



Finance Policy

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1) INTRODUCTION AND PURPOSE

The Government of Peguis First Nation, elected by its membership, is responsible for programming and service delivery for the benefit of the Band membership it represents and the community of Peguis First Nation. The Government of Peguis First Nation, as elected officials, are responsible and accountable to the membership of Peguis First Nation.

Peguis First Nation, along with its government, receives financial resources from Indigenous Services Canada (formerly Indigenous and Northern Affairs Canada) the Province of Manitoba and through local revenue generation. The government of Peguis First Nation is responsible for the redistribution and reallocation of these resources.

The mission of the government of Peguis First Nation is to work with the Band's membership, the community, and various levels of government and the corporate sector to help grow and enhance the community as it moves along a path to prosperity and sustainability.

1.1 Purpose

This Finance Policy has been established and written under the authority of the Financial Administration Law (FAL), enacted by the Government of Peguis First Nation in May 2016, and under the direction and guidance and authority of the Government of Peguis First Nation.

This purpose of this Finance Policy, in conjunction with the FAL, is to ensure the effective, efficient and transparent use of the financial resources available to Peguis First Nation.

The policy will do this by providing guidance in the following key areas:

- Providing the rules and procedures for accessing and using the funds available to Peguis First Nation, whether they be Federal funding, Provincial Funding, or own source (local) revenues.
- By creating and maintaining internal controls and procedures which ensure the financial assets available to the membership and the Government of Peguis First Nation are used accordingly, and the stewardship requirements faced by the Government and its Administration are both known and met.
- How Capital assets (whether they are tangible or intangible) owned and used by Peguis First Nation are safeguarded, accounted for and controlled.
- Assurance the financial transactions entered into by the Government of Peguis First Nation are in accordance with its FAL, funding agreements and Generally Accepted Accounting Principals

- Ways in which the Government of Peguis First Nation ensures all assets, including its human resources, are managed economically and efficiently so the programming, operations and administrative services of the Government are carried out effectively and transparently.

2) DEFINITIONS

The Government of Peguis First Nation – shall be referred to as either “Chief and Council” or “C&C” throughout the remainder of this Policy.

Emergency- is an event or a situation that is so emergent in nature, that if left unaddressed, or if corrective action is not taken immediately, or if preventative measures are not put in place, will result in; death, loss of life, disaster, total loss or failure, flooding or evacuation.

Financial Administration Law- a Law enacted by Chief and Council on behalf of the First Nation, to allow for greater transparency in its accounting and financing, in the way it reports to its membership and its funders, increased controls on resource use. It will hereinafter be referred to as FAL.

Indigenous Services Canada – shall be referred to as ISC throughout the remainder of this Policy. ISC is the federal government department that provides for the delivery of funding services to First Nations, Metis and Inuit populations in Canada living both on and off Reserves in Canada

The First Nation – for the remainder of this Policy will refer to the membership of Peguis First Nation- of speaking directly of the membership. In speaking to, of, or about the First Nation’s employees, they will be referred to as PFN employee(s) for the remainder of this Policy.

Immediate Family – Includes the spouse/common-law partner, sibling, parent, grandparent, child, grandchild, parent-in-law, sibling-in-law, or daughter/son-in-law of PFN employee or Board Member, Committee Member, or member of Chief and Council.

Nepotism- process of awarding contracts, financial resources, work, or other types of benefits based on close familiarity with an individual, including immediate family members, as defined above, or those individuals who are not considered immediate family member, but are in fact in a close relationship with that person.

Audited Financial Statements– Financial statements subject to testing and examination by an external auditing firm to provide an opinion on whether the First Nation’s Financial statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP).

Fiscal Year – the twelve month period beginning April 1st of the current year and ending March 31st the subsequent year.

Annual Report– A report prepared on an annual basis which discussing the major activities and achievements undertaken by PFN and or Chief and Council in a calendar year. The Annual Report also includes discussion on the First Nation’s financial performance for the year.

Operating Budget – An annual plan developed to utilize the First Nation’s financial resources to deliver programming and services to the First Nation.

