

FINANCIAL MANAGEMENT POLICY
Table of Contents

1.	General	Page 4
2.	Definitions	Page 4
3.	Bookkeeping System	Page 7
4.	Chart of Accounts	Page 7
5.	Filing System	Page 8
6.	Receipt of Funds	Page 8
7.	Bank Accounts	Page 8
8.	Petty Cash	Page 9
9.	Purchases	Page 9
10..	Approval of Payments	Page 12
11.	Disbursements	Page 13
12.	Payroll	Page 14
13:	Contract for Service	Page 15
14.	Access to Non- Essential Services and Contracts	Page 15
15.	Tenders/Contracts	Page 15
16.	Travel	Page 18
17.	Chief and Council Honourarium	Page 18
18.	Inventories and Assets	Page 18
19.	Capital Assets Accounting and Control System	Page 19
20.	Disposal of Assets	Page 20
21.	Budgetary Process, Control and Reporting	Page 20
22.	Investments	Page 22
23.	Corporate Credit Cards	Page 23
24.	Audit	Page 23
25.	Responsibility for Observance-Financial Regulations	Page 24
26.	Amendments to Financial Regulations	Page 24

APPENDICES
Table of Contents

A	Terms of Reference
B	Signing Authorities
C	Petty Cash
D	Employee Information
E	Direct Deposit Agreement Form
F	Chief and Council Honouraria
G	Tangible Capital Assets
H	Departmental Capital Asset Inventory Form
I	Capital Asset Disposal and Internal Sale Form
J	Casino Rama Revenue Investment Policy
K	General Funds Investment Policy
L	Budget Adjustment Form



CURVE LAKE FIRST NATION
FINANCIAL MANAGEMENT POLICY
JUNE, 2010

WHEREAS Curve Lake First Nation acknowledges the need to re-confirm the requirements for standardized recording and reporting of all financial transactions and events affecting the financial position of the Curve Lake First Nation and by this Policy wishes to amend and revise all previous financial management Policies; and.

WHEREAS This Policy will provide a standard framework for the authorizing, recording and reporting of all financial transactions and events affecting the financial position of the Curve Lake First Nation, its recognized departments, programs, funds and investments; and

WHEREAS it is in the best interest of the First Nation community that such processes be clearly established, communicated to all staff and First Nation members and adhered to by all programs, departments, staff, and elected officials; and

WHEREAS Consistent implementation of this Policy will ensure that:

- A complete record of all financial transactions is provided in a form suitable for decision making and audit purposes.
- All transactions are recorded and reported in accordance with Generally Accepted Accounting Principles and Public Sector Accounting Board regulations.
- Systems and procedures are in place to provide transparency, accountability and assurance to the membership that financial decisions are being administered in a manner which ensures value for money and the continued solvency of Curve Lake First Nation operations.

- Assets of the Curve Lake First Nation are administered in such a manner as to ensure that Curve Lake First Nation continues to meet its financial responsibilities and to foster the confidence of our membership, funders, and the business community generally.
- Curve Lake First Nation employees who handle Curve Lake First Nation assets are given proper and consistent direction for the performance of their duties.
- Curve Lake First Nation funds, assets and properties are properly managed and adequately safeguarded.

NOW THEREFORE, the Council of Curve Lake First Nation adopts the following as its Financial Management Policy effective as of the date herein.

2. DEFINITIONS

- 2.1 "Accounting" is the art of recording, classifying, reporting, and interpreting the financial data of an organization.
- 2.2 "Accounts Payable" is a debt owed to a creditor for goods or services purchased on credit.
- 2.3 "Accounts Receivable" is an amount receivable from a debtor for goods or services sold on credit.
- 2.4 "Accumulated amortization" is the total of amortization charges to date on a tangible capital asset or group of tangible capital assets.
- 2.5 "Amortization" is a systematic and logical process of recognizing the expense associated with using tangible capital asset during a fiscal period
- 2.6 "Asset" is a property or economic resource owned, managed or controlled by Curve Lake First Nation.
- 2.7 "Asset Class" is a grouping of capital assets that are similar in nature and useful life. Eg "buildings" , "vehicles" etc.
- 2.8 "Auditor's Responsibility" is limited to performing the audit investigation and reporting the results in accordance with generally accepted auditing standards.
- 2.9 "Balance Sheet" is a statement of financial position of any economic unit disclosing as at a given moment of time its assets, at cost, amortized cost, or other indicated value, its liabilities, and its ownership equities.

