

JULY 11TH, 2018



BEAVER FIRST NATION

FINANCIAL POLICIES AND PROCEDURES

BEAVER FIRST NATION
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Section 1: Definitions

"Agency" means any board, tribunal, commission, committee of the Nation including a society or a non-profit organization but it does not include a corporation or any type of business structure that is operated for the purpose of making a profit, even if controlled by the Nation;

"Agreement" means any written Agreement between the Nation and another party or parties, including the federal government, the provincial government, or any third party, pursuant to which money is to be paid to the Nation;

"Annual Budget" means the forecast of planned revenue and expenditures for each fiscal year by the Nation;

"Bank Account" means any financial account of the Nation held at a chartered bank, a trust or loan company or a credit union or caisse populaire;

"Council" means the duly elected Chief and Council of the Nation;

"Department" means an administrative division of the Nation administration as established from time to time by Council and includes service centres, Agencies, administrative units and other internal organizational units of the Nation administration;

"Employee" means all categories of Nation staff, including full-time, part-time, casual, temporary and seasonal employees; but not contractors;

"Entity" means a corporation, partnership, joint venture or any unincorporated association or organization;

"Finance Committee" means the Finance Committee established pursuant to these Financial Policies and Procedures;

"Major Project" means a project with a budget over \$50,000;

"Manager/Director" means an Employee of the Nation who is responsible for a program, project or Agency;

"Member" means a person whose name appears on the Band List of the Nation maintained by Indigenous and Northern Affairs Canada, or its successor, or on a list maintained by the Nation, should the Nation adopt its own membership code pursuant to section 10(1) of the *Indian Act*;

"Nation" or **"BFN"** means Beaver First Nation;

“Nation Administrator” means the senior administrative officer responsible for the administration of the Nation and who reports directly to Chief and Council;

“Nation Funds” means all monies belonging to the Nation, including:

- (a) All revenues of the Nation, excluding funds received by the Nation from business Entities;
- (b) Monies borrowed by the Nation from any source;
- (c) All monies that are received or collected by the Nation pursuant to any Agreement or funding arrangement to be disbursed for a purpose specified by Council or pursuant to that Agreement or funding arrangement; but does not include:
 - i. monies received as revenues payable into the Nation’s Revenue or Capital Trust accounts held by the Government of Canada; or
 - ii. monies received by the Nation on behalf of a Member.

“Policy” means a program of actions adopted by Council and the principles upon which they are based;

“Purchase” includes any expenditure for goods or services for capital or operating purposes;

“Remuneration” means any salaries, wages, commissions, bonuses, fees, honoraria and dividends and any other monetary benefits (other than the reimbursement of expenses) and includes non-monetary benefits; and

“Resolution” means a validity enacted Band Council Resolution by the Council.

Section 2: Administration and Governance

Purpose

- 2.1 These Financial Policies and Procedures govern the receipt, management and expenditure of Nation Funds and set out the administrative organization of the Nation for the management of Nation Funds.
- 2.2 These Financial Policies and Procedures may be amended from time to time by Resolution.
- 2.3 Nothing in these Financial Policies and Procedures shall abrogate or derogate from BFN's inherent right to self-governance and self-determination, Treaty 8 rights, or any of BFN's other rights recognized and affirmed by section 35(1) of the *Constitution Act, 1982*.

Content

- 2.4 These Financial Policies and Procedures contain operational policies and procedures that have been approved and adopted by Council. Operational policies and procedures assist Council and the Nation Administrator in managing the ongoing operations of the Nation. Operational policies and procedures are created and updated at the discretion of Council. It is not necessary for operational policies and procedures to be ratified by the Members as they are not laws.

Interpretation and Severability

- 2.5 In these Financial Policies and Procedures, words in the singular include the plural and vice versa, words importing gender include all genders, and a reference to any Act, by-law, rule or regulation or to a provision thereof shall be deemed to include a reference to any Act, by-law, rule or regulation or provision enacted in substitution therefore or amendment thereof.
- 2.6 The provisions of these Financial Policies and Procedures shall be deemed severable. If any provision of these Financial Policies and Procedures shall be held unenforceable by any court of competent jurisdiction, such provision shall be modified to the extent necessary to be enforceable, and the remaining provisions shall remain in full force and effect.

Application

- 2.7 These Financial Policies and Procedures apply to the Nation and its Agencies.

Role of Council

- 2.8 This section provides general guidelines to Council with respect to financial transactions. The section also makes Employees aware of the role of Council as it pertains to the financial transactions of the Nation and its Agencies.
- 2.9 Council shall:
- (a) For the purpose of these Financial Policies and Procedures, make all related decisions by Resolution;
 - (b) Establish such positions, Agencies, Departments, service areas or authorities as may be necessary for the good administration of the Nation Funds;
 - (c) Ensure that such positions, Agencies, Departments, service areas or authorities each have a specified mandate, a clearly defined role, a defined relationship to Council and appropriate policies to ensure the effective administration of the affairs of the Nation;
 - (d) Identify and select those individuals who will be given the authority to sign cheques and other financial documents, including Agreements, provided that each individual shall be given a maximum delegated amount;
 - (e) Identify and select those individuals who will be given the authority to make expenditures or purchases on behalf of the Nation and its Agencies;
 - (f) Review and approve the Nation's Annual Budget;
 - (g) Review and approve the Nation's Annual Audit;
 - (h) Where necessary, establish appeal or review bodies to create appeal mechanisms in relation to all financial transactions of the Nation and its Agencies; and
 - (i) Identify what financial information will be made available to the Members and to the public generally, at a minimum complying with the *First Nations Financial Transparency Act*, any other applicable legal requirements, or any obligations pursuant to any funding arrangements entered into by the Nation.

