administration Law.

Scope

This policy applies to lending, loan guarantees and/or indemnities entered into between Sipekne'katik and:

- any third party business entity including government business enterprises

Responsibilities

Council is responsible for:

- Approving:
 - and signing all lending, guarantees and indemnities agreements unless signing of the agreement is delegated to the Executive Finance Officer;
 - the application form template, terms and conditions, standards clauses, including interest rates (if applicable) to be applied to any party with respect to loan guarantees and indemnities.

The Finance Advisory Committee is responsible for:

- Monitoring the status of Sipekne'katik's loan guarantees and indemnities and reporting to Council.

The Executive Finance Officer is responsible for:

- Signing all loans, guarantees and indemnities agreements that have been delegated by Council;
- In consultation with legal preparing loan, loan guarantee and Indemnity agreements using the standard clauses approved by Council;
- Ensuring:
 - that write-offs (if any) are reported to the Finance Advisory Committee and accurately recorded and disclosed in the financial statements;
 - adequate supporting documentation is retained for all loans, guarantees and indemnities;
- On an annual basis, preparing a report for the Finance Advisory Committee setting out all payments made for loan guarantees and indemnities;
- On an annual basis, preparing a report for the Finance Advisory Committee setting out all loans forgiven and payments received.

ADMINISTRATIVE PROCEDURES

Requirements

- 1) Subject to the Financial Administration Law and any applicable Sipekne'katik policies and procedures, any authorized lending issued is subject to the following conditions:

Loans (including the granting of leases):

- a) The principal loan amount and loans receivable must be approved by Council. An agreement must be signed with the entity requesting the loan and will only be granted if the risk of non-payment is at an acceptable level for Sipekne'katik;
- b) Instances where there is a high risk or likelihood that the entity will be unable to pay (i.e. previous instances of debt non-payment, etc.) will require Council approval;
- c) Interest, if charged, will be applied consistently to all loans at a risk adjusted rate recommended by the Executive Finance Officer, reviewed by the Director of Operations and the Finance Advisory Committee and approved by Council;
- d) A business plan, capital project plan, business proposal, etc., will be provided by the entity which has requested the loan for review by the Finance Advisory Committee who will provide recommendations to Council;
- e) A binding legal written agreement will be made between Sipekne'katik and the entity requesting the loan. The agreement will contain standard clauses that are consistently applied to every entity that applies for and secures a loan from Sipekne'katik. The following items, at a minimum, will be present in the agreement:
 - the name of the entity
 - amount of the loan
 - nature and amount of any security over the loan pledged in favour of Sipekne'katik or provided as loan collateral
 - interest (if applicable)
 - repayment schedule
 - approval will be enacted by signing the agreement with the entity requesting the loan.

Loan Guarantees:

Loan Guarantees will only be granted in the following circumstances:

Loan guarantees will be approved by Council upon consideration of the report of the Executive Finance Officer. Approval will be enacted by signing the agreement with the entity requesting the loan guarantee and will only be granted if the risk of non-payment or non-fulfillment of an obligation is at an acceptable level for Sipekne'katik.

The report from the Executive Finance Officer must identify any risks associated with giving the loan guarantee, evaluate the likelihood of having to honour and make payments under the guarantee, describe information collected and any judgments or estimates used to make this evaluation and assess the financial ability of Sipekne'katik to honour the loan guarantee should it be required to do so. The report from the

Executive Finance Officer will also include a business plan, capital project plan, business proposal, etc., provided by the entity which has requested the loan for review by the Finance Advisory Committee who will provide recommendations to Council;

A binding legal agreement will be made between Sipekne'katik and the entity requesting the loan guarantee. The agreement will contain standard clauses that are consistently applied to every entity that applies for and secures a loan guarantee from Sipekne'katik. The following items, at a minimum, will be present in the agreement:

- name of the entity
- amount of the loan guarantee
- duration of the loan guarantee agreement
- amount, maturity and repayment terms of the underlying loan or obligation
- purpose and use of the underlying loan (e.g. details of the asset being acquired or leased, or investment being made)

Approval will be enacted by signing the agreement with the entity requesting the loan guarantee.

Sipekne'katik will obtain a copy of the legal asset/investment agreement requiring the issuance of a loan guarantee and retain on file with the loan guarantee agreement.

Indemnities:

In exceptional circumstances only, indemnities will be granted in the following circumstances: Sipekne'katik must not give an indemnity unless it is:

- authorized to do so under Sipekne'katik's Financial Administration Law ("FAL")
- necessary and incidental to and included in another agreement to which Sipekne'katik is a party
- in relation to a security granted by Sipekne'katik that is authorized under the Financial Administration Law or another Sipekne'katik law

Standard Clauses:

Standard agreement clauses for loans, loan guarantees, and indemnities (including interest provisions) will be reviewed and reported on by the Finance Advisory Committee and approved by Council as necessary and at least annually. Any deviations from the standard agreement clauses require Council approval and consultation with legal counsel.

Payroll Advances:

Payroll advances are not allowed under any circumstances.

Travel/Expense Reimbursement Advances:

Program Managers/Directors may request an advance for valid out-of-pocket expenses that will be incurred within the current fiscal year and that will ultimately be reimbursed by Sipekne'katik in accordance with the current expense policy.

Leases

Giving of a Lease by Sipekne'katik:

Follow loan procedures above.

Entering into a lease to buy arrangement:

- 1) Sipekne'katik must comply with the terms and conditions of any lease agreements it enters into.
- 2) The initiating Program Manager/Director must make sure that when Sipekne'katik enters into a lease agreement, that the amounts payable under the lease are within the budget for the related program or department.

Collection

- 1) On a quarterly basis, the Executive Finance Officer will review the list of outstanding loans receivable and corresponding loan payments. The actions below will be taken to resolve overdue payments and delinquent accounts:
 - a) All loan payments that are up to 60 days overdue, the entity holding the loan will be contacted in writing requesting that all overdue payments be made as soon as possible and no later than a specified date;
 - b) For loan payments that are more than 60 days overdue, late payment interest may be charged on the outstanding loan balance in accordance with the loan agreement between the entity and Sipekne'katik. The entity will be contacted in writing and by phone and informed that interest will accumulate until all overdue payments have been received.
 - c) For loan payments that are more than 120 days overdue, the Executive Finance Officer will determine whether the loan should be considered impaired and written off or sent to an external collections agency. The Executive Finance Officer (or designate) will inform the individual in writing and by phone that the payments in arrears have been transferred to an external agency for collection;
 - d) Any additional financing arrangements or amendments to existing loan agreements to improve the likelihood of repayment between Sipekne'katik and an entity with payments in arrears will be determined and approved by the Director of Operations.

Debt Forgiveness

All reasonable steps should be taken to attempt to collect the outstanding balance. However, when it becomes obvious that Sipekne'katik will be unable to collect the outstanding balance, a report should be compiled by the Executive Finance Officer and approved by the Director of Operations detailing the following:

- Entity and amount in arrears
- Principal and interest outstanding on the loan
- Length of time in arrears and measures taken to collect on payments in arrears
- Rationale for debt forgiveness

Approvals for debt forgiveness must be approved by Council upon review and recommendation by the Finance Advisory Committee and evidenced by a Council motion that will be retained with the records for the loan in question.

Write-offs

When all reasonable steps to collect have been taken and debt has not been collected or forgiven, the Executive Financial Officer will make sure that the loan and its outstanding principal and interest payments are reclassified in the financial statements as bad debt.

Monitoring and Reporting

All loans, loan guarantees, and indemnities will be reported in a special purpose report annually to the Finance Advisory Committee. The special purpose report will contain the following information for each loan, loan guarantee, and indemnity and will be included or referenced in Sipekne'katik's annual report:

- a) Purpose of the loan, loan guarantee or indemnity;
- b) Amount of the original loan, loan guarantee or indemnity;
- c) Principal repayment component;
- d) Interest earned and collected;
- e) Actual payments made, if any, against loan guarantees;
- f) Actual payments made to compensate for damages, if any, against indemnities;
- g) List of payments in arrears by entity, subject to applicable privacy law;
- h) Any expected payments required as a result of Sipekne'katik having to fulfill or honour a guarantee or indemnity agreement based on the Executive Finance Officer's knowledge of the contracts in place and changes in their underlying financial condition.

Record Keeping

All agreements and payment records associated with loans, loan guarantees and indemnities and security given for capital asset projects on Sipekne'katik's lands will be stored in Sipekne'katik's financial records in accordance with the Information Management policy.

Records of debt forgiveness will be retained if in future, through changed circumstances, some or all of the debt may be collected.

Records of the authority under which the debt was incurred including any Council Resolution and membership involvement.

10. Investments

POLICY

Policy Statement

It is Council's policy that Sipekne'katik's investments will be managed and administered to preserve capital and generate sufficient income and growth to contribute towards Sipekne'katik's operational or strategic objects.

Purpose

The purpose of this policy is to provide a framework for management of Sipekne'katik's investments to achieve short and long term operational and strategic objectives within an acceptable level of risk.

Scope

This policy applies to Council, the Finance Advisory Committee, and Officers of Sipekne'katik.

Responsibilities

Council is responsible for:

- Determining:
 - approving the short and long-term investment strategy and objectives of Sipekne'katik;
 - allowable use of funds and making sure restricted funds are only invested in investments specified by the Financial Administration Law;
- Approving:
 - preliminary risk assessment of funds;
 - an investment manager;
 - the opening of an investment account;
 - funds to be invested;
 - the redemption of invested funds not related to operational financial institution accounts
 - the assigning of trustees;

The Finance Advisory Committee is responsible for:

- Providing:
 - input into the preliminary risk assessment and making recommendations to Council on steps to mitigate potential risks identified prior to investing;
 - Council with recommendations for an investment strategy and appointment of investment manager;
- Monitoring performance;

The Director of Operations is responsible for:

- Reporting any significant changes to the investment portfolio to the Finance Advisory Committee for recommendation to Council;
- Liaising with the Finance Advisory Committee, Investment Manager, Executive Finance Officer, and Investment Consultants as required;

- Providing the Finance Advisory Committee with recommendations in relation to preliminary risk assessment of funds, appointing the investment manager, funds to be invested, monitoring performance, rebalancing portfolios, and the redemption of invested funds;

The Executive Finance Officer is responsible for:

- Analyzing proposals received from investment managers;
- Performing a preliminary risk assessment analysis against criteria to be met prior to investing decisions being made by Council;
- Overseeing:
 - rebalancing of the investment portfolios asset mix according to Council instructions;
 - transfers between investment account(s) according to Council instructions;
- Receiving or preparing a quarterly investment monitoring reporting including investment performance and summary of portfolio management fees (if any);
- Recommending transfers, rebalancing, monitoring actions, investment manager changes, and any other recommendations.