Strategic Plan- A five (5) year plan which outlines Chief and Council’s and the First Nation’s major initiatives, programming, activities and goals, including the framework, tasks to be undertaken and a roadmap developed that needs to be followed to achieve the goals of the Strategic Plan.

Internal Controls – Procedures, whether they be oral or written, within an organization that are designed to reasonably ensure compliance with the organization’s policies, procedures and objectives.

3) DISTRIBUTION OF POLICY

This policy is intended for the use and distribution to the following users within PFN:

- 1) Chief and Council in their governance capacity over PFN to provide it with assurance that adequate controls are in place to sufficiently, efficiently, effectively and adequately account for and safeguard the First Nation’s financial assets.
- 2) PFN’s Finance Department to provide it with tools necessary to ensure the stewardship and proper use of the First Nations’ financial resources are met and carried out. In distributing this policy to the department, the Finance department has been given the authority, through both C&C and the FAL to enforce, if necessary, and carry out the terms set out in this policy.
- 3) PFN’s Chief Operating Officer for the same underlying reasons as distribution to the Finance Department.
- 4) The budget owners for PFN’s Operational Departments, namely “the Directors” so they may effectively and efficiently manage their departmental budgets and the allocation of resources made available to them by the Chief and Council.

4) DELEGATION OF FINANCIAL AUTHORITIES

In order to allow for the effective management of daily financial functions from time to time, the Chief and Council shall delegate financial authority to senior officers and other employees of PFN.

For the complete listing of financial authorities delegated to employees or senior officers of PFN, please refer to Section 11.0 of PFN’s Governance Policy.

4.1. Approval Levels and Authority

There are three levels of employees authorized by Chief and Council to approve expenses on behalf of the Government.

4.1.1 The Employees of PFN permitted to approve expenses on behalf of Chief and Council are those employees that hold the following positions/ titles or roles: Managers, Directors and Executive Management (also known as Officers, or positions/roles that have "Chief" in the position titles). These individuals may also be referred to in this policy, or without, as Budget Owners.

4.1.2 For purposes of this Finance Policy, the Controller in the Finance Department will be considered a Director position but not a Budget owner. The Budget owner for the Finance department is the Chief Financial Officer. The budget owner for the Administrative Operations may be either the Chief Financial Officer or the Chief Operating Officer.

4.1.3 From time to time, individuals holding the above noted positions, or carrying out the responsibilities of the above noted positions may be away from the office for an extended period. Should that be the case, the individual that will be away must assign a designate to fulfil their responsibilities in their absence.

4.1.4 The designate named, cannot be in a position/ role which is subordinate to the individual that will be on leave, with the exception of the designate appointed for the Chief Operating Officer and/or the Chief Financial Officer.

4.1.5 The following *expense* approval limits have been assigned to each of the following position(s) or role(s).

Program Managers – expenses up to \$5,000.00.

Directors– expenses up to \$10,000.00.

Chief Financial Officer- expenses up to \$50,000

Chief Operating Officer- expenses up to \$50,000.

Chief and Council- expenses above \$50,000

4.1.6 It is the responsibility of the individual in that role to ensure they approve and review expenses only for their budget area(s) and not others.

4.1.7 In the case where expense approval is at the level of Chief Financial Officer or greater, than the Chief Financial Officer or Chief Operating Officer shall sign in lieu of the Director for the area.

4.1.8 Any expenses, recurring, or one time, which are above \$50,000 require approval, prior to acquisition, processing, or contract signing, from Chief and Council.

4.2. Expense Approval- Process

4.2.1 Prior to the expense being forwarded to Finance for processing, all expense or cheque requisitions must have approval from the Manager and/or the Director for the Program Area, a Controller, and/or the Chief Financial Officer or the Chief Operating Officer.

4.2.2 In any situation where a Manager is approving expenses, the Director for the area must also approve the expense prior to it coming to Finance for payment, as the Director is the budget owner for the area and not the Manager.

4.2.3 In the case where any Director is submitting the expense requisition, the Chief Operating Officer must also approve the expense prior to the expense being forwarded to Finance for payment.

4.2.4 In any case, where a Controller is submitting an expense requisition, the Chief Financial Officer must also approve the expense prior to it being forwarded to Finance for payment.