Finance Committee

- 2.10 Council have delegated certain powers related to oversight of Nation finances to the Finance Committee

- 2.11 Council may decide not to implement an appeal committee due to a lack of community interest, or in the absence of a committee, council would assume the role of the committee with the responsibilities and process as outlined within these policies and procedures.
- 2.12 The Finance Committee shall be responsible for:
- (a) Monitoring the receipt of Nation Funds;
 - (b) Monitoring the expenditure of Nation Funds;
 - (c) Oversee the maintenance of the financial records of the Nation in accordance with generally accepted accounting principles as directed by the Canadian Institute of Chartered Accountants, or its successor, any requirements of the *First Nations Financial Transparency Act* and any other legal requirements, including the terms of any funding arrangements entered into by the Nation;
 - (d) Taking into account the priorities approved by Council, overseeing, reviewing in detail and making recommendations to Council on the Annual Budget in accordance with the *First Nations Financial Transparency Act* and any other applicable legal requirements, including any obligations pursuant to any funding arrangements entered into by the Nation;
 - (e) Attending to other matters relating to the financial affairs of the Nation as directed by Council;
 - (f) Reviewing the implementation of the finance Policies carried out by the Finance Manager and making recommendations to Council; and
 - (g) Reviewing funding Agreements, salary schedules, travel rates, honorariums, and expenditure reports and making recommendations to Council with respect to such reviews.
- 2.13 The terms of reference for the Finance Committee are set out as Appendix 1 to these Financial Policies and Procedures.

Accounting Systems

- 2.14 At the time of the adoption of these Financial Policies and Procedures, the Nation uses the QuickBooks accounting system to organize and maintain proper financial management and internal controls.
- 2.15 QuickBooks meets the basic requirements of an accounting system containing basic processing tools, including accounts, debits and credits, journals, and a journal ledger.

- 2.16 Council may, by Resolution, and upon recommendation from the Finance Committee or if there is no Finance Committee constituted in their sole discretion, change or amend the accounting system, provided the replacement accounting system adheres to generally accepted accounting principles as defined by the Canadian Institute of Chartered Accountants, or its successor, any requirements of the *First Nations Financial Transparency Act* and any other legal requirements.

Financial Management

Nation Administrator

- 2.17 The following section sets out the responsibilities of the Nation Administrator in relation to these Financial Policies and Procedures.
- 2.18 In the absence of a Finance Manager, the Nation Administrator shall be accountable for those responsibilities set out at sections 2.20 and 2.21 of these Financial Policies and Procedures in the absence of a Finance Manager.
- 2.19 If there is no Finance Committee constituted by Council, the Nation Administrator shall be accountable for those responsibilities set out at section 2.11 of these Financial Policies and Procedures.
- 2.20 In addition to any other responsibilities prescribed by Council in relation to the financial management the Nation, the Nation Administrator shall:
- (a) Act as the senior official of the Nation and assisting Council in carrying out its duties as those duties relate to the financial affairs of the Nation;
 - (b) Make recommendations to Council regarding financial matters;
 - (c) Ensure the preparation of the Nation's Annual Budget and any related amendments and submitting these to Council for approval;
 - (d) Ensure the establishment and maintenance of a financial accountability process with the approval of Council;
 - (e) Oversee the receipt of the Nation's revenues and other funds;
 - (f) Monitor the Nation's cash flow, including long-term cash flow projections;
 - (g) Oversee the maintenance of the financial records of the Nation in accordance with generally accepted accounting principles as directed by the Canadian Institute of Chartered Accountants, or its successor, any requirements of the *First Nations Financial Transparency Act* and any other legal requirements, including the terms of any funding arrangements entered into by the Nation;

- (h) Oversee the administration and supervision of the financial record keeping and reporting systems of the Nation;
- (i) Oversee the preparation of monthly Nation financial statements as prescribed by Council; and
- (j) Oversee the completion of the annual audit of the Nation.

Finance Manager

2.21 The following section sets out the responsibilities of the Finance Manager in relation to these Financial Policies and Procedures.

2.22 In addition to any other responsibilities prescribed by the Nation Administrator in relation to the financial management of the Nation, the Finance Manager shall:

- (a) Report to and provide financial advice to the Nation Administrator;
- (b) Be responsible for performing the accounting functions of the Nation in an effective and efficient manner;
- (c) Assist in the preparation and presentation to Council of the Nation's Annual Budget;
- (d) Assist in the short term and long-term cash calculations;
- (e) Prepare the financial statements for the Nation on a monthly basis as prescribed by the Nation Administrator;
- (f) Prepare the Nation's financial statements and records for review at the annual audit; and
- (g) On the direction of Council, and in accordance with applicable legislation, ensure that required information is posted to the Nation's website.

Section 3: Annual Budget Preparation

- 3.1 The section describes the procedures to be followed in the preparation of the Annual Budget for the Nation.

Role of Council

- 3.2 Council will review the Annual Budget as presented by the Nation Administrator and Finance Manager and may request further information or clarification as required.
- 3.3 Council has the discretion, with the advice of the Nation Administrator, to reallocate surpluses and to amend the Annual Budget as required.

Role of the Finance Committee

- 3.4 Reviewing and providing recommendations to Council on the Annual Budget in accordance with the priorities approved by Council, any applicable legislation, and any Agreements or funding arrangements entered into by the Nation.