The Director of Finance is responsible for:

- Executing transfers between investment accounts (eg. GIC(s)) according to Council instructions;

ADMINISTRATIVE PROCEDURES

Determine Investment Management Strategy

Council will establish and implement a documented investment management strategy for Sipekne’katik funds that meet the requirements of the FAL.

The investment management strategy will:

- include both short and long-term strategies
- will determine the allowable uses of available funds in accordance with Sipekne’katik’s FAL
- identify criteria that must be met before an investing decision is made by Council
- require an annual review of investments to confirm they meet the requirements of the FAL and are consistent with the approved investment management strategy
- be reviewed on an annual basis

Risk Assessments

New Investments:

Prior to making any investment decisions, the Executive Finance Officer will lead the preparation of a preliminary risk assessment (including whether the activity will result in a material liability of Sipekne’katik or expose financial assets, property or resources to significant risk).

The preliminary risk assessment should address all risks related to the investment and the resulting overall impacts on Sipekne’katik.

For each risk, a detailed mitigation plan with assigned responsibility will be developed.

The complete preliminary risk assessment will be presented first to the Director of Operations for review and recommendation and then to the Finance Advisory Committee for review and recommendation to Council for approval of the investment via a Council Resolution. Council will ensure that any approved investments comply with Sipekne'katik's FAL and any applicable Sipekne'katik policies.

Existing Investments:

The annual risk management plan will include identification of risks related to existing investments and detailed mitigation plan and assigned responsibility for each risk identified.

The Director of Operations will be responsible for ongoing monitoring of risk assessments and risk mitigation plans related to investments.

Investment Accounts

If Sipekne'katik has established an investment account, Sipekne'katik may invest money in that account in:

- a company that is incorporated under the laws of Canada or of a province or territory and in which Sipekne'katik is a shareholder;
- a trust in which Sipekne'katik is a beneficiary;
- securities issued by the First Nations Finance Authority or by a local, municipal or regional government in Canada
- a limited partnership in which Sipekne'katik is a partner

Selection of Investment Manager

- 1) Council will select the investment manager. The Executive Finance Officer will bring forward the proposal to the Finance Advisory Committee for their review, and recommendation to Council. Alternatively, Council may engage an independent consultant to facilitate the selection process of investment manager.
 - a) Investment manager proposals will be analyzed using several criteria including: experience, qualifications, investment management style, costs, past performance, volatility of returns, management fees and any other criteria identified by Council.
- 2) The investment management agreement will be consistent with this procedure and must facilitate execution of the short and longterm investment strategies. The agreement must be executed before any funds are transferred into the investment account.

Termination of Investment Manager(s)

- 1) Council will specify within the investment management agreement the terms and conditions for termination of the agreement, which could include:
 - a) Failure to achieve performance goals and investment returns;
 - b) Changes in Sipekne'katik or its investment strategy which would no longer require the services of an investment manager;
 - c) Changes in investment manager personnel, firm or ownership structure, investment philosophy, style or approach which might adversely affect the potential return and / or risk level;

- d) Any justified and reasonable reason as determined by 75% of Council.

Designation and transfers of investment funds

- 1) The Executive Finance Officer will notify the Finance Advisory Committee in writing when there are funds available for transfer to the investment account. The written notification must identify the source of the available funds (i.e. government transfer, local revenues or unrestricted) and whether they are to be invested according to the investment strategy;
- 2) Council must approve the transfer of funds to and from the investment account;
- 3) The Director of Finance will communicate and oversee approved requests to redeem investments and transfer the proceeds to Sipekne'katik.

Government Transfer Funds and Local Revenues Permitted Investments

If Sipekne'katik is collecting Government transfer funds and local revenues, these may only be invested in:

- Securities issued or guaranteed by Canada or a province;
- Securities of a local, municipal, or regional government in Canada;
- Investments guaranteed by a bank, trust company or credit union;
- Deposits in a bank or trust company in Canada or non-equity or membership shares in a credit union;
- Securities issued by the First Nations Finance Authority or a municipal finance authority established by a province; or
- As per the Government Transfer Agreement.

Monitoring of Investments

- 1) The Executive Finance Officer will reconcile the investment accounts to the general ledger and investment statements.
- 2) The Executive Finance Officer will verify the investment management fees charged to make sure they are consistent with the underlying contracts.
- 3) The Executive Finance Officer will prepare a quarterly monitoring report and provide that report to the Director of Operations. The report will summarize:
 - a) the performance of the investments under management to relevant benchmarks;
 - b) the weighting of the investment portfolio and comparison to the target portfolio asset allocation;
 - c) any relevant media or news articles about the investment manager;
 - d) any ownership or staffing changes within the investment manager organization.
- 4) The Director of Operations will review the report, may provide further recommendations and submit to the Finance Advisory Committee.
- 5) The Finance Advisory Committee will review the quarterly monitoring report, may provide further recommendations, and provide the report to Council.
- 6) The investment manager may attend a Council meeting and discuss investment performance, changes in personnel and investment strategy.

On an annual basis, the Executive Finance Officer will review all investments to confirm they meet the requirements of the FAL and are consistent with the approved investment management strategy of Sipekne'katik. The results of this review will be provided to the Finance Advisory Committee.

Re-balancing of the Investment Portfolio

- 1) The Director of Operations and Executive Finance Officer will communicate any rebalancing instructions to the investment manager once approved by Council.

Record Keeping

All records regarding investment decisions will be retained in accordance with the Information Management policy.

11. Procurement

POLICY

Policy Statement

It is Council's policy to establish a process around the purchase of goods and services that demonstrates due diligence, transparency, fairness, quality, and value for money.

Purpose

The purpose of this policy is to provide guidance to Sipekne'katik on how purchases will be planned, managed, approved and paid. Having clear rules around purchasing makes sure that goods and services meet Sipekne'katik's quality and cost expectations.

Scope

This policy applies to the Council, Officers, Program Managers/Directors and any other Sipekne'katik employees authorized to participate in the ordering, recommending, and/or approving of purchasing of goods, services and assets on behalf of Sipekne'katik

Responsibilities

Council is responsible for:

- Ensuring effective control of procurement of goods, services and assets through documented policies and procedures;
- Formally approve all negotiated agreements to provide goods and/or services between Sipekne'katik and the agreed contract holder;

The Director of Operations is responsible for:

- In conjunction with the Executive Finance Officer, making recommendations to Council on the competitive purchasing process procedures
- Ensuring that an evaluation form is prepared when a tender/RFP is opened (eg. Appendix C Sample Contractor/Supplier Evaluation Template)

The Director of Administration is responsible for:

- Communicating the policies and procedures to all parties who are affected;

The Executive Finance Officer is responsible for:

- Developing, documenting and maintaining policies and procedures relating to the procurement process for goods, services, and assets;
- Ensuring that the processes for tendering/RFP, purchase ordering, and cheque authorization are conducted according to the approved requirements of this policy;
- Assisting in monitoring the selection and evaluation of contractors and suppliers in the competitive purchasing process;
- Reporting on budget variances;
- In conjunction with the Director of Operations, making recommendations to Council on competitive purchasing process procedures

The Director of Finance is responsible for:

- Ensuring that:
 - all Program Managers/Directors properly manage and authorize all expenditures being made against his/her approved departmental budget;
 - the approval authorities in the Authorization & Delegation Table is followed;
 - required supporting documentation is provided with all requests;
- Coordinating and tracking all Finance Committee requests.

ADMINISTRATIVE PROCEDURES

Purchasing of Goods and Services

All employees will comply with the Authorization and Delegation Table in the Governance policy as it relates to potential expenditure limits. Prior approval is required for any purchases over the Program Managers/Directors approval limits by the appropriate individual as per the Authorization and Delegation Table.

Individuals purchasing goods and services have a responsibility to ensure the best value is obtained.

When appropriate, Sipekne’katik will promote the use of local content in the procurement of goods and services in accordance with Appendix D.

Value	Amount	Process	Documentation Requirements	Alternatives
Low	\$1 to \$2,500	Sole Source	<ul style="list-style-type: none"> • 1 quote (formal or informal - website printout/catalogue listing etc) 	<ul style="list-style-type: none"> • Standing Offers¹
Low/Moderate	\$2,501 to \$5,000	Informal Quote	<ul style="list-style-type: none"> • 3 informal quotes 	<ul style="list-style-type: none"> • Standing Offers¹
Moderate	\$5,001 to \$15,000	Formal Quote	<ul style="list-style-type: none"> • 3 formal quotes • Recommendation & rationale for quote selected 	<ul style="list-style-type: none"> • Standing Offers¹ • Competitive Purchasing Process²
High	Over \$15,000	Competitive Purchasing Process (RFP or Tender)	<ul style="list-style-type: none"> • Minimum 3 quotes • Completed Contractor/Supplier Evaluation Form for the quote selected signed by the Tender/RFP Review Team members (Appendix C) 	<ul style="list-style-type: none"> • Exceptions to Competitive Purchasing Process³

1. Standing Offers to be approved by the Director of Operations
2. Finance Committee will determine when a Competitive Purchasing Process will be used
3. Exceptions to the Competitive Purchasing Process procedures are noted in a subsection below.

(1) Procurement of low value and/or frequently purchased goods and services of: \$1 to \$2,500

Purchasing process used: Sole sourcing (individuals purchasing goods and services have a responsibility to ensure the best value is obtained.

Documentation required: 1 quote (formal or informal – eg. website/catalogue price)

Alternatives: For frequently purchased items, consideration may be given to establish a Standing Offer.

(2) Procurement of low/moderate value goods and services of: \$2,501 to \$5,000

Purchasing process used: Informal Quote

Documentation required: 3 informal quotes (eg. website/catalogue price)

Alternatives: For frequently purchased items, consideration may be given to establish a Standing Offer.

(3) Procurement of moderate value goods and services of: \$5,001 to \$15,000

Purchasing process used: Formal Quote

Documentation required: 3 formal quotes
Recommendation and rationale for quote selected

Alternatives: For frequently purchased items, consideration may be given to establish a Standing Offer.
A Competitive Purchasing Process may be used at the discretion of the Finance Committee

(4) Procurement of high value goods and services of: over \$15,000

Purchasing process used: Competitive Purchasing Process (details below)

Documentation required: Minimum 3 quotes
Completed Contractor/Supplier Evaluation Form signed by Selection Committee members (Appendix C)
Minutes from tender/RFP review

Alternatives: Exceptions to the Competitive Purchasing Process (details below)

Competitive Purchasing Process

A competitive purchase process (tender call, Request for Proposal) will be implemented as follows:

- The Finance Committee has discretion in determining and approving what type of competitive purchase process will be followed depending on the nature of the expense/transaction.