4.2.5 In any case where the Chief Financial Officer is submitting an expense requisition, the Chief Operating Officer, along with a Controller and Chief and Council must approve the expense prior to it being forwarded to Finance for processing.

4.2.6 In any case where the Chief Operating Officer is submitting an expense requisition, the Chief Financial Officer, along with a Controller and Chief and Council must approve the expense prior to it being forwarded to Finance for processing.

4.3. Expense Payment

4.3.1 Signing Authorities shall be delegated in accordance with an appropriate division of duties and responsibilities commensurate with sound financial management and level of responsibility.

4.3.1.1 For purposes of this policy, expense approval and payment approval are different in their nature. For purposes of

this section of the policy approval for payment and signors can be construed to be the same thing.

4.3.2 Expense approval is the mechanism used to charge budgets and allocate resources internally. Whereas payment approval is the mechanism used to release funds from the bank and to pay financial obligations the First Nation or PFN has which arise from either contractual and/or transactional arrangements.

4.3.3 Expense approval and payment approval are not the same, as such, the same individual approving the expense shall not be permitted to approve the release of funds from the bank- except where, as circumstance and/or policy may dictate, the Chief Financial Officer or Chief Operating Officer are required to approve both the expense and the payment.

4.3.4 All PFN bank accounts require two approvals (signors) for payment. At all times, and prior to payment of said expense being authorized, approvals must be attained from PFN's Controller(s), Finance Manager, or the Chief Financial Officer, as these are the only individuals in the PFN Finance department that can accurately determine if there are enough funds available to PFN to ensure the financial commitment can be met.

4.4. Signing Authorities

4.4.1 PFN's banking arrangements, as set out through Band Council Resolutions (BCR's); require payments on behalf of PFN to have two written approvals attached to them.

4.4.1.1 As such, our banking arrangements are set out in this manner. All cheques issued on behalf of the First Nation require two signatures on their face.

4.4.2 Chief and Council, by virtue of their Governance role for the Band are hereby declared authorized signors on PFN's bank accounts.

4.4.2.1 However, for purposes of this policy, unless otherwise recommended by either the Chief Financial Officer or the Chief Operating Officer, shall not approve expenses on behalf of the First Nation.

4.4.3 The following positions within PFN have had signing authority delegated directly to them by Chief and Council on behalf of the First Nation:

- Chief Operating Officer
- Chief Financial Officer

4.4.4 In conjunction with the Chief Financial Officer, and in accordance with BCR's, and the Governance Policy, the Chief Operating Officer will assign up to between three (3) and ten (10) other members of PFN's management as signors/ approvers on PFN's bank accounts. These assigned members of PFN's management, will only have approval authority over their individual areas of responsibility.

In any case, unless they have been designated by another Director or Manager from another area payment approvers cannot sign for payment in any area other than the area whose budget they are responsible for.

5) **GENERAL ACCOUNTING POLICIES AND CONTROLS**

5.1. **Fiscal Year**

The First Nation's fiscal year is the period between April 1st and March 31st every year.

5.2. **External Audit Requirements**

The First Nation, as a publicly funded organization, is subject to an annual audit review of its financial operations.

5.2.1 On an annual basis, the Chief and Council, after hearing recommendations from the Finance and Audit Committee, is responsible for appointing the auditor for the next fiscal year.

The purpose of the annual audit is to ensure PFN is following GAAP at all times and to assure PFN's stakeholders, including the First Nation's membership, that the First Nation is fiscally prudent and transparent in the use of the funding provided to the First Nation by its funders.

5.3. **Internal Controls and Financial Reporting**

The Chief Financial Officer, along with the Finance Department, shall design and implement a system of internal controls allowing for the proper use of the First Nation's financial resources.

All PFN employees which approve the use of PFN funds regardless of their position, are responsible for adhering to any and all internal controls currently in place, and any and all additional internal controls that may be implemented from time to time, as necessary, under this policy, the FAL, or through direction from Chief and Council may be deemed appropriate.