Role of the Nation Administrator

- 3.5 Unless otherwise directed by Council, the Nation Administrator shall:
- (a) Identify all Nation programs, projects or Agencies with their own revenues and/or expenditures for the budget preparation;
 - (b) Identify the Manager/Directors responsible for each of the programs, projects or Agencies identified in section 3.5(a);
 - (c) Provide notice no later than December 31 of each year to all Manager/Directors to prepare and submit an annual budget to the Nation Administrator and the Finance Manager no later than February 15. The notice shall state that the annual budget shall outline all expenditures and all funding sources for both operating and capital requirements for the upcoming fiscal year;
 - (d) Assist the Finance Manager in reviewing the annual budgets prepared by the Manager/Directors for completeness and combining them into a consolidated Annual Budget of the Nation;
 - (e) Finalizing the Annual Budget and presenting it to Council for amendment and/or approval.
- 3.6 In the absence of a Finance Manager, the Nation Administrator assumes the responsibilities set out at sections 3.7 to 3.10.

Role of the Finance Manager

- 3.7 With the assistance of the Nation Administrator, the Finance Manager shall be responsible for reviewing all of the annual budgets prepared by the Manager/Directors for completeness and combining them into a consolidated Annual Budget of the Nation.
- 3.8 The Finance Manager shall incorporate into the Annual Budget all revenue and capital and operating expenditures for the Nation not included in the annual budgets prepared by the Manager/Directors.
- 3.9 If an annual budget prepared by a Manager/Director shows a surplus, the Nation Administrator and the Finance Manager may transfer such surplus within the Annual Budget, subject to
- 3.10 The Finance Manager shall assist the Nation Administrator in presenting the Nation's Annual Budget to Council for approval.

Role of Managers/Directors

- 3.11 Unless otherwise directed by the Nation Administrator, in preparing their annual budgets for submission to the Nation Administrator and Finance Manager by February 15 of each year, all Manager/Directors shall:
 - (a) Identify the funding source(s) for their program, project or Agency;
 - (b) Estimate the revenue expected for the program, project or Agency for the upcoming fiscal year, based on either a work plan or the terms of any Agreement;
 - (c) Identify the types of expenditures planned for the upcoming fiscal year, such as salaries, office expenses, telephone, maintenance and travel;
 - (d) Identify the amounts for each type of expenditure identified based on the program activity and level of funding available;
 - (e) Ensure the outcomes required by the funding Agencies are fulfilled within the funds provided. If not able to fulfill the requirements within the funds provided, the Director is to bring forward the appropriate solutions to meet the obligations for authorization by Chief and Council.
 - (f) Identify any capital expenditure requirements; and
 - (g) Once the total revenue for the year has been identified by funding source and the total expenditures and capital requirements have been set for the year, distribute the totals over a 12-month period as appropriate to identify cash flow requirements.

- 3.12 Unless previously approved by Council, upon the submission of a plan to rectify, the annual budget of a program, project or Agency shall not show a deficit.

Section 4: Budget Management and Control Procedures

- 4.1 Managing the Nation's Annual Budget is critical to the financial health of the Nation. The management and control of the budget is exercised at two levels in the organization. The first is the Manager/Director level and the second is the Council level.
- 4.2 The Nation Administrator and the Finance Manager are involved at both levels as the management of the budget is part of the Nation Administrator's function and the financial system and information is part of the Finance Manager's function.

Management and Control Responsibilities of Manager/Directors

- 4.3 The Finance Manager shall provide two sets of financial data to Managers/Directors:
- (a) A monthly detailed listing of all revenues and expenditures allocated to the Manager/Director's program, project or Agency within 20 days following month end; and
 - (b) A monthly statement of all revenues and expenditures grouped in categories (previously agreed and set in the coding structure), together with the budget for each of the same categories.
- 4.4 The Manager/Director shall review or ensure that a review is performed of the detailed listing provided pursuant to section 4.3(a) to determine if each transaction is a transaction properly recorded as belonging to his or her program, project or Agency.
- 4.5 If there are transactions on the detailed listing that do not belong to the program, project or Agency or are improperly coded, the Manager/Director shall advise the Finance Manager and such transactions will be corrected or removed from both the detailed listing and the monthly statement of revenues and expenditures.
- 4.6 The Manager/Director shall personally review the monthly statement of revenues and expenditures provided pursuant to section 4.3(b) after any corrections are made pursuant to section 4.5.
- 4.7 For each category of revenue and expenditure where there is a variance from the budget that is greater than 10% (actual compared to budget; higher or

lower), the Manager/Director shall provide a written explanation to the Finance Manager. Corrective actions, if any are required, must be recorded by the Manager/Director and undertaken.

- 4.8 The monthly statement of revenue and expenditures shall be noted as reviewed by the Manager/Director in writing and signed for internal control and audit review purposes.

Management and Control Responsibilities of Council

- 4.9 The Finance Manager shall provide two sets of financial data to Council:
- (a) The monthly statements of all revenues and expenditures grouped in categories that are provided to each Manager/Director pursuant to section 4.3(a); and
 - (b) A combined monthly statement of all revenues and expenditures for the whole Nation with a line for the totals of revenues and expenditures for each program, project or Agency, together with the budgets.
- 4.10 Council will review the data provided pursuant to section 4.9 and request an explanation on any budget variances from the responsible Manager/Director. Where there is a budget variance that is greater than 10% (actual compared to budget; higher or lower), or if the program is running at a deficit, Council may request corrective action, including a schedule of when the action will be undertaken.
- 4.11 Following review, the total revenue and expenditure statements must be noted as reviewed by Council in writing (signatures of a Quorum or minutes of a meeting) for internal control and audit purposes.