If a tender/RFP process will be used, the following information must be included:

- a) The date and time of the closing of the Invitation to Tender/RFP, which shall not be less than 10 business days from the time the Invitation to Tender/RFP was released;
- b) Sufficient details as to what goods and/or services Sipekne'katik wants to obtain and for what purpose, in order to ensure that comparable bids can be made;
- c) Background and context;
- d) Period of contract;
- e) Qualifications (e.g. experience, education, and certifications);
- f) Criteria and weighting (if applicable) by which proposals will be assessed;
- g) Planned contract award date;
- h) Sipekne'katik contact person and information;
- i) Disclaimer(s) limiting liability of Sipekne'katik in the RFP process; (eg. "This Request for Proposal does not represent a call for tender/RFP. Except as expressly and specifically permitted in this RFP, no contractor shall have any claim for compensation of any kind whatsoever as a result of participating in this RFP, and by submitting a proposal, each contractor shall be deemed that it has agreed it has no claim");

An Invitation to Tender/Request for Proposal will be issued by Sipekne'katik, through the office of the Director of Operations.

Sipekne'katik may release an invitation to tender/request for proposal either by advertisement, Sipekne'katik website, poster or individual invitation.

All tenders/RFPs shall be received by the office of the Director of Operations in a sealed envelope, addressed to the Director of Operations, be clearly marked, and have the date and time of receipt recorded and initialed by Sipekne'katik receptionist on the unopened envelope of the tender/RFP.

Upon receipt of a tender/RFP, the sealed tenders/RFPs will be deposited in a locked and safe place until the time for the opening of bids.

Within a week of the closing date of the Invitation to Tender/RFP, the Director of Operations shall establish a Tendering/RFP Review Team; which shall consist of the Director of Operations, the Executive Finance Officer, the Director of Finance, and the relevant Program Manager/Director. The review panel will provide the FAC and Council with a recommended course of action.

3 tender offers/RFPs must be received in order to move forward with the tendering/RFP process. If 3 tender offers/RFPs have not been received by the deadline, the deadline will be extended. If there are still not 3 tender offers/RFPs received after the extended deadline, a request will be made to Council to project manage or sole source.

To maintain consistency in the procurement process, a standard methodology will be used to evaluate each contractor/supplier (Appendix C). The methodology will include, at a minimum, an evaluation of:

- a) How the contractor/supplier meets the tender/RFP requirements and specifications;
- b) The contractor/supplier's qualifications;
- c) The price quoted;
- d) Results and quality of all work the contractor/supplier has previously done for Sipekne'katik;
- e) The lowest tender/RFP received shall be accepted, unless the Tendering/RFP Review Team

deems it in the best interest of Sipekne'katik to do otherwise;

- f) Where the lowest tender/RFP is not accepted, a majority vote of the Tendering/RFP Review Team is required before awarding the contract, the rationale as to the vote shall be recorded;
- g) The Contractor/Supplier Evaluation Form for the quote selected will be signed by the Tender/RFP Review Team members.

Upon acceptance of the Tender/RFP, where appropriate and economical, Sipekne'katik's solicitor will prepare an agreement to be signed by both parties and shall become part of the records of the respective department or program.

For all services provided by an independent operator or small business, confirmation of general liability insurance and workplace injury insurance must be provided to the Finance Department prior to the delivery of services. If this insurance confirmation cannot be provided, then all the work must cease immediately until an acceptable resolution is reached.

Where progress payments are to be made in connection with any contract, the Finance Department shall hold back an amount equivalent to 10% of each progress payment until the job has been completed to Sipekne'katik's satisfaction.

In some cases, where appropriate and economical, Sipekne'katik may choose to engage a third party to complete the tender/RFP process.

Exceptions to the Competitive Purchasing Process

Under rare and limited circumstances, a sole source contract may be awarded to a supplier in the following situations:

- if there were no bids, or not enough bids, received during the RFP process
- when the good or service is available only through a sole source
- when the good or service is a frequently purchased item that supports regular business operations
- procurement of specialized equipment where there are limited suppliers
- in an extraordinary situation where a delay in purchasing the good or service would result in severe loss or damage to Sipekne'katik or the health and safety of Sipekne'katik members or employees, the Director of Administration or Director of Operations may approve the purchase of goods or services that were not anticipated in the budget and are not procured in accordance with the relevant policies and procedures, including the Competitive Purchase Process. Program Managers/Directors must contact the DOO in any emergent case to be able to relay that information on to Chief and Council if needed.

Any exceptions to the purchasing process outlined above will be documented to demonstrate the rationale. Where time allows, permission will be sought for exceptions to the process. Where time does not allow (eg. emergency situation), the situation must be communicated in a timely manner to the Director of Operations and to Council.

Approval, initiation and monitoring

On a monthly basis, the Executive Finance Officer will review the contract progress, noting and communicating

budget variances to the Director of Operations exceeding the materiality threshold as approved by Council and outlined in the Authorization and Delegation Table.

Documentation requirements

All purchasing documents (including but not limited to requisitions, invoices, purchase orders, RFPs) will clearly indicate the details of the goods and services requested.

Approvals and budget appropriations and accounts from which certain goods or services may or must be purchased will be documented on relevant internal purchasing documentation.

A file will be created for each competitive purchasing process that contains the results of each supplier evaluation.

Contractors will be required to provide on an annual basis, an update of their liability insurance and Workers' Compensation Board good standing letter.

Monitoring of Suppliers

On an ongoing basis, the Director of Operations with the help of the relevant Program Managers/Directors will monitor the quality of the work and the working relationship with the supplier. Issues noted will be documented in the supplier file and resolved by the Director of Operations.

Performance evaluation should be tailored to job size and complexity. A review of both the project quality and the service quality should be conducted using a standard set of criteria and applying weight factors established at the time of award.

Encouraging new contractors/suppliers

Contracts will be reviewed on an annual basis (or other timeframe as deemed appropriate by the Director of Operations for the nature and complexity of the goods/services in question) and a request for other suppliers initiated.

Approval of recurring contracts that occur year to year and regularly extend beyond the fiscal year end (eg. snow plow, garbage removal) will be approved in accordance with the Authorization and Delegation Table.

12. Financial Management: Expenditures & Records

POLICY

Policy Statement

It is Council's policy to establish a process around expenditures paid to suppliers or reimbursed to Councillors and Sipekne'katik employees for valid Sipekne'katik activities.

Purpose

The purpose of the policy is to make sure that all expenditures from Sipekne'katik's funds are in support of valid Sipekne'katik services and activities and that processing of payments are subject to proper approvals and budgetary controls. Having rules in place for how spending is approved and for what is an important part of a Sipekne'katik's ability to operate smoothly.

Scope

This policy and procedure applies to the Council, committees of Council, Officers, employees of Sipekne'katik and any other persons conducting activities in connection with the Financial Administration of Sipekne'katik.

Responsibilities

Council is responsible for:

- Establishing and approving limits within the Authorization and Delegation Table
- Authorizing all transactions related to the capital GICs (capital asset reserve funds)
- One Council signatory to review and approve payroll package for release with the Executive Finance Officer

The Director of Operations is responsible for:

- Approving expenditures for extraordinary purposes not anticipated in the budget in accordance with the Authorization and Delegation Table if the expenditure is not expressly prohibited by or under the Financial Administration Law or another Sipekne'katik law;

The Director of Administration is responsible for:

- Approving expenditures for extraordinary purposes not anticipated in the budget in accordance with the Authorization and Delegation Table if the expenditure is not expressly prohibited by or under the Financial Administration Law or another Sipekne'katik law;

The Executive Finance Officer is responsible for:

- Updating and communicating the reimbursable expenditure claim form to current rates;
- Reviewing and approving the payroll package for release with one Council signatory

The Director of Finance is responsible for:

- Reviewing and reporting:
 - non-compliance with policy requirements that cannot be resolved;
 - suspected fraud;
- Ensuring:
 - that reimbursable and all other expenditure claims are reviewed to make sure that the requirements of relevant policy have been met before approving for payment;

- that all required documentation is retained in the financial records of Sipekne'katik in accordance with the Information Management policy;
- mathematical accuracy;
- that any taxes are correctly calculated and processed if applicable for tax exemption claims;
- the general ledger account coding is appropriate;
- all requests for payments are signed, have supporting documentation and have the relevant authorization; and
- Identifying whether payment is to be issued via cheque or electronic funds transfer.
- Regarding payroll, the Director of Finance is responsible to ensure the following is complete:
 - Employee payroll information is received and updated from Human Resources Department;
 - Mathematical accuracy;
 - Rate of pay is correct;
 - Employee master file is set up correctly in Xyntax and updated as needed;
 - Timesheets are approved;
 - Timesheets are scanned into Xyntax;
 - Payroll payments are submitted to the Executive Finance Officer and one other authorized signatory for approval;
 - Approved direct deposit file is submitted to the bank and/or cheques are released.
 - Pay stubs are made available to all employees

The Human Resources Manager is responsible for:

- Providing all employee payroll information to the Finance Department for processing as per the Human Resources policy

Individual(s) identified in the Authorization and Delegation Table are responsible for:

- before approving an expenditure, ensuring:
 - that it is included in the approved annual budget;
 - there are available funds within their budget remaining that have not already been earmarked for other commitments; and
 - that the requirements of this policy have been met (eg. supporting documentation/quotes are included).

All department clerks responsible for issuing payments are responsible for:

- Ensuring:
 - that all expenditures have the required approvals per relevant policy and the Authorization and Delegation Table before processing for payment
 - that the required documentation that accompanies each payment is electronically entered in the accounting software
 - all documentation is retained in the financial records of Sipekne'katik in accordance with the Record Information Management policy
- Reporting:
 - non-compliance with policy requirements that cannot be resolved to the Director of Finance
 - any incidents of suspected fraud to the Director of Finance

Employees, committee members and Council members are responsible for:

- ensuring that all reimbursable expenditures claimed are in accordance with this policy and approved in accordance with the Authorization and Delegation Table, include all the required documentation and travel claims are submitted within 10 business days of returning from travel

ADMINISTRATIVE PROCEDURES

All expenditures will be made in accordance with the relevant purchasing policies and procedures, and the Authorization and Delegation Table. In an extraordinary situation, the Director of Administration or the Director Operations may approve the purchase of goods or services that were not anticipated in the budget and are not procured in accordance with the relevant policies and procedures. The rationale for these purchases must be documented and reported immediately to the Finance Advisory Committee and to Council.

General and Operational Expenditures

Program Managers/Directors must adhere to the Finance Policy, the Authorization & Delegation Table for authorization/approval limits and Financial Administration Law.