5.4. Segregation of Duties

To safeguard PFN's financial assets and to reduce the risk of fraud and error, job functions in the Finance Department will be sufficiently segregated. At no one time will any of the Accounts Payable Clerk(s), Accounts Receivable Clerk(s) Controller, or Chief Financial Officer perform all of the following functions at the same time:

- Authorize payment of expenses and expenditures
- Reconcile bank accounts
- Have cheque signing authority
- Have physical custody of cash or cheques

5.4.1 To further minimize the risk of error and fraud, a regular review of transactions, expenses and requests for funding will be performed by the Finance Department to ensure all supporting documentation are in place and that all policies and procedures are followed and that necessary approvals for the use of Agency funds are met.

5.5 Financial Statements

At minimum, on a quarterly basis, internal financial statements shall be prepared and produced to the Finance and Audit Committee (for review and recommendation), and to Chief and Council (review and approval), ISC (for review).

Financial statements will be prepared by the Finance Department in general, and by the Chief Financial Officer and the Reporting Analyst specifically.

Prior to presentation to Chief and Council, on a quarterly basis financial statements will be reviewed by the Chief Operating Officer and the Finance and Audit Committee.

5.5.1 At minimum, and through a community presentation, every six (6) months, the First Nation's financial performance for the current fiscal year will be reported to the First Nation's membership.

The financial statements shall provide Senior Management, the Finance and Audit Committee and the Chief and Council with an appropriate level of detail necessary for prudent decision making in respect of the First Nation, its financial position and results of its operations.

5.5.2 The financial statement package presented to Chief and Council will be determined by Chief and Council while meeting the minimum standards of the First Nation's funders and GAAP. At minimum, the statements should include the following:

- a year to date (consolidated) Income Statement with a comparison to the consolidated year to date budget

- a written report on the variance against the budget
- a statement detailing the use of funds for the quarter
- a (consolidated) balance sheet

5.5.3 From time to time, and to ensure it receives the financial information it requires to make appropriate, timely and informed decisions, under this policy, Chief and Council has the authority to request amendments to the financial statement package.

6) EXTERNAL FINANCIAL REPORTS

Annually PFN, on behalf of the First Nation, will produce the following external financial reports:

- Annual Report*
- Contribution Agreement Reporting
- Annual Financial Statements (audited)

Year- end draft financial statements will be submitted to the Finance and Audit Committee for the fiscal year within ninety-five (95) days from the close of the fiscal year- end.

6.1 Review by Finance and Audit Committee

Year-end draft financial statements will be reviewed by the Finance and Audit Committee. The Finance and Audit Committee shall recommend to the Chief Financial Officer, or the auditors directly, any changes they may require, or deem necessary, and the Finance and

Audit Committee, must make a recommendation about whether the draft financial statements, shall go to Chief and Council for their review and approval.

6.2 Review by Chief and Council

Year- end audited statements will be presented to Chief and Council for their approval no later than one hundred and thirteen (113) days from the close of the fiscal year- end.

6.3 Approval by Chief and Council

On behalf of the First Nation, and in their governance capacity, only the Chief and Council shall approve the financial statements annually prior to filing requirements.

6.3.1 Approval of the annual audited statements must be achieved at a duly convened meeting of Chief and Council and through no less than a quorum of Chief and Council.

6.4 Reporting of Financial Statements and Fiscal results

The First Nation's year- end financial statements must be reported according to Part III (Public Sector Accounting Standards) of CICA Handbook, meet the requirements of ISC and be published to the First Nation's website no later than one hundred and twenty (120) days from the close of the fiscal year.

6.5 The Annual Report

Chief and Council shall approve the First Nation's Annual Report prior to its distribution at PFN's Annual General Meeting*, and posting to the First Nation's website.

6.5.1 To meet the standards as determined by the First Nation's Financial Management Board, through the First Nations Fiscal Management Act, the Annual Report must be complete, published, and distributed to its membership, no later than then one hundred and eighty (180) days from the close of the fiscal year end. subsequent to its fiscal year.