Section 5: Long-Term Financial Planning

- 5.1 This section provides general guidelines for the development and preparation of long term financial plans both for specific major projects and long-term financial planning for the Nation.

Major Projects

- 5.2 When at the time of the strategic planning process or other planning session, a Major Project is identified and is to be undertaken, the following financial planning processes shall be followed to the extent reasonably possible:
- (a) At the identification of the Major Project, the estimated cost of the project and the estimated length of time it will take to complete shall be established;
 - (b) The Nation Administrator shall identify who will plan and monitor the finances of the Major Project (the “**Financial Project Officer**”);
 - (c) The Financial Project Officer shall work closely with the planning and development staff for the Major Project and identify:
 - i. The specific time lines for each phase of the Major Project;
 - ii. The cash requirements for each of the time lines and phases;
 - iii. The overall cash requirements in accordance with the time lines and phases; and
 - iv. The source of the funding for the Major Project.
- 5.3 The Financial Project Officer shall develop the required documentation to ensure the cash requirements will be met for each phase, monitor the cash flow at each phase, identify overages or shortfalls and determine any corrective actions to be taken if required.

Ongoing Long Term Financial Planning

- 5.4 During the development of the Annual Budget, the Nation Administrator and the Finance Manager shall review the status of all Agreements and all other revenue streams to ensure that these are stable sources of revenue. This review shall include determining whether the funding or revenue stream will continue at the same level for a minimum of one year beyond the Annual Budget under development.
- 5.5 If the funding or revenue stream will not continue at the same level for a minimum of one year beyond the Annual Budget under development, the Nation Administrator shall identify those Agreements or revenue streams that

will not continue and will provide a list of these to Council for consideration and action.

- 5.6 The Finance Manager will estimate the funding requirements for all the Nation's programs for at least one year beyond the Annual Budget under development and provide this to the Nation Administrator for action identifying any expected shortfalls.

Section 6: Cheque Signing Authorities

- 6.1 Council shall, by Resolution, delegate cheque-signing authority to specific persons or positions for cheques to be drawn on a Bank Account(s) of the Nation.
- 6.2 Each cheque shall require signatures of three (3) authorized signing authorities. Cheques must bear the original handwritten signatures of properly authorized signatories and must not be signed using equipment capable of reproducing signatures.
- 6.3 Cheques must not be signed in advance (blank cheques) and may not be payable to "cash."
- 6.4 Any changes to signing authority designates must be approved by Resolution. The Nation Administrator is responsible for notifying the financial institution of any changes in signing authority with the required documentation.
- 6.5 Misuse of information, funds, or authority by those with signing authority for the Band Account(s) will be grounds for immediate suspension of their signing authority and the basis of a review and disciplinary action, up to termination, by Council.

Section 7: Banking

- 7.1 Council shall pass a Resolution to identify a bank and the establishment of the necessary Bank Account(s) for the Nation's operations.
- 7.2 The bank will be advised in writing of all decisions that Council makes with reference to the status of the Bank Account(s) it holds and/or changes to signing authorities for the Bank Account(s) it holds.

Online Banking

- 7.3 To facilitate operations, telephone and/or internet access to the Bank Accounts may be established. Access to Bank Accounts online will be restricted to the Nation Administrator and Finance Manager.
- 7.4 Online banking will be used primarily for information flow necessary for timely financial reporting.

Investment Management

- 7.5 Funds in a Bank Account shall be administered by the Nation Administrator who shall have the authority from Council to invest "excess cash" in accordance with this provision.
- 7.6 Nation Funds shall only be invested in term deposits or guaranteed investment certificates at an accredited financial institution in the name of the Nation. All investments will be managed in accordance with accepted financial management practices.

Deposits

- 7.7 The Nation Administrator shall establish all Bank Accounts into which Nation Funds will be deposited pursuant to the Resolution.
- 7.8 The Nation Administrator shall ensure the safekeeping of Nation Funds and shall forthwith deposit all Nation Funds received to the credit of a Bank Account.
- 7.9 Any funds required to be held in trust for the Nation shall be deposited into a separate trust account specifically designated for that purpose.
- 7.10 The Nation Administrator shall recommend reallocation of funds from one Bank Account to another Bank Account, for program and services delivery according to the approved Annual Budget, for short-term cash management of the Nation's funds, or for other purposes approved by Council.

Expenditures

- 7.11 The following provides the procedures for Council, Employees and Agencies for the proper and prudent administration and management of expenditures from Nation Funds.
- 7.12 The Nation's Conflict of Interest Policies apply to all expenditures. The Conflict of Interest Policies are detailed in the Governance Policies and Procedures.
- 7.13 All payments and financial commitments, including any disbursements or financial commitments made directly by Council, shall be in accordance with the Annual Budget or in accordance with a Resolution.
- 7.14 Council shall, by Resolution, approve any loans or investments to be made on behalf of the Nation, including investments in or loans to Companies owned by the Nation.
- 7.15 When a delegated program staff member decides that an expenditure, in accordance with the budget, should be made, that person shall prepare a request for a purchase order and present it to their Manager/Director who is responsible for authorizing the expenditure and presenting it to the Nation Administrator or Finance Manager. When the goods or services are received, and an invoice is obtained, the invoice is matched to the purchase order and then a cheque is prepared and recorded. The Finance Manager shall present the cheque for signature to Council or to the person to whom a delegation of cheque signing authority has been made.
- 7.16 No Purchase shall be made unless the Purchase has been authorized:
- (a) By a person delegated to authorize such payment;
 - (b) Pursuant to a Resolution; or,
 - (c) Pursuant to a written contract entered into between the Nation and the person providing such goods or services, which establishes the amount, or a method of calculating the amount, to be charged for such goods or services.
- 7.17 An invoice shall be rendered for payment for all goods or services that are provided to the Nation or its Agencies for a fee or other charge.
- 7.18 The Nation Administrator or the authorized person of a Department responsible for the expenditure shall ensure that all invoices are rendered pursuant to this policy.