1) Purchase of Goods and Services

Electronic Purchase Order Forms are to be used and completed as follows:

- a) Purchases should be made in compliance with the Competitive Purchase Process and the Authorization and Delegation Table in Sipekne'katik's Governance Policy.
- b) The appropriate staff person, who has the authority to complete purchase order forms, shall fill out a purchase order form in Xyntax. The purchase order and supporting documentation will be presented for authorization/signature.
- c) Prior to authorizing a purchase order, the approving individual as per the Authorization and Delegation Table must ensure that the proposed purchase is within the approved budget and that there is room available within the remaining budget that is not already earmarked for other commitments.
- d) Purchase order distribution:
 - One copy (signed) is delivered to the individual/company/organization/business which will be providing the identified goods or services;
 - One copy (signed) shall stay with the department or program that is issuing the purchase order and filed;
 - One copy (signed) is retained by the issuing department until the invoice is received, then it is matched to the invoice and provided to the Finance Department with the applicable supporting documentation (including informal/formal quotes obtained). Signed purchase orders should be scanned into Xyntax as part of the purchase journal (PJ).
- e) Purchase orders must be signed in compliance with the Authorization and Delegation Table. **Under no circumstances can a purchase order be executed without proper authorization.** To clarify further, in a situation where a purchase exceeds a Program Managers/Directors' authorization limit, a signature must be obtained from the Director of Finance, the Finance Committee or through a Council motion as per the Authorization and Delegation Table.
- f) Approval from the Finance Committee may be sought by email with the results coordinated by the

Director of Finance.

2) Receipt of Goods / Services

Receiving documents will be reviewed and initialed by the individual receiving the goods that all goods on the document have in fact been received in satisfactory condition, and that any goods not received or damaged are clearly identified as such.

The receiving document should be compared to the original quote / purchase order / invoice and if there are any discrepancies the department who initiated the purchase must follow up with the supplier. If goods are received without receiving documents, the employee receiving those goods is to compare the goods to the original purchase order or quote to ensure accuracy.

If not all goods are received (eg. items on backorder), the purchase order or quote should be held and kept open until all of the items are received.

3) Request for Payment

All requests for payments for performance of work or services or supply of goods must be initiated through a requisition for payment that includes a statement certifying that:

- a) The work or services have been performed or the goods supplied, any conditions in an agreement respecting the work, services or goods have been met and the price charged or amount to be paid is in accordance with an agreement or, if not specified by an agreement, is reasonable; or
- b) If payment is to be made before completion of the work or services, delivery of the goods or satisfaction of any conditions in an agreement, the payment is in accordance with the agreement.

All Requisitions for payment must identify the appropriate financial institution or trust account out of which payment is to be made and must include a statement certifying that the expenditure is not prohibited and that it is in accordance with the approved budget and the Financial Administration Law. All transactions except social expenses come from the admin bank account.

Money in a trust account must not be used for any purpose other than that authorized per the trust agreement. Payment out of the trust account may only be authorized as per the trust agreement.

Money in a local revenue account must not be used for any purpose other than that authorized in a local revenue law or as permitted under section 13.1 of the First Nations Fiscal Management Act. The Tax Administrator must authorize payment out of the local revenue account.

Money in a tangible capital assets reserve account must not be used for any purpose other than that described per the capital asset reserve policy. Council must authorize payment out of the capital asset reserve funds (capital GICs).

All invoices, client, and/or bill payment requests, and/or reimbursable expense claims, must include a signed Cheque Requisition form by the Program Managers/Directors (and any additional signatures required as per the Authorization and Delegation Table) and must be submitted to Sipekne'katik Finance Department.

All payment requests require a minimum of 5 business days for processing.

In the event of a payment request that is time sensitive, it should be communicated to and will be

assessed by the Director of Finance or the Executive Finance Officer.

Each Cheque Requisition Form requires the following information to be attached to or on the form;

- Department to be charged;
- Account number to be charged;
- Date of cheque requisition;
- Amount of attached invoice, client request, bill payment, etc. with HST separately identified;
- Purchase order / quotes attached
- Original copies of invoices, including the invoice number, account number of bill payment or tracking number in reference to the attached documentation;
- Description of purpose for payment;
- Purchase journal (PJ) attached (if applicable);
- Signature of Program Manager responsible for the department;
- Signature of the Director of Finance
- Council motion (if applicable)
- A signed contract completed under the Competitive Purchasing Process between Sipekne'katik and the person (or company) providing such work, goods or services which establishes the amount, or a method of calculating the amount, to be charged for such work, goods or services (if applicable).

In the event that a Program Managers/Directors is not available for signing authority for a significant amount of time, they are required to complete a formal delegation of responsibility as per the Delegated & Assigned Responsibilities policy.

If the invoice, client and/or bill payment request is not submitted in accordance with this policy then the request shall not be authorized by the Finance Department for payment.

If a department wishes to make a copy of all invoices, documentation of client requests, bill payment stubs and Cheque Requisition forms for their department they must ensure these copies are kept and maintained in a secured location within their department and be maintained in accordance with the Information Management policy.

4) Approval for Payment

No money will be paid out of any financial institution account without a requisition for payment.

The individual that approves the expenditure cannot be the same individual who signs the cheque.

Approval of Reimbursable Expense Claims for Officers/Council are required as outlined in the Authorization and Delegation Table.

Reimbursable expense claims will be reviewed by the finance department to make sure that the:

- expense claim is mathematically correct and that taxes are identified and accounted for correctly
- authorized general ledger coding instructions are identified
- expenses claimed are for authorized activities as per the annual budget

- expenses claimed are eligible and comply with this policy and procedure
- documentation attached is adequate and sufficient

5) Issuance of Payment

As per common business practice, accounts payable will be paid within 30 days of the receipt of an invoice or reimbursable expense claim. Alternative payment terms must be communicated to the Director of Finance and the Executive Finance Officer. The finance department will prepare cheques as needed. Priority for payment is based on the discretion of the Director of Finance or Executive Finance Officer. Payment may be made by cheque or electronic funds transfer (EFT) and any reference in this policy to “cheque” is also meant to include “EFTs”.

All payments and financial commitments shall be in accordance with the approved Annual Budget.

Each cheque will be presented for signature to two authorized signatories and will be accompanied by supporting documentation for each payment (e.g. invoice, purchase order) as detailed in the Request for Payment procedures. Each cheque must be signed by 1 of the Council signatories and the Executive Finance Officer or designate identified by Council motion.

Prior to the release of all cheques from Sipekne’katik Finance Department, the Finance Department shall retain one of the two cheque stubs and attach this stub to the cheque requisition form and its respective invoice, documentation of client request and/or bill payment form(s). This final Cheque Requisition package, purchase journal, and cheque stub shall be filed and stored in a secure location within Sipekne’katik Finance Department and retained in accordance with the Information Management policy.

Unless circumstances require, payments will be released every Friday to the requesting department designate.

Sipekne’katik Payroll Procedures

This Finance Policy establishes the guidelines and procedures as it relates to payroll procedures and keeping of records as it applies to all Sipekne’katik employees and Chief and Council honoraria.

1) Bi-Weekly Attendance Forms/Time Sheets

All invoiced/hourly Sipekne’katik employees are required to submit bi-weekly time sheets for the two week period ending on a Sunday. The Bi-weekly Timesheets are to be approved by the employees’ immediate supervisor or, alternatively, if the immediate supervisor is not available, the individual identified on the Temporary Delegation of Duty/Function form.

All Program Managers/Directors are required to submit approved leave sheets for their salaried employees to the Human Resources Department for tracking purposes on a bi-weekly basis.

Bi-weekly Pay dates are as follows:

Wednesdays – all salaried employees, excluding LSK and Chief and Council honoraria.

Thursdays – LSK employees, timesheet (invoiced) employees

Fridays (in summer) – summer students

The Director of Finance must receive Timesheets no later than 12pm (noon) on Tuesday the week of payroll.

The Director of Finance is responsible for:

2) Payroll Records

As per the Federal Canada Labour Code, payroll records, including the following documents, are to be kept on file for in accordance with the Information Management policy:

Through the use of the Employee Information sheet, the employer must record the name; address; social insurance number; job title; pay grid placement; date of birth; banking information (direct deposit); and band number (if status) of the employee. The start, and any end date of employment is also required.

A copy of the employee's contract, group insurance, and pension information is required to be provided to the Finance Department.

The employer must record the rate of pay and whether it is hourly, daily, or bi-weekly. In addition, any changes to the rate of pay, and effective dates, must be identified.

It is the responsibility of the Human Resources Department, in cooperation with the Program Managers/Directors and Human Resources Committee, to inform the Director of Finance of any new hires, terminations, retirements, change in pay or scheduled hours, extended leave (eg. medical, maternity), unpaid leaves, appeal decisions, change in vacation rates, or any Council motion that affects payroll.

For times when the employee has been granted leave, applicable records must be kept. This would include: start and end date of annual vacations; general holidays; bereavement leave; start and end dates of any maternity/parental/or maternity related reassignment leave; sickness and work related illness or injury absences.

The employee, and their direct supervisor, are responsible for providing their approved leave forms to the Human Resources Department on a biweekly basis no later than Monday end of day of payroll week. Vacation and compensation time must be preapproved before being used. Sick leave forms must be

completed and signed by their immediate supervisor within 3 business days of returning to work.

Employee Utility Advances

Employees seeking a payroll advance to assist with utility expenses are eligible to apply for the advance of up to \$1,500.00 once per fiscal year. This advance will be paid directly to the applicable utility in that company's name. Employees will only be granted this advance if the employee requesting the advance has no other debt or funds owing to Sipekne'katik. Employees are required to have passed their probationary period in order to be eligible to access this advance. The employee must submit a written request and their most recent utility bill showing the current balance to the Finance Department. Requests for Employee Utility Advances will be approved in accordance with the Authorization and Delegation Table. ~~The Senior Management Team is authorized to award this advance on behalf of the Chief and Council.~~ If an employee resigns or is terminated, any amounts owing will be collected from the final pay. If there are additional amounts owing, the employee is responsible to arrange a payment plan for the balance. The Director of Finance will create the payroll deduction form for the employee to sign, 3 copies will be made where 1 goes to the employee, 1 to the payroll file and 1 with the invoice.

Travel for Band Council and Staff

Employees and Chief and Council will clearly demonstrate and document that all amounts they are claiming for reimbursement were directly related to authorized activities performed on behalf of Sipekne'katik.

1) Travel on Official Sipekne'katik Business

It shall be the responsibility of the immediate supervisor to determine whether, when, by whom, and by what means travel shall be taken. All travel expenses must be assigned to an approved budget (identified in a Departmental travel as well as Council travel budget).

Authorization:

Pre-approval for travel is to be authorized in accordance with the Authorization and Delegation Table.

Once travel is authorized, the conditions and payments prescribed in this policy shall apply.

Travel payments/reimbursements are to be paid to employees and Council only for travel on official Sipekne'katik business and is not intended to be construed as income or other compensation.