6.5.2 The Annual Report shall present information in a manner that is clear, concise and understandable to stakeholders, and shall include at a minimum, the following:

- A description of PFN and summarized information regarding the operations of PFN during the last year.
- An opening remark (message) from the Chief of the First Nation.
- Opening remarks (message) from the First Nation's Councillors
- Comments from PFN's Chief Operating Officer
- Audited Financial Statements, with a statement on operating performance relative to prior periods and by performance indicators, and statements regarding the outlook for the future

** this is a requirement of the Certification under the First Nations Financial Management Board*

6.6 Distribution of the Annual Report

The Annual Report will be made available to all members of the First Nation, as well as ISC, the Province of Manitoba, and any other stakeholder in PFN.

Distribution of the annual report will be performed primarily via posting to PFN's website. However, the report can be made available in hard copy format upon request.

7) PLANS AND OPERATING BUDGET

7.1. General

Plans and operating budgets are essential to the planning process for PFN. These plans project the course, from an operational and financial perspective, PFN plans to follow for the next operating year, along with the way that Chief and Council, as Directed to its Management, plans to use the financial resources available to the First Nation in the coming year. These plans should also reflect the overall strategic approach adopted through the Strategic Planning Process.

7.1.1 PFN's management will endeavor to produce five (5) year rolling budgets.

7.1.2 The financial and operating plans will be based on past and future priorities, along with the expectations for the coming year(s) as set by the Chief and Council of the First Nation.

7.1.3 The Operating Budget must work in conjunction with the First Nation's Strategic Plan, and should mirror the goals and objectives identified in the Strategic Plan. It does so by direction and guidance on three main purposes for the First Nation:

- a) How financial and other resources are being used to carry out the Strategic Plan
- b) How the Chief and Council approve the allocation of resources.
- c) By providing a basis for the monitoring and the control of how PFN's resources will be used over the horizon, and the tools that will be needed to evaluate the First Nation's and PFN's Financial Performance.

7.2 Responsibility of Management

The First Nation's funders set the revenue/ funding budget for the next fiscal year in March of the current year, thereby providing PFN with its annual revenue in advance of the year.

7.2.1 In the case where PFN has areas which are not funded in whole or in part by either level(s) of government, and which the revenues are driven by consumption, or other means, or could otherwise be considered "Own Source Revenue" Management is responsible for planning the revenues for the fiscal year.

PFN's Management is responsible for developing the expense budget, or the annual plan for the use of the funds available to it. The Directors and Managers, in consultation with the Finance Department, Chief Financial Officer and the Chief Operating Officer are responsible, annually, for the creation and development of their area's expense budgets, including any changes that may be requested mid- year by Chief and Council.

7.3 Presentation, Review and Approval by the Finance and Audit Committee

Annual operating budgets will be presented to the Finance and Audit Committee for review and recommendation to Chief and Council for their approval and adoption.

Should the Finance and Audit Committee require revisions to the preliminary budget, at the earliest opportunity, those revisions will be made and the Operating Budget re-consolidated and presented again for review and recommendation to the Finance and Audit Committee prior to review by Chief and Council.

7.4 Approval by Chief and Council

Only after the Finance department, through the Chief Financial Officer receive the recommendation from the Finance and Audit Committee, will the Annual Consolidated Operating Budget be presented to Chief and Council for their review and Approval.

7.4.1 As those charged with the governance of the First Nation, only Chief and Council, at a duly convened meeting, can approve PFN's Annual Operating Budget.

7.4.2 Upon review with Chief and Council should there be any revisions to PFN's annual Consolidated Operational Budget required by Chief and Council, those revisions will be made and incorporated into a revised Consolidated Budget. The revised budget will then be sent back to the Finance and Audit Committee for their review and recommendation, and then further reviewed by Chief and Council for Approval.

7.4.3 Approval by Chief and Council of the Annual Consolidated Operating Budget will be done through no less than a quorum of Chief and Council.

7.5 Operating Budget Preparation

7.5.1 In consultation with the Chief Financial Officer, the Operating Budget(s) will be prepared by PFN's Directors. The draft departmental budgets shall be submitted to the Finance Department for consolidation and review by the 1st business day in December of the current fiscal year.

7.5.2 Once consolidated, reviewed and approved by the Finance Department, and prior to review of the budget by the Finance and Audit Committee, the Finance Department is responsible for sending the budget to the Chief Operating Officer for their review and feedback.