Section 8: Procurement and Tenders

Purchase of Goods and Services

- 8.1 This section provides general procurement processes and authority levels for Council, Employees and Agencies for the proper and prudent purchases of goods and services for the Nation and its Agencies.
- 8.2 The Nation's Conflict of Interest Policies apply to all purchases of goods and services. The Conflict of Interest Policies are detailed in the Governance Policies and Procedures.
- 8.3 All payments and financial commitments, including any disbursements or financial commitments made directly by Council, shall be in accordance with the Annual Budget or in accordance with a Resolution.
- 8.4 Council shall, by Resolution, delegate purchase, expenditure and commitment authorities to specific persons or positions and shall specify the maximum delegated amount.
- 8.5 All Purchases of the Nation and its Agencies shall be approved either by the person authorized to approve the Purchase, or by a Resolution.
- 8.6 Unless it has been approved in the Annual Budget, any Purchase over \$5,000 must be approved by Council.
- 8.7 Where circumstances warrant, Council may by-pass any of the requirements of this section by Resolution.

Tenders

- 8.8 This section provides general terms, guidelines, procedures and authority levels for Council, Nation Administrator, Managers/Directors and Employees of the Nation and its Agencies for the proper administration and management of the tendering processes of the Nation.
- 8.9 The following principles apply to the tendering process:
 - (a) All potential bidders shall be dealt with on an equitable basis;
 - (b) Clear, consistent evaluation criteria will be developed prior to the opening of tenders;
 - (c) All tender documents will be treated confidentially;
 - (d) All tenders will be opened in public with appropriate safeguards; and
 - (e) All tenders will be assessed on the basis of a clear, consistent, predefined evaluation criteria.

Purchases Less than \$50,000

- 8.10 For contracts for less than \$50,000, Council reserves the right to authorize the Nation Administrator or a delegate to negotiate and recommend a specific contract on a sole source basis.
- 8.11 Capital purchases up to \$50,000 may be made without a tender process by a program or department if the purchase has already been approved as part of the Annual Budget.

Purchases Exceeding \$50,000 but Less than \$500,000

- 8.12 For non-construction (professional) contract services exceeding \$50,000, proposals for services should be invited from at least three (3) individuals or firms. All such contracts shall be selected and approved by Council.
- 8.13 Capital purchases exceeding \$50,000, but less than \$500,000, must be completed by invitations to tender to at least three (3) qualified firms or by public tender.

Construction Projects Between \$100,000 and \$500,000

- 8.14 For construction projects exceeding \$100,000, but less than \$500,000, invitations to tender should contain the following documents:
 - (a) tender instructions;
 - (b) tender and contract form;
 - (c) general conditions;
 - (d) insurance schedule;
 - (e) contract or statement of qualifications;
 - (f) proof of Workers Compensation Board; and
 - (g) statement of work plan and specifications.

Capital Purchases Exceeding \$500,000

- 8.15 Capital purchases in excess of \$500,000 must be completed by a full public tender. These must be publicly advertised, usually through newspapers, postings in local construction association offices and/or a public electronic bidding service. All qualified and interested contractors are provided an opportunity to bid on the project.

- 8.16 Once the purchase is advertised, individual contractors can be contacted to ensure that they are aware of the project being open tendered. Public advertisement or notification of a project must be wide enough to ensure a sufficient number of qualified and interested contractors are available, so that a competitive tendering process is achieved. Bids submitted by qualified and interested contractors who may have become aware of the project and whose place of business may be outside the geographical area of advertisement cannot be refused.
- 8.17 Housing projects are excluded from the requirements for invitation to tender or public tender.
- 8.18 Where a contract for services rendered to the Nation is expected to exceed \$500,000, tenders or quotes should be invited from at least three (3) firms, or be publicly advertised in local and regional newspapers.
- 8.19 A Request for Proposals (RFP) process may be used at the discretion of Council for professional services contracts. Once advertised, the Nation must, where reasonably possible, have the following documentation available for interested contractors:
- (a) a letter of invitation;
 - (b) a statement of work required;
 - (c) proposal evaluation criteria; and
 - (d) contract (includes general conditions & terms of payment).

Procedure for Receiving Tenders

- 8.20 Tenders and proposals received are to be date stamped, kept safe, and opened by a minimum of two (2) persons designated by Council after the deadline date for tender/proposal submission.
- 8.21 All tenders and proposals received shall be reviewed against an evaluation criteria list. The contract bidder or proposed proponent who best meets the evaluation criteria shall be recommended to receive the contract, subject to Council approval.
- 8.22 The lowest tender received shall normally be accepted unless Council deems it to be in the best interest of the Nation to accept a higher tender in the event that the higher tender:
- (a) Provides a better-quality product or service; or provides economic or other benefits to the Nation or its Members; and
 - (b) Council approves the higher tender by a Resolution which shall contain the reasons for the decision to accept the higher tender.