All travel must be conducted using the most economical means possible.

Basic Principles

- a) The approving individual must ensure that:**
 - i. The travel is necessary and in the best interest of Sipekne'katik as a whole;
 - ii. The travel arrangements are consistent with the provisions of this policy; and

- iii. The accommodation of needs of the individual undertaking the travel is provided to protect to the point of undue hardship.
- b)** Approved monthly travel claims for regular travel can only be submitted once a month.
- c)** In cases, where the travel costs are not reimbursable from a hosting organization, then it is the responsibility of that respective department to find the appropriate funding within their respective annual budget to cover the cost.
- d)** Employees and Council are bound to Sipekne'katik's Travel Rates for all authorized travel and must complete a travel claim based on authorized Sipekne'katik travel rates regardless of whether any third party/host travel rates are higher or lower. Any reimbursements received for travel/per diems by a third party / hosting organization, must be forwarded to Sipekne'katik Finance Department.
- e)** In the case where Sipekne'katik receives payment for an honorarium for an employee or Council for their participation in a meeting / event from a third party / host organization, this amount will be paid in full to the employee or Council upon receipt of the funds by Sipekne'katik and confirmation of attendance. This amount will be treated separately from travel.
- f)** Each employee / Council member putting forth a travel request shall be responsible for ensuring the following:
 - i. Filling out the applicable Form, and attaching all required documentation that supports the rationale of why the respective meeting, workshop, conference, etc. including the agenda and meals provided, and official invitation (if applicable) is pertinent to the position that the employee holds;
 - ii. Submitting this package to his/her immediate supervisor for approval;
 - iii. Forwarding the approved package to Finance Department for payment.
- g)** The Director of Administration must approve all travel outside Atlantic Canada along with the Departmental Director.
- h)** No unofficial travel or travel not previously approved will be reimbursed.
- i)** In the case where an employee / Council will not be able to attend their scheduled travel, the individual is required to cancel all reservations (or make arrangements to cancel all reservations). If Sipekne'katik incurs any charges for unused travel (where a credit is not provided), the costs will be recouped from the employee / Council member (reasonable extenuating circumstances will be considered).
- j)** To ensure that Sipekne'katik has representatives at essential business conferences, seminars and key external meetings, each Program Director with input from his/her Managers, shall identify which conferences, seminars and meetings should be attended by members of the Department/Council. In the interest of continual improvement for all staff, Directors/Managers/Councilors shall assign appropriate opportunities for all employees to participate. Upon returning from Business Seminars, Conferences and Meetings, employees will be expected to share with the other staff in his/her Department all relevant information obtained at the conference or seminar. All employees including Program Directors must seek approval to attend business conferences, seminars and meetings. The employee/Councillor is expected to provide a written or verbal report to his/her Director/Manager following the meeting. As conferences can be expensive, if 3 or more individuals from the same Department/Council want to attend the same event, it must be approved by the Director of Operations and

Executive Finance Officer.

2) Travel Standards

a) Air Travel

- i. Except for travel within the Maritime Provinces where the use of a motor vehicle is more economical, air travel is the accepted normal method of transportation for Sipekne'katik business. The comfort and speed of modern aircraft and cost considerations dictate that the most economical means shall be used.
- ii. Air travel must be booked at the lowest economy class rates (including one checked bag and seat selection) in consideration of flight itinerary (eg. length of flight, number of stopovers). If this is not possible, the exception must be approved by the immediate supervisor, in collaboration with the Executive Finance Officer and the Director of Operations.
- iii. If a traveler chooses to travel by other means then he/she shall be paid at the lower rate, airfare vs. authorized travel rates.

b) Employee and or Council Member Driven vehicles

- i. In the interests of driving safety, when travel by vehicle is authorized, the traveller shall not normally be expected to drive more than:
 - 250 kilometers after having worked a full day;
 - 350 kilometers after having worked one half day; or
 - 500 kilometers on any day when the employee has not worked;
 - Employees / Councillors are encouraged to travel by vehicle during regular work hours to their destination.
- ii. The mileage rates payable for authorized official use of private cars shall be in accordance with Sipekne'katik Rates as amended from time to time. See the attached list of Sipekne'katik approved travel distances return to Sipekne'katik (Appendix E). For locations not included on the list, distances should be calculated using Google maps from Sipekne'katik administration office to the location of the meeting and should be included as supporting documentation with the travel claim.
- iii. For further clarification, all travel is considered to have originated at the employee's place of work or home, whichever is closest to their destination.
- iv. Employees/Councillors will not be compensated for travel for delivery of items that could be mailed or picked up by the receiving party (eg. delivery of cheques).
- v. Employees/Councillors are expected to run work related errands during the normal work hours. As such, employees will not be compensated for breakfast or lunch while running errands.
- vi. If applicable, in addition to the rates payable, the traveller shall be reimbursed the actual necessary costs incurred for road, ferry, bridge, tunnel tolls, and parking charges, upon receipts being provided.
- vii. No additional amounts are payable to the traveller for carrying passengers.
- viii. Employees/Councillors have a responsibility to minimize costs in their department. As such, carpooling is strongly encouraged. If two or more individuals are travelling on official business to the same destination, and wish to take separate vehicles, prior approval based upon justification provided for taking more than one vehicle is required by the Director of

Administration.

- ix. Travel reimbursement limits will be imposed on an as-needed basis at the discretion of the Director of Administration.
- x. No coverage shall be provided for any damages, repairs, accidents, parking tickets, speeding tickets, or insurance claims that may incur, during a trip for official business, on a personal vehicle, as consideration for these costs are included in the kilometer reimbursement rate.
- xi. The use of rental vehicles may be authorized where, in the opinion of the immediate supervisor, this method of travel is economical and practical. Reimbursement shall include the cost of insurance paid to vehicle rental agents for release of liability. In order to conserve energy, compact sized cars are to be used. Mid-size cars shall be considered secondly. Full sized automobiles shall only be rented when the number of passengers to be carried or the bulk or weight of goods to be transported warrants the use of a larger vehicle. Gas costs will be reimbursed for rental vehicles based on actual consumption (eg. receipts must be submitted) and mileage rates will not be paid for kilometers driven while using a rental vehicle.
- xii. Employees / Council members using a private vehicle for work related travel must have the minimum insurance coverage legally required for work related use by their province or territory of residence.

c) Accommodation

- a) Overnight accommodation will only be provided when:
 - An employee/Councillor would have to leave their home or office before 6am in order to arrive at their meeting/event;
 - An employee would arrive home after their meeting/event later than 9pm;
- b) Travel accommodation shall be reimbursed for the actual and reasonable expenses incurred for commercial accommodation authorized by their immediate supervisor. The immediate supervisor shall normally authorize stay in a reasonable and economical establishment (hotels/motels), which are conveniently located and comfortably equipped. The use of luxury accommodation shall not be authorized (eg. suites, Airbnb). Employees are able to use preferred / recommended accommodations included as part of a conference assuming that the rates are reasonable and economical.
- c) A traveller may make arrangements for private accommodation. Private accommodation shall be reimbursed at a rate of \$50.00 per night.
- d) Employee / Council members are responsible for any damage deposits, incidentals, etc. that are required or incurred during their stay.

3) Meals and Incidental Expenses

- a) If an employee/council member is travelling for a portion of a day, they will be paid the per diems for the portion of the day in which they are travelling.
- b) Eligible meals:
 - Meal per diems will be reimbursed up to the limit established by the Finance Department

based on government of Canada travel rates reviewed annually and included in Appendix E.

- Meal per diems are inclusive of tips.
- Meal per diems will not require all receipts to be provided.
- Meal costs purchased in excess of these rates will not be reimbursed.

c) Meal per diems will be reimbursed based on the following:

- Breakfast: If employee / Council member is required to leave their residence prior to 7am in order to safely attend the function.
- Lunch: If the employee / Council member returns to their home or office after 2pm or leaves their home or office before 11am.
- Dinner: If the employee / Council member returns to their home or office after 6pm.
- Incidentals: If the employee / Council member is required to stay overnight at private or commercial accommodations (incidentals do not require receipts to be provided).

d) Employees/Councillors travelling on Sipekne'katik business are responsible to provide travel claims only for meals that are not provided by the organizer.

e) Employees/Councillors are responsible to communicate food allergies or dietary restrictions to the meeting / conference coordinators to ensure there is suitable meals available at the event. Exceptions require approval by the Director of Administration.

4) Travel Advances – if applicable

a) A travel advance may be submitted to cover an employee or Councillor's expenses for an authorized trip for official business requiring overnight travel. The amount to be provided in the travel advance shall be 75% of the total approved travel claim.

b) If the travel advance, received by the employee for travel expenses, is not used, it must be reimbursed within 10 days to Sipekne'katik Finance Department (ie. Meals provided or didn't stay overnight). These amounts, if not reimbursed by the employee/Council within the 10 days, will be recouped from the employee/Council's pay/Council honorarium.

c) A travel advance shall be reconciled within 10 days following completion of the trip and submission of receipts.

d) If the traveller is taking leave immediately following the approved travel, the travel claim must be submitted on the first day upon return to work.

e) Payment of the remaining 25% of the travel advance will not be paid if not submitted within 10 days.

f) Travel advances will not be processed for any employee / Council member who has an outstanding (unreconciled) travel advance.

5) Credit Cards

An employee / Council member may use his/her personal credit cards to book and pay for official Sipekne'katik approved travel, provided the cost of travel is not increased through use of the card. Costs for interest, unpaid or late payment are the sole responsibility of the cardholder.

Travel may be charged to the corporate credit card when requested through the Finance Department.

6) Common Travel Expenses

- a) The following expenses are common travel expenses that must be supported by vouchers, original receipts or other appropriate documentation and attached to associated Travel Claim:
- a) Overnight accommodation;
 - b) Car rentals including insurance coverage, gas;
 - c) Airplane tickets;
 - d) Excess luggage for work related items;
 - e) Taxis, bus;
 - f) Road, ferry, bridge and/or tunnel tolls;
 - g) Parking;
 - h) Long distance calls required to conduct official Sipekne'katik business while away from the office;
 - i) Public photocopy, fax or typist services or rental of required office equipment;
 - j) Necessary disbursements in connection with the operation of Sipekne'katik vehicles;
 - k) All other expenses requiring reimbursement;

13. Capital Assets

POLICY

Policy Statement

It is Council's policy to establish a process around capital assets that includes a life-cycle approach to effectively plan, manage, account for and dispose of assets according to Sipekne'katik's capital asset strategy and that ensures assets are accurately reflected in Sipekne'katik's financial statements.

Purpose

The purpose of this policy is to provide guidance on the planning, management, and accounting treatments for capital assets over the entire asset life cycle so Sipekne'katik can manage its resources efficiently and effectively to meet its goals and priorities.