7.5.3 Only when recommended by the Finance and Audit Committee will the Consolidated Budget be presented to Chief and Council to review and approve.

7.5.4 This process will be completed by the 15th of March of the current fiscal year.

7.6 Realistic and Attainable

Departmental budgets must be realistic and reasonable given Chief and Council's, PFN's and the First Nation's plan(s) for the upcoming year.

The Operating Budget shall include the following information:

- Previous year's budget and actual variance analysis
- Narrative description of significant variances between actual and budget from last year
- Detailed information regarding proposed budget, including a breakdown of all program salaries, program overhead costs, and other program expenditures
- Actual Prior Year results (as per Audited Financial Statement) and any explanations of any proposed changes and/or variances to the budget from current or previous year's budget

7.6.1 If budget changes include new job positions, new job descriptions or new hires rationale should be included as part of the budget preparation process.

7.7 Operating Budget Approval

The following timelines for budget approvals have been established;

- 1)** Directors to submit preliminary departmental budgets to the Finance Department by the 1st business day of December of the current year.
- 2)** Finance must present the budget to the Finance and Audit Committee between the 1st and 10th business days of January.
- 3)** Submission of the draft budget to Chief and Council will be done between the 10th and last business day of February of the current fiscal year.
- 4)** Final approval from Chief and Council must be received no later than the 15th day of March every year.

7.8 Budget Authority and Administration

7.8.1 The First Nation, the Chief and Council, or PFN's Management will not make financial commitments for the upcoming fiscal year until the Operating budgets for the subsequent fiscal year have been approved.

7.8.2 In cases where funds have to be allocated or spent from the next fiscal year's budget, in the current fiscal year the Budget Owner must get specific and written approval from one of, or a combination of all three of the following: Chief and Council, the Chief Operating Officer or the Chief Financial Officer.

7.8.3 Once approved, the Operating Budget(s) shall provide the authority to carry out operations in the upcoming year and to consume resources available to PFN and the First Nation to achieve the objectives as outlined in PFN's Strategic Plan for the upcoming year, only.

7.8.4 Any unspent or unused funds from the previous fiscal year will not be used in the upcoming fiscal year unless duly authorized by the appropriate authority.

7.8.4.1 Should there be unused funds at the end of the current fiscal year, prior to the use of those funds, the Director for the area must seek and attain approval from one of, or a combination of all three of the following:

Chief and Council, the Chief Operating Officer or the Chief Financial Officer.

7.8.5 Resources will be allocated in accordance with the approved Operating Budget and the Strategic Plan. Allocated resources shall only be committed and used in accordance with delegated Financial Authorities as defined in this policy.

7.8.6 The Finance Department shall maintain accurate and up to date records to ensure that approved budgets are not exceeded and the budgets are monitored in a consistent and predictable way.

7.8.6.1 The Finance Department shall review actual expenses against the budget and shall analyze variances and recommend to the Department's Directors different approaches they may take, if required, to remedy the problem(s).

7.9 Review Changes to Operating Budgets and Plans

On a quarterly basis and in conjunction with PFN's Directors, PFN's Chief Financial Officer and its Controllers will conduct a year to date review of the operating budget with the following: Director's, Finance and Audit Committee and its Chief and Council.

The review must be done ahead of the second (2nd) duly convened Council meeting after the close of the quarter.

7.9.1 The purpose of the quarterly budget review will be to:

- a) To provide the Chief Operating Officer and the Department Directors an opportunity to update and monitor their plans against the approved Departmental or Consolidated budgets, and assess this performance against priorities as established, from time to time by Chief and Council.
- b) Review and explain variances against the budget of more than 10% (positive or negative variances)
- c) Consider the realignment or reallocation of resources to achieve desired results or priorities as established from time to time by Chief and Council.

Should a change be needed the Chief Financial Officer shall distribute the approved changes to the plans and/or budgets to individuals affected by the changes.

7.9.2 Changes to the Strategic Plans and Operating Budget can only be considered for the following:

- a) Changes in authorities provided under the Canada First Nation Funding Agreement (CFNFA) with ISC, or any Provincial or Territorial funding agreements, or Service Level Agreements with any outside parties that may provide PFN with private capital.
- b) Changes in the operating budget approved by Chief and Council, where the changes are not related to output.