- 2.10 "Band Member" will have the same meaning as in the Indian Act.
- 2.11 "Betterment" is a cost incurred that either increases the capacity, extends the useful life, or reduces the operating costs of a tangible capital asset.
- 2.12 "Budget" is a systematic planning exercise estimating and itemizing expected income and expenses for a given period in the future.
- 2.13 "Capitalization" is the process of recording an eligible expenditure as a tangible capital asset, or including it as part of the cost of a tangible capital asset.
- 2.14 "Capitalization Threshold" is a minimum dollar amount used in determining whether an expenditure should be capitalized as a tangible capital asset addition or expensed in the current year.
- 2.15 "CLFN" means Curve lake First Nation as represented by Council.
- 2.16 "Contract" is an agreement between parties for the construction or repair of any work; the purchase of any service, item, commodity, equipment, goods, materials or supplies.
- 2.17 "Consolidated Operating Budget" is the annual budget approved by Council that presents the expected income and expenses for all First Nation operations, departments and funds for a specified period of time.
- 2.18 "Council" is the Chief and Councillors duly elected by the members of the Curve Lake First Nation from time to time.
- 2.19 "Deferred Revenue" are funds received in advance which have been set aside for certain programs or expenditures.
- 2.20 "Department" is a division or section of the First Nation operation as identified in the Organizational Chart as approved by Council from time to time.
- 2.21 "Depreciation" see "Amortization".
- 2.22 "Disbursements" are all monies paid out by a person authorized by the Curve Lake First Nation to payout monies on behalf of the Curve Lake First Nation or any member thereof.
- 2.23 "Equity" is a right, claim or interest in an asset or assets.

- 2.24 "Expenditures" are funds which the Curve Lake First Nation expects to payout during a given Fiscal Year whether or not such funds are actually paid out.
- 2.25 "Fiscal Year" is the twelve month period in which the Curve Lake First Nation carried out projects for which it has prepared a budget. For the purpose of these Policies, the Fiscal Year will be from April 1st to following March 31st.
- 2.26 "Finance Committee" is the Committee appointed by the Curve Lake First Nation Council operating within the Terms of Reference Attached as Appendix "A"
- 2.27 "FNCR" means First Nation Band Council Resolution"
- 2.28 "Generally Accepted Accounting Principles" are the broad rules adopted by the accounting profession as guides in measuring, recording, and reporting the financial affairs and activities of an entity.
- 2.29 "Inventories" any class or group of materials or supplies, not yet expensed or capitalized. This would include finished goods, materials, supplies and merchandise on hand. Its valuation is cost or market whichever is lower.
- 2.30 "Liability" (financial accounting) is an obligation or debt arising from past transactions or events
- 2.31 "Materiality" is the point where a misstatement or aggregate of misstatements in financial statements would influence the decision of a person who is relying on the statements
- 2.32 "Net Income" (surplus) is the excess of revenues over expenses.
- 2.33 "Net Loss" (deficit) is the excess of expenses over revenues.
- 2.34 "Progress Payment" is a payment made by or on behalf of the Curve Lake First Nation under the terms of a contract in respect of a portion of the work done under the contract prior to the completion of the whole work to be done under the contract as identified by a payment schedule.
- 2.35 "Public Sector Accounting Board" sets accounting guidelines and standards for the public sector
- 2.36 "Receipts" are all monies received by virtue of the operations of the Curve Lake First Nation.

- 2.37 "Resolution" is a Curve Lake First Nation Council Resolution (F.N.C.R.-Band Council Resolution)
- 2.38 "Revenues" are funds which the Curve Lake First Nation expects to receive within a given Fiscal Year whether such funds are actually received or not.
- 2.39 "Signing Authority" is a person designated and approved by the Curve Lake First Nation Council to have signing authority for the Curve Lake First Nation. See Appendix "B".
- 2.40 "Statement of Operations" is a summary of the revenues and expenses of an accounting unit or group of such units and resulting in a net profit/loss figure for a specified period of time.
- 2.41 "Tangible Capital Assets" are non financial assets having physical substance that:
- i. Are used to provide goods and services;
 - ii. Have an economic life beyond one year;
 - iii. Are used on a continuous basis; and
 - iv. Are not for sale in the ordinary course of operations.
- 2.42 "Tender" is a signed offer for the performance of any work; purchase of any item, commodity, equipment, goods, materials or supplies or the performance of a service of any kind.

3. BOOKKEEPING SYSTEM

- 3.1 An adequate bookkeeping system is to be maintained to record all financial transactions utilizing the AccPac software.
- 3.2 The bookkeeping system is to be maintained on an accrual basis.
- 3.3 The books of account are to consist of a General Ledger and the appropriate Journals. This ledger is to be updated monthly by recording therein the information accumulated in the daily records.