- 8.23 Any contracts drawn and signed between the Nation and a contractor must clearly state all requirements of the contract in detail. Any construction or other project requiring a holdback under the *Builders Lien Act* (Alberta), or other applicable legislation, must contain a provision for the Nation to hold back a minimum of ten percent (10%) of the contract amount, or any such other required amount, subject to the contractor complying with all contract deliverables.
- 8.24 For construction projects exceeding \$200,000, the successful bidder must submit proper bid security within 14 days of being awarded the contract.
- 8.25 Should the Nation not have the resources or expertise to execute any part of the procedures in this tender policy, the Nation reserves the right to hire outside experts, such as consultants or engineers to execute these procedures on their behalf.

Section 9: Recording Fixed Capital Asset

- 9.1 Fixed capital assets include such items as tangible property with a life expectancy of more than one year, and a cost of five thousand dollars (\$5,000.00) or more such as: purchased assets; self-constructed capital items; improvement or additions that will enhance the value of the useful life of the asset; leased and rented items; assets acquired through replacements and insurance claims; assets created by using parts from other fixed assets; assets transferred within the Nation administration; and attractive items which are small, portable, cost less than five thousand dollars, and have a life expectancy of more than one year and are considered easy targets for theft (e.g. calculators, cell phones etc).
- 9.2 Fixed capital assets also include roads, buildings, vehicles, equipment, land, water and other utility systems, computer hardware and software, dams, canals and bridges.

Accounting for Fixed Capital Assets

- 9.3 The Nation Administrator shall be responsible for accounting for fixed capital assets.
- 9.4 These accounts will serve to:
- (a) Maintain a physical inventory of assets;
 - (b) Establish accountability;
 - (c) Determine replacement costs; and
 - (d) Provide appropriate insurance coverage.
- 9.5 Fixed capital assets shall be recorded at initial cost or, if not available, at estimated initial cost; gifts of fixed capital assets shall be recorded at estimated fair value at the time of the gift. A record will be maintained for each fixed capital asset and will contain, where reasonably possible, the following information:
- (a) Registry number;
 - (b) Date of acquisition;
 - (c) Description;
 - (d) Model number and serial number;
 - (e) Cost or value;
 - (f) Location;

(g) Date and method of disposition; and

(h) Responsible official.

9.6 The Nation Administrator shall arrange for the annual inventory and appraisal of Nation property, equipment and material. The process, under the direction of the Nation Administrator, will include:

(a) Reconciliation of the physical count to the Nation's records;

(b) Investigation of any differences between the count and the records to determine why there are differences;

(c) Identification of obsolete items and those no longer in use; and

(d) Preparation of a report on the investigation of differences between the count and the records to be submitted to Council.

Sale and Disposal of Fixed Capital Assets

9.7 No fixed capital asset shall be sold without prior approval of Council. The following should be considered by Council in making their decision:

(a) Equipment or materials that are obsolete, surplus, or unusable by the Nation shall be disposed of in such a manner that is advantageous to the Nation. The item(s) shall be sold in such a way so as to maximize the net proceeds of sale.

(b) If it is determined that reasonable attempts to dispose of the equipment have been made and such attempts have not produced an adequate return, the Nation Administrator may dispose of the equipment in any manner which he/she deems appropriate

9.8 Net proceeds from the sale of fixed capital assets shall be deposited in the appropriate Bank Account.

Operation and Maintenance

9.9 The Nation will provide for reasonable maintenance and reasonable replacement of capital facilities and equipment. The Nation will provide maintenance schedules to ensure facilities and equipment are maintained so as to:

(a) Maximize the life cycle of physical assets;

(b) Mitigate health and safety risks;

(c) Ensure assets meet applicable codes and standards; and

- (d) Ensure assets are managed in a cost-effective and efficient manner.

Section 10: Agreements

- 10.1 Agreements or other forms of funding arrangements for the Nation and its Agencies shall only be approved by Resolution.

Section 11: Credit Cards

- 11.1 A credit card is often necessary to pay for products, services and travel.
- 11.2 Unless there is an extenuating circumstance, any credit card issued by the Nation must be repaid on a monthly basis
- 11.3 Employees authorized to use a credit card are required to sign the Authorization for use of a Corporate Credit Card attached as Appendix 2 of these Financial Policies and Procedures.

Section 12: Accounts Receivable

- 12.1 With respect to accounts receivable, the Finance Manager, or in the absence of the Finance Manager, the Nation Administrator, is responsible for:
- (a) Reconciliation of the Accounts Receivable general ledger and the sub-ledger accounts;
 - (b) Accurate aging of the Accounts Receivable general ledger;
 - (c) Invoicing of customers, applying payments and reconciling of Accounts Receivable is done; and
 - (d) Reconciliation of the bank deposits attributable to Accounts Receivables adjusted correctly during each monthly period.

Section 13: Fiscal Year

- 13.1 This section will ensure that Council, all Employees, and Members are aware of the dates when the Fiscal Year for the Nation begins and ends.
- 13.2 The fiscal year for the Nation shall be from April 1st of each year to March 31st in the following year.