Scope

This policy applies to Council, Finance Advisory Committees, Officers and employees directly involved in capital asset management. This policy applies to all capital assets acquired by Sipekne'katik.

It is the responsibility of each Department and or program to keep clear and accurate inventories of all capital assets.

Responsibilities

Council is responsible for:

- Approving:
 - policies for the safeguarding of capital assets in accordance with the Financial Administration Law;
 - the capital asset register and capital plan;
 - capital project plans and capital asset reserve fund transactions;
- Making sure capital project budgeting requirements are implemented;
- Establishing:
 - a capital asset reserve fund and approving capital asset reserve fund transactions;
 - the capital project threshold amount and approving capital project plans for projects above the threshold amount, as per the Authorization and Delegation Table;
- Informing or involving Sipekne'katik members about capital asset projects and borrowings for capital projects for projects above the capital project threshold amount, as per the Authorization and Delegation Table;

The Finance Advisory Committee is responsible for:

- Reviewing and recommending to Council:
 - the tangible capital asset register and capital plan;
 - procedures for the safeguarding of assets;

- status reports on the capital asset reserve fund and if necessary, recommendations relative to the funding contribution;
- any scheduled capital project plans including supplemental information and their budgets.

The Director of Operations is responsible for:

- Developing the life-cycle management program in accordance with the requirements of this policy and the Financial Administration Law and making recommendations to the Finance Advisory Committee and Council on matters concerning the management of Sipekne'katik's capital assets;
- Establishing the criteria including monetary threshold for defining a capital asset and capital project as per the Authorization and Delegation Table and recommending to Council for approval;

The Director of Administration is responsible for:

- Maintaining the capital assets register as required in this policy and the Financial Administration Law, including arranging for an annual inspection to obtain updated information of each capital asset (e.g. physical condition, remaining useful life, etc.);
- Making sure Sipekne'katik members are informed of capital asset projects and borrowings for construction as required in the Financial Administration Law;

The Executive Finance Officer is responsible for:

- Establishing asset recognition criteria;
- The accurate and timely recording and reporting of capital assets in the financial statements in accordance with Canadian GAAP;
- Updating and monitoring the application of this policy on a regular basis;
- Preparing:
 - on or before March 15 annually the asset register and capital plan
 - the quarterly reporting to the Finance Advisory Committee, or more frequently if necessary, on the status of the capital asset reserve fund;
- Developing:
 - and recommending procedures for the safeguarding of assets and making sure approved procedures are followed;
 - the budget for capital projects and the capital plan;

Employees involved in the life-cycle management program are responsible for:

- maintaining capital asset information and implementing asset security and safeguarding measures as provided through the application of these policies and safeguarding procedures approved by Council
- recording and reporting changes in capital assets to the Director of Administration and Executive Finance Officer

ADMINISTRATIVE PROCEDURES

Capital Asset Register

- 1) All tangible capital assets must be accounted for by the Finance Department through a capital assets general ledger until the capital asset is disposed of or written-off.
- 2) All tangible capital assets with a normal life expectancy of one year or longer and an acquisition

cost of \$5,000 or greater are to be recorded in the capital assets sub ledger.

- 3) Program Managers/Directors
- 4) This requirement applies to items received through donation and/or as gifts (e.g., carvings, prints and other works of art).
- 5) The Finance Department is responsible for maintaining the capital assets sub ledger, ensuring that all additions, disposals and changes are recorded in the capital assets ledger and properly reflected in Sipekne'katik's financial statements as required.
- 6) A capital asset register will be established and updated by the Director of Operations (or designate). The asset register will reflect the life-cycle management program including maintenance, rehabilitation, and replacement activities as well as provide an accurate inventory of capital assets.
- 7) The capital asset register will include information as required in the FAL and, at a minimum, it will include:
 - a) Location or address;
 - b) Acquisition date;
 - c) Acquisition cost;
 - d) Remaining useful life in years;
 - e) Estimated repairs and maintenance costs;
 - f) Cumulative repairs and maintenance costs to date;
 - g) Insured value;
 - h) Disposal value (current year disposal of asset only);
 - i) Inspection date;
 - j) Any other information required by Council;
 - k) General comments.

Amortization / Depreciation

- 1) A suitable method for amortizing (or depreciating) each category of Tangible Capital Assets should be selected to form part of Sipekne'katik's accounting policies.
- 2) The cost, less any Residual Value, of a tangible capital asset with a limited life should be amortized over its Useful Life in a rational and systematic manner appropriate to its nature and use by Sipekne'katik. Amortization (or depreciation) expense should be calculated and recorded on a monthly basis.
- 3) The amortization of the costs of Tangible Capital Assets should be accounted for as expenses in the statement of operations.
- 4) Land normally has an unlimited life and would not be amortized.
- 5) Where Sipekne'katik expects the Residual Value of a tangible capital asset to be significant, it would be factored into the calculation of amortization.
- 6) The Useful Life of a tangible capital asset depends on its expected use by Sipekne'katik. Factors to be considered in estimating the Useful Life of a tangible capital asset include:
 - a. expected future usage;
 - b. effects of technological obsolescence;
 - c. expected wear and tear from use or the passage of time;
 - d. the maintenance program;
 - e. studies of similar items retired; and
 - f. the condition of existing comparable items.
- 7) The amortization method and estimate of the Useful Life of the remaining unamortized portion of a tangible capital asset should be reviewed on a regular basis and revised when the appropriateness of a change can be clearly demonstrated.

Annual inspection and review

- 1) On or before November 30, the Director of Administration will initiate an annual inspection of Sipekne'katik's capital asset inventory. Program Managers/Directors will be assigned by the Director of Administration to complete the inspections. Where appropriate or necessary the Director of Administration may choose to engage the services of an external specialist to assist in the valuation of assets.
- 2) Any changes necessary to the capital asset register will be documented and communicated to the Director of Administration for review and approval. Once reviewed and approved by the Director of Administration, the changes will be recorded in the capital asset register.
- 3) The Director of Administration will report to the Finance Advisory Committee on the outcome of the annual inspection and review of assets, noting any significant developments or findings.
- 4) If there is evidence of damage to or a loss of an asset identified during the inspection process or at any other time of the year, the Director of Administration will investigate the matter and initiate the insurance claim process if applicable. The capital asset register will be updated based on this new information.
- 5) When conditions indicate that a capital asset no longer contributes to Sipekne'katik's ability to provide goods and services, or that the value of future economic benefits associated with the capital asset is less than its net book value, the cost of the tangible capital asset should be reduced to reflect the decline in the asset's value.
 - a) The net write-downs of capital assets should be accounted for as expenditures in the statement of operations.
 - b) A write-down cannot be reversed.
- 6) Losses of capital assets through either theft or negligence must be reported immediately to Sipekne'katik Director of Administration, which shall investigate the cause of the loss at the respective department or program's expense. The Director of Administration (or designate) must approve all cases with the Program Managers/Directors before contacting Sipekne'katik's insurance carriers.

Safeguarding Assets

- 1) Physical security arrangements over capital assets will be reviewed annually by the Director of Administration (or designate) and the results of this review will be reported to and reviewed by the Finance Advisory Committee with any recommendations to Council.
- 2) Insurance coverage for capital assets will be obtained and remain in force unless an asset is to be self-insured based on a risk management assessment that balances any potential loss with the cost of insurance, replacement value of items, etc. Insurance will be obtained in accordance with the relevant policy.

Maintenance of Assets

- 1) The Director of Administration will prioritize capital assets in the register according to importance and impact on the safety and well-being of Sipekne'katik.
- 2) A list of any capital assets identified as no longer in use will be prepared and reported to the Director of Administration. Steps will be taken to decommission and appropriately dispose of the assets in accordance with any applicable laws or regulations.
- 3) All warranty and related work including inspections will be undertaken in a timely manner.
- 4) The Director of Administration (or designate) will make sure that appropriate staff training on the use

of the capital asset will be provided.

- 5) Officers will make sure the capital asset register and accounting records are updated and make recommendations to the Finance Advisory Committee for changes to the annual capital plan based on the results of the inspections performed for the year.

Life Cycle Management Program

- 1) Based on the information in the capital asset register and contributions from relevant employees, the Executive Finance Officer will be responsible for preparing the ~~annual~~ capital plan by March 15 of each year.
- 2) The ~~annual~~ capital plan will include short and long-term projections for asset maintenance, rehabilitation or replacement (including acquisition and/or construction). The plan will include the information that the Executive Finance Officer is required to prepare in the Financial Administration Law and, at a minimum, the following details:
 - a) Asset description;
 - b) Rationale;
 - c) Estimated cost;
 - d) Estimated timeframe and schedule of maintenance, rehabilitation or replacement (acquisition and/or construction) of each asset;
 - e) Budget and multi-year financial plan impact.
- 3) The Finance Advisory Committee will review the ~~annual~~ capital plan and capital assets register.
- 4) The Finance Advisory Committee will review the ~~annual~~ capital plan and make recommendations to Council for approval by March 31st.

Capital Projects

- 1) The Director of Administration, with input from the Executive Finance Officer, will develop a capital project plan for each capital project (project with a total cumulative cost greater than the Capital Project Threshold amount in the Authorization and Delegation Table). The plan will include a business case for the Capital Project, that will contain, at a minimum, the following:
 - a) The financial viability of the project (i.e. how it will be financed, what the expected return on investment will be, etc.);
 - b) Project operating requirements (e.g. annual operating and maintenance costs, cash flow considerations, etc.);
 - c) A project risk assessment;
 - d) Evaluation of all other options considered.
- 2) The Director of Operations will coordinate project planning, design, engineering, RFP, supplier selection, and environmental requirements for each capital project with each step carried out in accordance to the relevant policy for Purchasing, Risk Management, and other Council policies and procedures for capital project management. Capital project external advisors may be engaged to carry out these obligations.
- 3) The Executive Finance Officer will coordinate project costing, budgeting, financing and approval for each capital project with each step carried out in accordance with the relevant policy for Purchasing and Risk Management.
- 4) The capital plan and recommendations from the working committee will be provided to the Finance Advisory Committee.
- 5) The Finance Advisory Committee will review the annual capital plan and forward their recommendation to Council for approval.

- 6) Council will inform or involve members about capital projects and borrowings (if any) for capital projects in accordance with Sipekne'katik's communication practices and strategies. At minimum, Council will post a public notice of each Council meeting when borrowing for a new tangible capital asset project (as per the Authorization and Delegation Table) is presented for approval and allow members of Sipekne'katik to attend that part of the Council meeting.