4 CHART OF ACCOUNTS

- 4.1 The Finance Department and the Financial Comptroller are responsible for the maintenance of a comprehensive and current Chart of Accounts.
- 4.2 The Financial Comptroller will prepare a standardized chart of accounts to be used for each cost centre. This information is provided to the Managers/Coordinators for their review and comments. It is the responsibility of each Manager/Coordinator to inform the Financial

Comptroller of any desired/required changes to this information on an ongoing basis.

5. FILING SYSTEM

An adequate filing system is established and maintained for a minimum of seven years for the retention of minutes of all Curve Lake First Nation meetings, Curve Lake First Nation Council Resolutions, copies of vouchers and documents including bank statements and cancelled cheques which support the transactions recorded in the bookkeeping system.

6. RECEIPT OF FUNDS

- 6.1 A consecutively pre-numbered receipt is to be prepared for all monies received by the Curve Lake First Nation. The original receipt is to be issued to the payer, indicating the date and the amount received the source and the purpose or reason for the payment to the Curve Lake First Nation.
- 6.2 All monies received are to be kept intact in a safe place. The Financial Comptroller is to ensure all the necessary precautions for the safekeeping of all funds received until they are deposited to the proper bank account of the Curve Lake First Nation in a chartered bank designated by the Council of the Curve Lake First Nation.
- 6.3 All monies received are to be deposited in the bank as soon as possible and at no time less, frequently than once a week.
- 6.4 Funds received by the Curve Lake First Nation are never to be deposited to the credit of an individual. Any payments to individuals are to be through the appropriate disbursement records.

7. BANKING

7.1. Signing Authority

The First Nation Chief, General Manager, two Councillors and one other staff member appointed by Chief and council will be the signing authority on the Curve Lake First Nation General, Out of District, Gaming Revenue and Section 95 Capital Replacement Reserve Accounts. Two of the signing authorities will be required to sign a cheque to render it valid for payment. The signing officers for the Social Services account will be the Social Services Administrator or the Program Assistant-Social and one other signing officer.

7.2. Deposits

Deposits will be made by two designated staff members..

8 PETTY CASH

- 8.1 The Curve Lake First Nation may, by resolution, establish Petty Cash Funds which will be administered in accordance with the Petty Cash Procedures a copy of which is attached as Appendix “C”
- 8.2 All petty cash payments shall be recorded, supported by receipts and accounted for in the monthly financial statements.
- 8.3 Replenishment of petty cash shall be made as required.
- 8.4 Responsibility for the custody of a petty cash fund is to be vested in one specifically designated employee.

9. PURCHASES

9.1 RESPONSIBILITY OF DEPARTMENTS

- 9.1.1 The Managers/Coordinators shall have the following duties and responsibilities.
 - a) To have charge of and be responsible for the procurement of all supplies/services for, or on behalf of Curve Lake First Nation.
 - b) To ensure that adequate budgetary funds are available to meet the cost of any supplies or services prior to any directive to procure such supplies or services.
- 9.1.2 The Manager/Coordinator will be responsible for all supplies and services, with the following exceptions which shall be approved by Council:
 - a) Consulting services namely, auditing, financial, planning, legal and insurance carrier;
 - b) Land and building acquisition and disposal.

9.2 AUTHORITY TO INCUR EXPENDITURES

The Manager/Coordinator may purchase all supplies and services required by the department subject to the following:

- a) Supplies and services not exceeding \$5,000.00 after obtaining the most favorable price, either through written quotations from known suppliers or estimated quotations depending on the nature of the contemplated work, the urgency of the requirements and the general trade practice and market conditions.
- b) Supplies and services of \$5,000.00 or more, but not exceeding \$10,000.00 after inviting written quotations from at least three suppliers and after receiving approval to purchase from the General Manager.
- c) Supplies and services of \$10,000.00 up to \$100,000.00, will adhere to Section 15 of this policy. For supplies and services greater than \$100,000.00 the same procedure is followed with the additional requirement of Council approval as per section 15 of this policy.
- d) All expenditures involving long term commitments (e.g. leases) must be reviewed by the General Manager and then must be signed by at least one of Curve Lake First Nation signing authorities.

9.3 PURCHASE ORDERS

- 9.3.1 Purchase orders which are supplied by the Finance Department (PO's) are to be used for the purchase of any good or service (with a cost in excess of \$25.00) for which we do not have a previously approved contract subject to the following.

PO's should be dated, indicate the supplier, cost/estimate (every effort must be made to access a written estimate), a description of the good or service, the quantity, the budget being charged and the name of the person ordering the item.

- 9.3.2 PO's are to be submitted to the department manager for approval. In the absence of a Manager, the General Manager or the Financial Comptroller can sign a PO.