Section 14: Audit

- 14.1 The purpose of this section is to indicate the authority for appointing an auditor for the Nation. It also provides general terms of reference, scope of work and entitlements for the appointed auditor.
- 14.2 Council, by Resolution, shall appoint an auditor to audit the books and records of the Nation on an annual basis.
- 14.3 The auditor shall be a member of a recognized professional accounting association.
- 14.4 The auditor shall report to Council.
- 14.5 The audit shall include all transactions involving the Nation Funds.
- 14.6 The auditor is entitled to:
 - (a) have access to all books, records, accounts and vouchers;
 - (b) require the production of information necessary for the completion of the audit from any program or department;
 - (c) obtain copies of Resolutions and Policies; and
 - (d) obtain copies of Agreements, funding arrangements, contracts and other related documents.
- 14.7 The audit shall be conducted in accordance with generally accepted accounting principles as defined by the Canadian Institute of Chartered Accountants, or its successor, reporting requirements of the *First Nation Financial Transparency Act* or any other legal requirements, obligations arising from funding arrangements or requirements approved by Council, and shall include a general review of the adequacy of the accounting procedures and systems of control employed to preserve and protect the assets of the Nation.
- 14.8 The Nation Administrator shall review the engagement letter of the auditor concerning the annual audit and shall assist the auditor in the completion of the audit.
- 14.9 After the review of the annual audit by the Nation Administrator, the auditor with the Nation Administrator, shall present the annual audit to Council.
- 14.10 The audited financial statements shall be accepted by Resolution.
- 14.11 The Nation Administrator shall retain the written report of the auditor, together with the related financial statements including any supporting documents.

14.12 Upon acceptance of the auditor's report by Council, Members shall be notified that the report is available for inspection by the Membership at the office of the Nation, be posted on the Nation's website, and presented to them at an all Members meeting.

Schedule of Remuneration

14.13 In accordance with the *First Nations Financial Transparency Act*, a Schedule of Remuneration and Expenses shall be prepared annually to set out the remuneration paid and the expenses reimbursed to its chief and each of its councillors (acting in their capacity as such and in any other capacity, including their personal capacity) by the Nation and by any entity that, in accordance with generally accepted accounting principles, is required to be consolidated with the Nation.

14.14 An auditor's report prepared by the auditor must accompany the Schedule of Remuneration and Expenses.

APPENDIX 1 - TERMS OF REFERENCE FOR FINANCE COMMITTEE

Responsibility

1. Primary responsibility for the financial reporting, accounting systems, budgets, internal controls and treasury of the Nation is vested in the Nation Administrator and is overseen by Council.

Purpose

2. The purpose of the Finance Committee is to advise Council in fulfilling its obligations and oversight responsibilities relating to financial planning and financial affairs of the Nation.

Composition and Quorum

3. The Finance Committee shall consist of three (3) members appointed by Council with one member being a Council member selected by Council. Council shall have the right to terminate the term of office for a Council member and select a different Council member to be appointed by the Finance Committee. Terms will be for four (4) years.
4. Appointment by Council to the Finance Committee shall be based on the individual's interest and ability to deal with financial matters.
5. A quorum for a decision of the Finance Committee shall consist of two members, at least one of whom is a Council member.

Chairperson

6. The Chairperson shall be the Council member. In the absence of the Chairperson, the Finance Committee may appoint a Chairperson for any meeting from among the members present.

Accountability to Council

7. The Finance Committee has no authority to direct the Nation Administrator or to commit the Nation unless specifically authorized by Resolution.

Duties and Responsibilities

8. The Finance Committee will act honestly and with integrity, and in an efficient, effective and ethical manner when executing the provisions of the Financial Policies and Procedures.
9. Subject to the powers and duties of Council, the Finance Committee will perform the following duties:

- (a) Monitoring the receipt of Nation Funds;
- (b) Monitoring the expenditure of Nation Funds;
- (c) Oversee the maintenance of the financial records of the Nation in accordance with generally accepted accounting principles as directed by the Canadian Institute of Chartered Accountants, or its successor, any requirements of the *First Nations Financial Transparency Act* and any other legal requirements, including the terms of any funding arrangements entered into by the Nation;
- (d) Taking into account the priorities approved by Council, overseeing, reviewing in detail and making recommendations to Council on the Annual Budget in accordance with the *First Nations Financial Transparency Act* and any other applicable legal requirements, including any obligations pursuant to any funding arrangements entered into by the Nation;
- (e) Attending to other matters relating to the financial affairs of the Nation as directed by Council;
- (f) Reviewing the implementation of the finance Policies carried out by the Finance Manager and making recommendations to Council; and
- (g) Reviewing funding Agreements, salary schedules, travel rates, honorariums, and expenditure reports and making recommendations to Council with respect to such reviews.

Frequency of Meetings

10. The members of the Finance Committee may meet and adjourn as frequently as they consider appropriate. The Finance Manager and/or designate will work closely with the Chairperson and the Finance Committee by scheduling meetings of the Finance Committee and suggesting an agenda for the meetings.

Finance Committee Rules

11. Robert's Rules of Order, included as Appendix 4 to the Governance Policies and Procedures, will be followed by the Finance Committee in the conduct of its procedures.
12. Questions arising at any meeting of the Finance Committees shall be decided by majority of votes, provided quorum is met. All decisions are to be recorded in the meeting minutes.

Reporting

13. The Council member who is a member of the Finance Committee shall report to Council on behalf of the Finance Committee.

Staff Support

14. The Finance Manager provides staff support to the Finance Committee.

External Advisors

15. The Finance Committee may engage independent advisors when it deems necessary, subject to the approval of Council

Applicable Policies

16. All Finance Committee members will be required to adhere to these Financial Policies and Procedures, the Governance Policies and Procedures, specifically the Conflict of Interest and Confidentiality and Access to Information Policies and Code of Conduct policies as well as any other applicable Policy, as may be adopted or amended from time to time.