Construction management

- 1) The Director of Operations will obtain appropriate course of construction insurance for each capital project in accordance with the Insurance policy and will require guarantees and bonding from the supplier as required in the other Council policies and procedures for capital project management.
- 2) The Director of Finance will process supplier progress payments, manage construction holdbacks and payments as required in other Council policies and procedures for capital project management. This process will include appropriate audit procedures of the capital project.
- 3) The Executive Finance Officer will report to every meeting of the Finance Advisory Committee on each capital project respecting
 - a) Year to date borrowings, loans and payments;
 - b) The status of the project including
 - i. A comparison of the expenditures to date against the project budget,
 - ii. A detailed description of any identified problems with the project, and
 - iii. Problem or issue resolution, if any.

Acquisition of Tangible Capital Assets

- 1) The acquisitions of capital assets are subject to the Purchasing policy and the Authorization and Delegation Table.
- 2) All purchases or leases of capital assets are to be made in accordance with the annual budget, capital plan, and approved limits in the Authorization and Delegation Table.
- 3) Any significant variance between budgeted and actual cost of the tangible capital asset will be reported to the Director of Operations and the Finance Advisory Committee.

Capital Asset Reserve Fund

- 1) The Council will establish a capital asset reserve fund (via capital GICs) to be applied for the purposes of construction, acquisition, maintenance, rehabilitation and replacement of Sipekne'katik's capital assets.

Disposal of Tangible Capital Assets

- 1) The disposals of capital assets are approved in accordance to the Authorization and Delegation Table.
- 2) The fair market value must be determined for all disposals as a prior condition of approval. The Director of Administration will consult with external specialists in establishing the fair market value, if necessary.
- 3) All capital assets to be disposed of shall be disposed of through the tender/RFP process, public auction or such other method which shall maximize the recovery proceeds for Sipekne'katik. The Director of Administration will determine the best process of disposal.
- 4) All items to be sold are on an "as is, where is" basis with no warranties or guarantees expressed or implied.

Inventories

It is the responsibility of each Department to keep clear and accurate inventories of all supplies, equipment and material. In particular:

- 1) Physical assets inventory records shall be maintained for all goods, materials, and supplies. Inventory lists are to be provided by each Department Director to the Director of Administration once a quarter.
- 2) Tobacco and Gas Bar inventories are to be recorded daily with monthly reports submitted to Finance Department.
- 3) Inventories that are written off/ sold at a discount must be approved at the Finance Department and if valued over \$25,000 by the Finance Advisory Committee.
- 4) The IT Department will maintain the inventory of all computers, printers, projectors, cellular phones, electronic equipment, electronic data storage units and/or other related equipment including the identification of the individual assigned responsibility for the equipment and the item registration number or serial code.
- 5) A physical count and reconciliation of all inventories shall be completed annually on April 1st of each year.

14. Insurance

POLICY

Policy Statement

It is Council's policy to establish a process around insurance coverage for its operations, staff and Councillors as part of its overall risk management strategy.

Purpose

The purpose of this policy is to provide guidance on the establishment and maintenance of an insurance program to ensure material risks are addressed for Sipekne'katik and its Council, Officers, and employees.

Scope

This policy applies to Council, the Finance Advisory Committee, Officers, and all other employees involved in insurance matters at Sipekne'katik.

Responsibilities

Council is responsible for:

- Purchasing and maintaining in force all insurance coverage that is appropriate and aligned with the risks under the care or control of Sipekne'katik, based on the recommendations of the Finance Advisory Committee;
- If Council chooses, procuring and maintaining insurance for the benefit of a Councillor or an Officer against any liability arising from that person being or having been a Councillor or an Officer.

The Director of Operations is responsible for:

- Leading and managing the risk identification and assessment process;

The Director of Administration is responsible for:

- Reviewing and approving:
 - the annual renewal recommendation of insurance coverage/renewal;
 - the selection of a new insurance provider based on the competitive purchase process if applicable.

The Executive Finance Officer is responsible for:

- Providing its insurance coverage annual renewal recommendation to the Director of Administration for approval; the Executive Finance Officer may retain external expertise to assist in its deliberations given the technical nature of insurance decisions;
- Leading and managing the competitive purchasing process for selection of an insurance provider every 3 to 5 years and make a recommendation to the Director of Administration
- Monitoring insurance coverage expiration and payment dates to ensure coverage does not lapse;
- On an annual basis reviewing insurance coverage to make sure that it continues to meet the needs of Sipekne'katik;

ADMINISTRATIVE PROCEDURES

Identify significant material risks

- 1) The Director of Operations, with input from members of the management team, the Finance Advisory Committee and Council, will develop a list of potential significant material risks to Sipekne'katik's financial assets and operations. This will include an examination of:
 - a) Potential sources of liability of Sipekne'katik arising from its operations;
 - b) Values and use of assets under control of Sipekne'katik;
 - c) Potential sources of liability for individuals such as Councillors, Officers and employees;
 - d) Other risk areas that could result in a loss to Sipekne'katik and could be insured.

Identify, procurement and approval of insurance products

- 1) Based on the risk analysis performed, the Director of Administration will identify the risks where insurance coverage is appropriate.
- 2) The Director of Administration will review the recommendation of options from different insurance providers from the Executive Finance Officer, including:
 - Cost of the coverage;
 - Scope of coverage.
- 3) Where appropriate, legal advice will be sought as required to ensure that the terms and conditions of coverage sought are appropriate for Sipekne'katik.

Approval for Insurance Coverage

The Director of Administration will review, approve, and document the selected option.

Once approved by the Director of Administration, purchase of the insurance coverage will follow the Purchasing and Expenditures policies.

Maintenance of insurance coverage

- 1) The Executive Finance Officer will maintain a schedule of insurance policy expiration dates and payment dates and monitor on a regular basis to ensure that coverage does not lapse;
- 2) The Executive Finance Officer will review insurance coverage on an annual basis to make sure that it continues to adequately address the risks and meet the needs of Sipekne'katik and provide the recommendation on the annual renewal to the Director of Administration.

15. Financial Management System Improvement

POLICY

Policy Statement

It is Council's policy to establish a process around continuous improvement in Sipekne'katik's financial management system.

Purpose

The purpose of this policy is to provide guidance on Sipekne'katik's continuous improvement of its financial management system. Regularly reviewing and making improvements to the financial management system of Sipekne'katik helps to make sure the policies and procedures are meeting its needs.

Scope

This policy applies to the Council, Officers, the Finance Advisory Committee, and employees involved in the financial administration of Sipekne'katik.

Responsibilities

Council is responsible for:

- Reviewing any reports made by the FAC and ensure actions are taken to bring Sipekne'katik back into compliance

The Finance Advisory Committee is responsible for:

- Reporting to Council as soon as practicable on any gaps or areas of non-compliance between Sipekne'katik's financial management systems and practices and the First Nations Financial Management Board Standards and monitoring actions taken to bring Sipekne'katik into compliance

The Director of Operations is responsible for:

- Holding and annual meeting to review the financial management system for the previous fiscal year
- Performing self-assessments of Sipekne'katik's financial management systems and practices against First Nations Financial Management Board's Standards and monitoring to make sure that any gaps or areas of non-compliance are resolved as soon as possible
- Reporting to Council and the Finance Advisory Committee the results of reviews

The Director of Administration is responsible for:

- Planning, scheduling, and conducting internal assessments
- Ensuring issues or concerns identified through the internal assessment process are resolved

The Executive Finance Officer is responsible for:

- Ensuring issues and concerns regarding the financial management system are collected, traced, managed, reported and resolved as required in this policy.

ADMINISTRATIVE PROCEDURES

Financial Management System Review

- 1) Annually on a date scheduled by the Finance Advisory Committee, the Director of Operations will review the financial management system for the period of the previous four quarters and up to the date of the meeting.
- 2) The agenda items will include, but are not limited to, the following:
 - a) Review of the system's processes and procedures;
 - b) Review of applicable laws for compliance;
 - c) Review of external and internal assessment results;
 - d) Review of identified process improvement opportunities including their resolution;
 - e) Review of all committees' terms of reference;
 - f) Review of Sipekne'katik's corporate and personnel organization charts.
- 3) The Director of Operations will prepare a report for distribution to the Finance Advisory Committee that includes the following:
 - a) Statement of whether the financial management system has, during the review period, been operated in compliance with all applicable laws, policies, procedures and directions;
 - b) Recommendations for any changes to those laws, policies, procedures and directions that would be beneficial to the financial management system.
- 4) The Director of Operations will make the report available to Council and auditors.

Internal Assessments

- 1) The individual(s) performing the internal assessment will be independent of the operations or activities being assessed. The individual(s) will be assigned by the Director of Operations and must be independent of the operation or activity under review.
- 2) Operations or activities under review by the individual assigned by the Director of Operations includes the following:
 - a. Reviewing all policies under the Financial Administration Law
 - b. Reviewing all procedures, within the policies, under the Financial Administration Law
 - c. Reviewing the Terms of Reference for the Finance Advisory Committee
 - d. Any other documentation with regards to the Financial Management System of Sipekne'katik
- 3) A documented report will be prepared by the reviewer for each internal assessment performed. The report will contain the reviewer's findings and resolutions of any concerns identified in the findings.
- 4) Reports will be issued to the Executive Finance Officer and the Director of Operations.

Continual improvement process

- 1) The Executive Finance Officer will be responsible for ensuring that any concerns or issues regarding the financial management system of Sipekne'katik and brought to their attention are tracked, managed, and resolved on an ongoing basis.

Review of Financial Administration Law

- 1) Annually, the Finance Advisory Committee will review the Financial Administration Law to:
 - a) Determine if it facilitates effective and sound financial administration of Sipekne'katik, and
 - b) Identify any amendments to this Law that may better serve this objective.

- 2) The Finance Advisory Committee will report to the Council on the results of its review including any recommendations it makes for amendments to the Financial Administration Law.

Membership information or involvement

- 4) In the event that recommendations from the Finance Advisory Committee require amendments to the Financial Administration Law, Council will make sure that Sipekne'katik members are provided the information or involved in consideration of any proposed amendments to the Law as required in the Financial Administration Law and in compliance with Sipekne'katik's Policy to Change Policies. Membership will be informed and involved of the amendments in accordance with Sipekne'katik's communication procedures as noted in the Annual Budget section of this policy.-
-

16. Community Disbursements and Land Claim Settlements

Council may approve the issuing of a Community Disbursement to Sipekne'katik members through profits generated from Sipekne'katik's own source revenue or as a part of a Land Claim Settlement. The following process must be followed:

- 1) As part of the budgeting process, the Finance Advisory Committee having determined sufficient funds are available (eg. Christmas bonus), may recommend to Council that there is sufficient funds to issue a one-time only Community Disbursement.
- 2) For any relevant disbursement, the individual adult member must complete and submit an Application form to Sipekne'katik to receive their funds.
- 3) For any relevant disbursement (from land claims) individual members under the age determined by the trustees at the time of the distribution will have their funds put into trust with Sipekne'katik Youth Members Trust. Members wishing to access their funds from the Sipekne'katik Youth Members Trust are required to contact the trust directly.
- 4) For any relevant disbursement (for Christmas bonus) individual members under the age of eighteen (18) by December 31st in the year of the distribution will have their funds put into a GIC managed by Sipekne'katik. Members wishing to access their funds after they turn 18 are required to contact Sipekne'katik Finance Department.
- 5) For any relevant disbursement, adult members who do not submit an application and receive a distribution will have their funds put into trust with Sipekne'katik Youth Members Trust.