Approved PO's will be returned to the individual for circulation as follows:

- a) Top copy (white) to the supplier.
- b) The Second copy (pink) is retained and attached to the cheque requisition for payment of invoice when received..
- c) The third copy (yellow) is provided to Reception for filing.

9.3.3 PO's and PO numbers must be used when ordering by telephone or dealing directly with a supplier because we will be asking them to quote a PO number on their invoices. PO numbers are used when referencing invoices from suppliers.

9.3.4 The following expenses will not require a PO:

- Payroll
- Utilities-Bell, Hydro
- Any expense that is already approved as part of a contract-for example we have contracts with some consultants. The contracts must be signed by the General Manager.
- Student allowances
- Medical transportation
- Anything paid through the Post Secondary or Social Assistance bank accounts
- Either the General Manager or the Capital Works Coordinator can authorize emergency repairs to band buildings. Incident reports or a brief description of the emergency must be submitted to Chief and Council.
- For any purchases not covered under this policy the General Manager has the discretion and authority, within the budget parameters, to authorize the need for other purchases.
- Approved credit card purchases

9.4 EMERGENCY PURCHASES

These are envisioned to be purchases whereby a delay in their acquisition could constitute a threat to the employees/community's health and safety and to maintain essential services. It is recognized that the Public Works Department provides essential services to the community for seven days/week, 24 hours/day and therefore, must meet Health and Safety at all times.

- 9.4.1 In case of an emergency situation which requires the immediate purchase of supplies and services, the Manager/Coordinator shall secure, by open market procedure at the lowest possible price.
- 9.4.2 Where any emergency purchase has been made, the Manager/Coordinator shall forthwith submit a report to the General Manager with a copy to the Financial Comptroller.
- 9.4.3 It shall be the responsibility of the Financial Comptroller to ensure that the emergency purchase system is monitored and controlled to avoid its use to circumvent normal purchasing procedures.

9.5 GIFTS

- 9.5.1 Gifts are not to be purchased with Curve Lake First Nation funds for Chief, Councillors, employees or families of the employees, Chief and Council.
- 9.5.2 Flowers are an acceptable expenditure in instances of illness and bereavement provided the current budget can cover such expenditure.
- 9.5.3 Retirement gifts will be determined on an individual basis upon Council's direction.

10. APPROVAL OF PAYMENTS

- 10.1 All payment of invoices under \$5,000.00 are to be approved by the Department Manager
- 10.2 All payments in excess of \$5,000.00 require the approval of the General Manager.
- 10.3 No cheques are to be issued in payment of any invoice unless goods or services have been received, as evidenced by a signed delivery slip and invoice, unless services have been rendered, or the contract has provided for an advance of funds.
- 10.4 Invoices are to be paid on or before the due date to take advantage of all possible discounts, and to avoid late charges.
- 10.5 Where progress payments are made in connection with any contract a hold back equivalent to at least 10% of the contract price will be withheld until the job has been completed to the satisfaction of the overseer of the contract.
- 10.6 The Curve Lake First Nation, shall not make any loans to Curve Lake First Nation members, employees or Chief and Councillors. An authorized exception would apply to Housing and Renovations Loans to Curve Lake First Nation Members and loans for Economic Development purposes and in accordance with loan policies and procedures.
- 10.7 Payment periods and pay days will be established by Curve Lake First Nation Council Resolution.

10.8 Payment with respect to payroll such as the Receiver General, Health Insurance and Pension Contributions are to be approved by the Financial Comptroller

11. DISBURSEMENTS

11.1 No disbursement or payment is to be made without certified supporting documentationsuch as an invoice, voucher, purchase order, etc. Original invoices are to be attached; copies of invoices are not to be considered as certified supporting documentation.

11.2 All disbursements are to be by cheque except for those payments made through the petty cash fund.

11.3 All cheques issued against the Curve Lake First Nation bank account(s) are to be on the form prescribed by the Curve Lake First Nation Council and are to be sequentially numbered for periodic accounting of all numbers.

11.4 All cheques are to be signed by at least two of the signing authorities in accordance with Section 6.1 and Appendix "B".

11.5 No Curve Lake First Nation cheques are to be signed in blank.

11.6 All cheques are to show the proper amount as well as a description of payment and/or period covered before being presented with the appropriate supporting documentation to the authorized signing officers.

11.7 All blank cheque forms are to be kept in a safe and secure place.

11.8 Where a payee reports that a cheque has not been received, or where subsequent to its delivery the cheque was lost, destroyed or stolen, the matter is to be referred immediately to the appropriate bank and a stop payment is to be placed on the cheque.

11.9 Cheques issued on the Curve Lake First Nation's bank account(s) and which are not cashed six months after the date of issue are to be cancelled and reissued only upon identification and demand of the proper payee.