Removal of a Member from the Finance Committee

17. A member of the Finance Committee may be removed by Council for whatever reason including, but not limited to, the following reasons:
 - (a) Not willing to remove themselves from a conflict of interest situation;
 - (b) Breach of confidentiality;
 - (c) Gaining personal benefit from sitting on the Finance Committee; and
 - (d) Missing more than three (3) consecutive meetings, or frequently missing meetings, without a justifiable reason.
18. When a member of the Finance Committee has been removed, Council will appoint a new member to fill the vacancy at the next scheduled meeting.
19. A member of the Finance Committee who wishes to appeal their removal may do so in accordance with the procedure set out in the Appeal Process Policy.

Honorarium

20. A member of the Finance Committee shall be entitled to an honorarium in accordance with the Board and Committee Honorarium section of the Governance Policies and Procedures, as may be amended from time to time.

APPENDIX 2 - ACKNOWLEDGMENT FOR USE OF A CORPORATE CREDIT CARD

EMPLOYEE ACKNOWLEDGMENT OF RESPONSIBILITIES AND OBLIGATIONS FOR THE USE OF A CORPORATE CREDIT CARD

I, the undersigned, hereby acknowledge receipt of a corporate credit card. I acknowledge that this card has been issued to me to make purchases in the course of my regular duties in connection with the Nation. I will not use the card to make any personal purchases. I fully understand that purchases made using this card are to be authorized by the appropriate authorizing supervisor, in accordance with the usual Nation department procedures.

I acknowledge that I have read and agree to the terms and conditions of the Credit Card section of these Financial Policies and Procedures. I confirm my agreement to these terms and conditions by signing the below and by retaining and using the card.

I shall undertake to protect the card and the card account number, not to be divulged to any other person, except a merchant with whom I am transacting on behalf of the Nation. Should the card be lost, stolen, suspended or compromised in any manner, I will advise the appropriate financial institution and the Nation Administrator immediately.

Furthermore, I understand that this card has been provided to me on behalf of the Nation and that in the event of willful or negligent default of these obligations, the Nation will take recovery action deemed appropriate and permitted by law. I agree to return this card upon request of either my authorizing supervisor or the Nation Administrator at any time and upon termination of employment.

Cardholder Name _____

Cardholder Signature _____ Date _____

Card Program Administrator Signature _____	Cardholder Initials
Cardholder Limitations:	
1) Per transaction limit \$ _____	
2) Total Monthly Credit Limit of Card \$ _____	
3) Card has been signed	

APPENDIX 3 - PURCHASE REQUISITION

PURCHASE REQUISITION					BEAVER FIRST NATION	
					BOX 270 HIGH LEVEL, AB T0H 1Z0	
VENDOR:			SHIP TO:			
ADDRESS:						
PHONE:			CONTACT PERSON(S):			
DATE:						
PURCHASING DEPT USE ONLY	FUNDING SOURCE	BUDGET ACCOUNT NUMBERS			AMOUNT IF <1	
VENDOR#:						
		TOTAL VALIDATION (ONLY APPLICABLE WHEN MORE THAN ONE SOURCE USED)			\$	
QTY.	UNIT	STOCK#	DESCRIPTION	EST. UNIT PRICE	TOTAL	
					\$	
					\$	
					\$	
					\$	
					\$	
					\$	
					\$	
					SUBTOTAL	\$
					DISCOUNT	\$
					ADJUSTED SUBTOTAL	\$
					SHIPPING	\$
					GRAND TOTAL	\$
SPECIAL INSTRUCTIONS:						
PERSON MAKING REQUISITION:			PRINCIPAL/SUPERVISOR APPROVAL:			
CENTRAL OFFICE APPROVAL:			ADDITIONAL APPROVAL:			

APPENDIX 4 - RULES OF ORDER

Robert's Rules of Order represent a widely accepted method of conducting meetings and are used by governments and organizations all over the world. Most recently updated in the 10th Edition, the Rules of Order are summarized below.

To present a motion to the Assembly, the following protocol must be observed:

Step 1. *A member stands or raises his or her arm and makes a motion*

This motion requires that Steps 2-4 be completed before the speaker can discuss the motion that he or she is presenting.

Step 2. *The Chairperson asks for another member to second the motion (a seconder)*

The seconding person cannot discuss the motion until Steps 3 and 4 are completed.

Step 3. *The Chairperson restates the motion to the Assembly*

The motion is re-stated by the Chairperson. Careful attention must be paid in stating the motion. The motion to be adopted is not the one set forward by the member, but the one stated by the Chairperson.

Step 4. *The members debate the motion*

Members should speak only when recognized by the Chairperson and are not allowed to direct comments to each other; all discussion must be directed at the Chairperson.

Step 5. *The Chairperson asks for a vote on the stated motion*

The Chairperson asks the members to either raise their arms or stand, in order to register their votes. The Chairperson must ask all members – both those voting for the motion and against it – to vote. The Chairperson must count all votes.

Step 6. *The Chairperson announces the result of the vote*

The Chairperson instructs the corresponding officer to take action and then moves to the next item of business.

For the purpose of expediency, the Chairperson may ask: "Are there any objections?"

If no one objects, the six steps are skipped and the motion has been adopted.

If there is an objection, the above six steps must be followed.

If no seconder comes forward, the motion is dropped.