17. Amendment

This policy may be amended from time to time as required in compliance with Sipekne'katik's Financial Administration Law and Policy to Change Policies at a duly convened meeting of Sipekne'katik Council and shall be amended through a BCR by a majority vote of at least a quorum of Sipekne'katik Council. All Amendments shall be published on Sipekne'katik website and copies (electronic and or printed hard copies) shall be provided to each member of Council and Program Director/Manager.

18. Violation of Policies

All employees and members of Council are bound by this Policy and are expected to abide by them at all times. Failure to do so will lead to appropriate disciplinary action as presented and defined in this Finance Policy. This description is not to be considered exhaustive or all-inclusive.

19. Severable

Council may amend this Policy at any time. If amended, all members and employees will be informed of the approved new/amended Policy.

If any provision of this Policy is found invalid, such provision is severable and shall not affect the validity of the remainder of the Policy as a whole.

Appendix A – Annual Planning & Budget Calendar

Task	Individual(s) responsible	Deadline
Plan and hold annual planning kickoff meeting to present major budget policies, multi-year financial plan direction and guidelines for the strategic plan.	Director of Operations, Executive Finance Officer ,Finance Advisory Committee, Council	December 15
Initiation of Inspection and review of all Tangible Capital Assets to establish or update information.	Director of Administration	December 31
The EFO prepares a draft budget for each department and reviews with the appropriate Department Head for their input	Department Heads; Executive Finance Officer	February 28
Prepare draft: Annual consolidated budget Asset register and capital plan Multi-year financial plan	Executive Finance Officer	March 15
Risk Management Plan and Strategic plan developed or updated.	Director of Operations,	March 15
Review draft budgets, multi-year plan, and strategic plan and discusses (iterative process) with Executive Finance Officer .	Director of Operations;	March 20
Present budget, multi-year plan, asset register/capital plan, risk management plan and strategic plan to Finance & Audit Committee for review, discussion, and modification.	Executive Finance Officer , Director of Operations, Finance & Audit Committee.	March 25
Incorporate Finance & Audit Committee changes to any of Planning Documents and present to Council for approval	Executive Finance Officer , Director of Operations, Finance & Audit Committee.	March 28
Incorporate Council changes to any of Planning Documents (if there are any) and get final approval from Council.	Director of Operations, Executive Finance Officer	March 31

Task	Individual(s) responsible	Deadline
<p>Council receives budget/ multi-year plan / strategic plan and recommendation from the Finance Advisory Committee. Council approves budget/multi-year plan/strategic plan based on recommendation from the Finance Advisory Committee.</p> <p>Inform the membership of the annual budget and the multi-year financial plan as required in the Financial Administration Law or Council policy including giving notice to the membership of the Council meeting when the budget and multi-year financial plan are presented for approval.</p>	Finance Advisory Committee; Council	March 31
Distribute approved budget and strategic plan to Department Heads and any other appropriate staff.	Executive Finance Officer	April 15
Prepare and submit to the Finance Advisory Committee for review a draft amendment of the component of the annual budget respecting the local revenue account.	Executive Finance Officer	June 15
Finance Advisory Committee reviews the draft amendment of the component of the annual budget respecting local revenue account and recommend an amendment to the annual budget to the Council for approval.	Finance Advisory Committee	June 30
Council approves amendment of the component of the annual budget respecting the local revenue account.	Council	July 15

Appendix B – Financial Institution Account Reconciliation Template

Monthly Financial Institution Account Reconciliation

Account Name: _____

Month: _____

Ending Bank Balance: _____

Prepared by: _____ Title: _____ Date: _____

Approved by: _____ Title: _____ Date: _____

Appendix C – Sample Contractor/Supplier Evaluation Template

Supplier Evaluation				
Organization name:				
Service / goods to be provided:				
RFP / Tender reference #:				
Value of contract:				
	Criteria	Details / Comments	Value	Score
1.	RFP or other requirements (list here) xxx xxx xxx	<i>Describe any areas of concern or where requirements were not met....</i>	##	##
2.	Qualifications and experience	<i>Do they have the appropriate qualifications and experience to perform the work?</i>	##	##
3.	Terms and conditions	<i>Are their terms and conditions acceptable to Sipekne'katik?</i>	##	##
4.	Has the organization worked previously with Sipekne'katik? Provide details and an evaluation of the work.	<i>Evaluate Sipekne'katik's previous experience with this supplier</i>		
5.	xxxx			
6.	xxxx			
7.	xxxx			
8.	xxxx			
9.	xxxx			
10.	xxxx			
11.	Price	<i>Evaluation of the price, results of previous criteria.</i>		
12.	Other considerations?	<i>Anything not covered above that should be included in evaluation the supplier i.e. inclusion of local content</i>		
Evaluation			Score:	##/##
Overall comments / recommendation:				%

Attachments:

- Contractor/Supplier response to RFP/Tendering
- Results of any previous contractor/supplier evaluations
- Other supporting information as required

Appendix D – Local Content

Sipekne'katik should promote the use of local content when appropriate in the procurement of goods and services. For construction contracts on reserve lands, Sipekne'katik may include a clause that requires the contractor to employ local labour and resources. Another option is to add a training component to the contract that requires the contractor to train local labourers. Where applicable, the RFP package should also require bidders to stipulate the extent to which they will use local materials, local equipment, and provide a formal training program for local labour employed by the contractor.

Pre-RFP Considerations for Local Content

Before developing the tender/RFP documents, Sipekne'katik should establish:

- extent of labour and trades available locally
- quantities and firm prices of locally available materials
- local equipment available and firm rental rates
- training requirements and trade apprenticeships

Once the contract has been awarded, special clauses reflecting the agreed upon local content requirements will be incorporated in the contract with the successful vendor.

Appendix E – Travel Distances and Per Diems

Sipekne'katik and Travel Rates from Indian Brook					
Rates are \$0.50/km travelled					
Nova Scotia Destinations			New Brunswick Destinations		
To Destination	Round Trip KMs	Amount	To Destination	Round Trip KMs	Amount
Afton	418	209	Elsipogtog	664	332
Airport	80	40	Edmunston	1532	766
Amherst	332	166	Fredricton	932	466
Antigonish	364	182	Moncton	472	236
Bear River	436	218			
Brookfield	75	37.5	PEI Destinations		
Cambridge	232	116	To Destination	Round Trip KMs	Amount
Chapel Island	548	274	Charlottetown	406	203
Digby	454	227	Summerside	530	265
Elmsdale	75	37.5			
Enfield	80	40			
Eskasoni	760	380			
Gold River	336	168			
Halifax/Dartmouth	160	80			
Kingston (Greenwood)	300	150			
Liverpool	370	185			
Milford	30	15			
New Glasgow	210	105			
New Ross	278	139			
Newport	140	70			
Pictou	284	142			
Saulnierville	554	277			
Shubenacadie	16	8			
Springhill	320	160			
Stewiacke	30	15			
Sydney/Membertou	800	400			
Truro	108	54			
Wagmatcook	618	309			
Whycocomagh	568	284			
Wildcat	380	190			
Windsor	150	75			
Yarmouth	696	348			
**Travel Claims Require all tolls, and parking receipts.					
Meal Allowances					
Effective April 1, 2020					
*Govt of Canada Meals and Allowance					
Breakfast	\$	20.50			
Lunch	\$	20.10			
Supper	\$	50.65			
Incidentals	\$	17.50			
Daily Total	\$	108.75			

Appendix F – Reimbursable Expenses Claim Template

Sipekne'katik Travel Claim Form

Employee

Name: _____

Department _____

Position: _____

GL Code _____

Travel

Period: _____

D	M	Destination	Purpose	Accom	Meals	Misc	KM		Total
								\$0.00	\$0.00
								\$0.00	\$0.00
								\$0.00	\$0.00
								\$0.00	\$0.00
								\$0.00	\$0.00
								\$0.00	\$0.00
								\$0.00	\$0.00
								\$0.00	\$0.00
								\$0.00	\$0.00
								\$0.00	\$0.00
								\$0.00	\$0.00
								\$0.00	\$0.00
								\$0.00	\$0.00
								\$0.00	\$0.00
								\$0.00	\$0.00
Total of Travel Claim				\$0.00	\$0.00	\$0.00	0	\$0.00	\$0.00

Rates Below Effective April 1, 2020	
Breakfast	\$20.50
Lunch	\$20.10
Supper	\$50.65
Incidentals	\$17.50

Signature of Employee Travelling:

Signature of Supervisor to Approve Claim:

Signature of Director of Finance/Administration:

Milage Rate \$/km

0.5

Appendix G – Payment Requisition Form

SIPEKNE'KATIK
522 Church Street
Indian Brook, NS
B0N 1W0

Tel: 902.758.2049
Fax: 902.758.2017



Payment Requisition Form

Date: _____ Cheque Payable to: _____

Services Provided/ Goods Purchased (Description is required):

Subtotal: _\$ _____ GST/HST: _\$ _____ Total: _\$ _____

Department: _____ GL: _____ Sub Account (if applicable) _____

- Documents that may be required with invoice:
- Invoice of goods/services
 - Signed Purchase Order
 - Quotes
 - Contracts
 - Council Motion

Department Manager Approval : _____

Director of Finance / Finance Committee / Council Approval : _____

Cheque / EFT #: _____

Signature of Receiving Party: _____

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Appendix H – Payroll Time Sheet



Sipekne'katik Band Council
 522 Church St. Indian Brook 14, NS B0N 2H0

Employee: _____ Position/Department _____

Week of: _____

Day	Date	Morning In	Morning Out	Afternoon In	Afternoon Out	Evening In	Evening Out
Monday							
Tuesday							
Wednesday							
Thursday							
Friday							
Saturday							
Sunday							
Day	Date	Morning In	Morning Out	Afternoon In	Afternoon Out	Evening In	Evening Out
Monday							
Tuesday							
Wednesday							
Thursday							
Friday							
Saturday							
Sunday							

Employee Signature: _____

Date: _____

Supervisor Signature: _____

Date: _____

* Sipekne'katik's payroll begins on Mondays, every two weeks. Timesheets will not be accepted without supervisor signature.