11.10 All monetary transactions are to be entered promptly in the appropriate Curve Lake First Nation records.

12. PAYROLL

- 12.1 Individuals performing services for the Curve Lake First Nation under Personal Service Contracts are not considered employees of the Organization and are not covered by the policies and procedures of this section.
- 12.2 Bi-Weekly time sheets are to be entered/submitted on Monday before 9:00 a.m. following the end of the pay period, excluding when there is a Holiday on the Monday time sheets are to be submitted on the preceding Friday by noon. Failure to submit a time sheet within the prescribed time will cause the employee's pay to be withheld for that pay period.
- 12.3 An Employee Information Form (See Appendix "D") will be completed by the Employee and used by the Payroll Officer to add the employee to the payroll system, ensure that Emergency Contact Information is on file and that payroll and benefits if applicable are charged to the appropriate budget and corresponding contribution agreement.
- 12.4 Payroll will be processed using the accounting software as approved by Finance Committee from time to time. All employees will be paid by automatic deposit on a bi-weekly basis. Employees will be required to complete a Direct Deposit authorization Form, an example of which is attached as Appendix "E"
- 12.5 The Human Resources Coordinator is responsible for obtaining approval for hiring decisions, finalizing the employment agreement with the new employee, maintaining the documentation in the personnel file and forwarding compensation and benefits amounts to the Financial Comptroller for payment.
- 12.6 It is the responsibility of the HR Coordinator to ensure that the Finance Department is informed on a timely basis of all new hires, changes in compensation and benefits and employee termination. The Human Resources Coordinator should ensure that adequate information in the format set out in this policy is provided to Finance to support the processing of payroll transactions.
- 12.7 The Financial Comptroller is responsible for the processing of all new hire, termination and compensation actions as advised by the HR Coordinator, completion of all documents required for payroll and benefits purposes and the issuing of payment for compensation and benefits as approved by the Council.
- 12.8 It is the responsibility of the Human Resources Coordinator, in consultation with the Manager/Coordinator to complete the Employer

Section of the Employee Information Form to ensure that salary benefits are allocated to the appropriate cost centre.

12.9 Withholdings - The Financial Comptroller upon direction from the General Manager may be allowed to recover overpayments or amounts owed to the Curve Lake First Nation departments by Council employees where such deductions have been agreed to in writing by the employee as a condition of a loan agreement. Reasonable attempts shall be made to work out a reasonable repayment schedule with the employee

12.10 Garnishment of Wages – All requests for court ordered garnishment of wages will be addressed in accordance with the provisions of Section 89. (1) of the Indian Act

13. CONTRACT FOR SERVICE and VACATION LEAVE - See Employment Policy.

14 ACCESS TO NON-ESSENTIAL SERVICES AND CONTRACTS

Based on Council-approved policies, a Curve Lake First Nation member may be denied access to services and contract opportunities offered by the First Nation where that member is in default of a loan to the First Nation or has contract obligations to the First Nation which have not been met. Access to services and contract opportunities would be denied until any approved administrative costs, outstanding loan balances or contract obligations are fully dealt with by the member to the satisfaction and agreement of Council.

15. TENDERS/CONTRACTS

15.1 The Band Council agrees to follow the processes and procedures laid out in the federal publication, “Construction Contracting Guidelines for First Nations...CN-1”, relative to the tendering and award of construction works and commits to the following principles:

- To deal with all potential bidders on an equitable basis;
- To establish specific criteria within which a public tendering process will be followed based on good contracting principles which take into consideration the dollar value, the complexity of the work to be undertaken and the number of firms within the area of competition who are able to meet the level of expertise and qualifications necessary;
- That all tender documents will be treated confidentially;

- That all tenders will be opened in public with appropriate safeguards; and all tenders will be assessed on the basis of a clear, consistent, predefined evaluation criteria.
- To maximize the use and development of available First Nation resources and skills. The amount of use will depend of the type and complexity of the project.
- To the development and annual review of a source list of qualified local and Aboriginal contractors and suppliers from which to invite bids for contracts and services.

15.3 Tendering Process

As a minimum tendering requirement, the Council agrees to the general tendering and contracting process:

15.3.1 Projects over \$500,000.00

- i) Call for public tenders where the estimate of the construction work, excluding housing construction, is over \$500,000;
- ii) Maintain copies of each contract awarding process within its records; and

15.3.2 Projects between \$100,000 and \$500,000:

- i) A public tender through advertisement in local or regional newspapers, OR
- ii) An invited tender where a minimum of three bids are invited from a selected list of qualified contractors; and if there are at least three qualified Aboriginal contractors in the area, to limit the invitations to Aboriginal contractors; in accordance with the DIAND “Procurement Strategy for Aboriginal Businesses”.

15.3.3 Projects between \$10,000 and \$100,000:

- i) Utilize in-house resources to the maximum extent possible; and to contract with outside resources on a competitive basis for the balance of the work.; OR
- ii) An invited tender where a minimum of three bids, are invited from a list of three qualified contractors. Preference may be given to First Nation contractors but must be stated in the tender invitation and quantified as a percentage (eg.: if within 5% of the lowest qualified non-native bid)

15.3.4 Projects under \$10,000:

- i) Utilize in-house resources to the maximum extent possible and, to contract with outside resources on a competitive basis for the balance of the work; OR
- ii) An invited tender where, a minimum of two, bids are invited from two qualified contractors. Preference may be given to First Nation contractors but must be stated in the tender invitation and quantified as a percentage (eg,: if within 5% of the lowest qualified no-native bid)

15.3.5 The invitation to tender, either by advertisement, poster or invitation must indicate:

- a) the date and hour of closing;
- b) sufficient details from which comparable bids can be made;
- c) the date, hour and place tenders will be opened, which shall not be less than ten business days; and
- d) the amount of security deposit if required.

15.3.6 All tenders shall be returned in a sealed envelope, addressed to the General Manager at the Curve Lake First Nation Government Services Building clearly marked "Tender for..." on the lower left hand corner and the date and time of receipt shall be recorded and initialed by the receiver on the unopened envelope of the tender when received. Upon receipt, the sealed tenders shall be deposited in a safe place until the time for the opening of bids.

15.3.7 At the appointed time, all tenders received shall be provided to the contracting department for review by the appropriate authority in accordance with Section 8.2 "Authority to Incur Expenses" of this Policy.

15.3.8 When all tenders are opened it shall be the duty of the department personnel chairing the tender review team to read aloud all tenders, giving the name of tenderer and the amount of the bid.

15.3.9 The name of the tenderer, project, date of bid and amount shown must be recorded in a book provided for this purpose and marked "Record of Tenders."

15.3.10 The lowest tender received shall be accepted unless the Curve Lake First Nation Council deems it in the best interest of the community to do otherwise.

15.3.11 Upon acceptance of a tender, a binding contract shall be signed by both parties and shall become part of the records of the appropriate department.

15.3.12 Awarding of Contracts shall be by resolution or by recorded and approved motion of the appropriate Committee of Curve Lake First Nation Council.

16. TRAVEL

Travel Budgets shall be set within the annual budget as approved by Council.

16.1 For Regulations with respect to Staff Travel, refer to Curve Lake First Nation Employment Policy.

16.2 CHIEF and COUNCIL TRAVEL

It will be the responsibility of Chief and/or Council to determine whether, when, by whom, and by what means travel shall be undertaken. Once travel is authorized, the conditions and payments prescribed in Sections 9-11 of the CLFN Employment Policy shall apply and such travel arrangements as may be required shall be Coordinated by the Executive Secretary. The provisions of that Policy are published as directives and not as permissive guidelines. It provides only for the traveler's responsible, legitimate expenses necessarily incurred and nothing in the Policy is intended to permit any payments that can be construed as income or other compensation to the person travelling on official Council business.

16.3 Travel outside of Canada must be approved by full Council.

17. CHIEF AND COUNCIL HONORARIUM

The Curve Lake First Nation Chief and Council and any committee sanctioned by CLFN shall receive an Honorarium in the amount determined by Chief and Council from time to time and in accordance with Appendix "F" attached.

18. INVENTORIES AND ASSETS

18.1 Physical assets inventory records shall be maintained by all departments for all goods, materials, and supplies

18.2 Inventories that are written off or sold must be approved at the Committee level and in accordance with Section 20 of this Policy. A physical count and reconciliation of all inventories shall be completed annually prior to March 31.

19. TANGIBLE CAPITAL ASSETS ACCOUNTING AND CONTROL POLICY

- 19.1 Responsibility and accountability for the custody and use of a capital asset extend over its useful life.
- 19.2 All capital assets must be accounted for by each department on auditable records until disposal or write-off.
- 19.3 This policy applies to all capital assets acquired by the Curve Lake First Nation.
- 19.4 All capital assets with a normal life expectancy of one year or longer and an acquisition cost of \$1,000 or greater are to be recorded in the capital asset ledger.
- 19.5 Tangible Capital Asset classes, capitalization thresholds, and amortization rates shall be in accordance with Appendix “G” of this Policy
- 19.6 Upon acquisition of a capital asset the department will record the asset in a capital asset sub ledger which will contain the following information:
- Unique identification number - to be assigned in numerical sequence by the department
 - Asset description
 - Acquisition cost
 - Name of department and person who has been given custodial responsibility.
- 19.7 This requirement applies not only to assets purchased by the Curve Lake First Nation but also to donated assets and gifts (e.g., carvings, prints and other works of art).
- 19.8 The department in whose custody the asset is located is responsible for maintaining the Departmental Capital Asset Inventory Form (Appendix “H”), ensuring that all **additions, disposals and changes** are recorded.
- 19.9 On an annual basis the department shall have taken a physical inventory of capital assets in their custody. This inventory must be preformed independently of the custodian. Records of the results of the annual inventory shall be forwarded to the Financial Comptroller for inclusion in the capital assets sub ledger and properly reflected in the departments financial statements as required.

20. DISPOSAL OF ASSETS

- 20.1 Subject to the approval required under Section 18 of this Policy, Managers/Coordinators must advise the Financial Comptroller of the planned disposal of capital assets including the planned method of disposal and the estimated recovery value if any in accordance with Appendix "I". All assets to be disposed shall be disposed of through the tender process, public auction or such other method as will maximize the recovery proceeds to Curve Lake First Nation. Council approval is required for planned disposals in excess of \$5,000. The Financial Comptroller will provide written authorization to the Managers/Coordinators of both the disposal and the planned method of disposition.
- 20.2 A write-off of a capital asset is required when the annual physical count of assets is completed and the counts indicate that the Curve Lake First Nation has fewer assets than are recorded in the accounting records. Managers/Coordinators will be required to provide a written explanation for the reasons why an asset cannot be accounted for. A summary of all assets written-off and the reasons why, shall be provided to the Finance Committee by the Financial Comptroller on a quarterly basis.
- 20.3 Losses of capital assets through either theft or negligence must be reported immediately to the Financial Comptroller who will investigate the cause of the loss at the department's expense either internally, or by reporting the loss to the appropriate Police authority. Where appropriate the Curve Lake First Nation insurance carriers will, be notified.

21. BUDGETARY PROCESS, CONTROL AND REPORTING

- 21.1 The annual budget is the vehicle by which the Council exercises fiscal responsibility and control over expenditures. The objective of this Section is to provide guidance to Curve Lake First Nation Managers/Coordinators and employees in the process to be followed in preparing the annual budget and the ongoing monitoring and control of expenditures.
- 21.2 The annual budget provides the authority to spend and control expenditures within approved limits.
- 21.3 Budgetary Cycle
- 21.3.1 The Managers/Coordinators establish the annual priorities and budget planning document which is then communicated to their respective Committees by the end of January.

21.3.2 After review and approval, the Committee would then forward the annual priorities and budget planning document to the Financial Comptroller for inclusion in the Annual Consolidated Budget which is then forwarded to the Finance Committee for approval by the end of March.

21.3.3 Since the budget is the vehicle by which the Curve Lake First Nation provides the Managers/Coordinators the authority to spend, it is important that the exercise of this authority be monitored on a regular basis throughout the year. Actual expenditures should be compared to budgeted expenditures on a regular basis and significant variances investigated and explained. The Managers/Coordinators are ultimately responsible for the monitoring and control of expenditures charged against their budgets. The following are the steps that have been established to ensure effective monitoring and control of budgets.

21.4 Monthly Reporting

21.4.1 By the 15th of each month the finance department shall provide each Managers/ Coordinator, financial statements setting out both the previous month and year to date actual and budgeted expenditures and, variances of actual expenditures from budget.

21.4.2 It is the responsibility of the Managers/Coordinators to review the monthly statements and request any entries necessary to correct the miscoding of expenditures or revenue which may have resulted in a variance from either the budgeted amount, or departmental records. Such revisions must be received within 30 days.

21.5 Mid Fiscal and Third Quarter Review

21.5.1 By October 1st, and January 1st of each year, the Finance Department will provide to each of the Managers/Coordinators detailed financial statements setting out actual expenditures, budgeted projections of expenditures and any variances for the first six months of the fiscal year.

21.5.2 Within five working days of receiving the Mid Fiscal or third quarter Statements, the Managers/Coordinators will review the reports, note any discrepancies, request changes as required and prepare a detailed explanations for all budget variances together with a deficit recovery plan, for presentation at a Budget Review meeting scheduled by Council.

21.5.3 The Budget Meeting scheduled by council is convened to review these reports and approve action plans to bring variances under control and to approve revisions to budgets where appropriate.

21.5.4 Following the Council meeting all approved budget revisions are communicated to the Financial Comptroller who will then revise the budgets accordingly. If significant changes are necessary a revised budget should be presented to the Finance Committee.

21.6 Budgetary Revisions

21.6.1 Revisions to budgets which will result in the addition of expenditure line items that were not in the original approved budget (e.g., a new program activity) must be reported to the Finance Committee

21.6.2 When it becomes necessary to adjust budget line amounts, such requests must be in the form attached as Appendix (L). Amendments which result in a change greater than \$1000.00 per change, or any adjustment that changes the budgeted surplus or deficit with that program, must be approved by the General Manager and reported to finance committee.

21.6.3 When it becomes apparent that budgets are projected to be overspent it is the responsibility of the Managers/Coordinators to advise the Finance Committee and provide a deficit recovery plan immediately.

21.7 Funds (from a particular program) surplus at year end will remain in the Curve Lake First Nation account to apply against the cost of this program in the ensuing year.

21.8 Year-End Requirements in order to accurately reflect the result of the Curve Lake First Nation operations in its' year-end financial statement it is important that all liabilities existing at the March 31st fiscal year-end for work performed, goods received, services rendered or other items are recorded in the accounts.

22. INVESTMENTS

Refer to CLFN Casino Rama Revenue Investment Policy and CLFN General Funds Investment Policy copies of which are attached as Appendix J and K.

23. CORPORATE CREDIT CARD

23.1 A corporate Credit Card shall be maintained in the name of the Executive Secretary of CLFN, and this card shall be used only for booking accommodations, meeting rooms, automobiles when authorized, business related airline tickets and for making expenditures specifically related to CLFN business and operations.

23.2 The Authority to modify the authorized credit card user is delegated to the General Manager. All credit card expenditures must remain within the limits set by the financial regulations.

23.3 Upon receipt of the monthly invoices, the Executive Secretary shall arrange for payment of the account using the appropriate departmental expense code.

23.4 The Executive Secretary and finance committee may request approval of council for an increased credit limit.

24. AUDIT

24.1 A yearly audit is to be conducted of the records of the Curve Lake First Nation. The Curve Lake First Nation shall be responsible for the submission to Indian and Northern Affairs Canada following the end of the fiscal year, March 31st, the audited financial statements reporting the financial position of the Curve Lake First Nation as at March 31st in accordance with the reporting schedule contained in the Funding Agreement.

24.2 Auditing services will be tendered at a minimum every 5 years or as determined by council from time to time

24.3 The auditor is engaged by the Curve Lake First Nation by means of an annual engagement letter signed by the Chief.

24.4 The following terms of reference shall apply to the audit appointment:

a. The financial statements shall report all Curve Lake First Nation financial activities.

b. The auditor shall have the right of access at all reasonable hours to the accounting records, supporting vouchers and documents, including minutes of Curve Lake First Nation meetings, as they are entitled to require from the Curve Lake First Nation staff and members of Curve Lake First Nation and any Committee thereof such information and

explanations as in their opinion is necessary to enable them to carry out the audit.

c. The examination shall be in accordance with generally accepted auditing standards and shall include a general review of accounting procedures and such tests of accounting records as the auditor considers necessary in the circumstances.

d. The financial statements shall be prepared on the accrual basis and in accordance with generally accepted accounting principles and are to consist of:

i. Balance Sheet and Statement of Revenue and Expenditures for each Curve Lake First Nation, with budget comparisons where possible.

ii. Details of Surpluses and/or Deficits for each funded program.

iii. A consolidated Balance Sheet and Statement of Revenue and Expenses. The consolidated audited financial statements shall be signed by the Chief and Director of Finance and its acceptance recorded through a Curve Lake First Nation Resolution. The statements shall be available for examination during office hours to any Curve Lake First Nation Band Member at the Curve Lake First Nation Administration Building; subject to conditions that may be required by Council from time to time.

24.5 The General Manager and the Financial Comptroller shall review and endeavor to implement all recommendations made by the auditors in the form of a Management Letter.

25. RESPONSIBILITY FOR OBSERVANCE OF FINANCIAL REGULATIONS

The Chief, Council, Committees and all employees of the Curve Lake First Nation are responsible for ensuring compliance with this Financial Management Policy.

26. AMENDMENTS TO FINANCIAL REGULATIONS

This Financial Management Policy may be amended by a majority vote of the elected Council of the Curve Lake First Nation.

Passed by Curve Lake First Nation, this 17 day of June , 2010 at Curve Lake First Nation, Ontario;

)
)
)
) _____
) Chief
)
) _____
) Councillor
)
) _____
) Councillor
)
) _____
) Councillor
)
) _____
) Councillor
)
) _____
) Councillor
)
) _____
) Councillor
)
) _____
) Councillor
)
) _____
) Councillor
)
) _____
) Councillor
)
)
)