Generally, budget changes, if needed, will be formalized every quarter. Any requests for budget revisions are to be dealt with on a case by case basis. All budget changes must be approved by, at the very least, a quorum of Chief and Council.

7.10 Operate within Budgets

Department Directors must operate within their budgets.

7.10.1 Where expenses exceed budget, justification for such excess must be provided and a formal plan developed and presented to the Chief Financial Officer, and approved by the Chief Operating Officer and/or the Chief and Council.

7.10.1.a The plan must clearly articulate how the excess will be mitigated or covered through a reallocation of resources from other areas within the Director's budget or other means.

7.10.1.b The needed funds should, under all circumstances, be reallocated from program areas which are in a surplus position against its budget. All expenses must comply with all policies, rules, and regulations supported or represented by PFN's Chief and Council.

7.10.2 Each Department Director must evaluate the financial consequences of a new activity or program, before the new activity or program is started, changed or eliminated. Each Department Director must ensure that the anticipated benefits are greater than the costs for any planned or ongoing activities.

8) ADDITIONAL FINANCIAL REPORTS

8.1 Document Listing

Aside from the (Consolidated) Operating Budget, annually PFN's Management, either as a group, or in conjunction with Chief and Council, shall prepare the following additional documents:

- Strategic Plan – an annual update to the Five (5) year Strategic Plan which outlines the strategic objectives as prioritized by PFN's Chief and Council.
 - In addition, the Strategic Plan will show activities in accordance with PFN's legal and Financial Framework.
- Annual Report
- Audited Financial Statements

8.2 Establishment of Processes

PFN shall establish and maintain a set of processes to ensure that Strategic Plans and Operating Budgets are:

- a) Consistent with any and all requirements of funding agreements, whether private or with government(s)
- b) Prepared in accordance with PFN's policies
- c) Consistent with PFN's policy over Classification of Accounts and recording of transactions.
- d) Internally consistent and comparable with previous periods presented
- e) Based on plausible, supportable and sustainable business plans and underlying assumptions
- f) Budgets are prepared in accordance with GAAP, which include assumptions known to PFN's Management at the time the Strategic Plan and Operating Budgets are prepared.

The Strategic Plan should cover the activities of the upcoming fiscal year, along with a long- term planning horizon, and clearly identify individual roles and responsibilities of Chief and Council, Senior Management and the Directors.

8.3. Period of Time

Operating Budgets and the Strategic Plan shall cover the next five (5) fiscal years.

9) CLASSIFICATION OF ACCOUNTS AND TRANSACTIONS

9.1 General

The Chief Financial Officer, in consultation with PFN's Controllers and its Directors, will review the fiscal activities of the First Nation, at a minimum annually, to ensure the financial transactions are grouped into relevant program areas or components, including but not limited to Segment and Departmental codes, revenue accounts and expense accounts.

9.2 Basis of Identification

The core financial structure for identifying the financial transactions of PFN will be based on the following:

- General Ledger Accounting Structure which identifies the accounting nature of financial transactions; and;
- Responsibility Centre Accounting Structure that identifies responsibility for transactions.

9.3 General Ledger Accounting Structure

9.3.1 The General Ledger Accounting Structure shall identify and group transactions according to their financial statement classification (e.g., assets, liabilities, capital, revenues and expenses).

9.3.2 General Ledger account codes shall be capable of aggregation to various levels of detail for management reporting purposes and the preparation of financial statements. For example; account coding, departmental coding and project specific coding (if necessary).

9.3.3 Objects of expenditure or expenses will be categorized into two levels:

1) Reporting object of expenses (line item or groupings on the Statement of Operations) for the Consolidated Statement of Operations and the Department Statements of Operations).

2) Line object of expenses (general ledger account code) are the expenses that will be recorded in the accounting book of record or which record and clearly identify individual expense transactions incurred by the First Nation.

9.3.4 After review with the Chief Financial Officer, PFN's Controllers will approve and implement any additions, deletions, and changes to the General Ledger Accounting Structure. PFN's Controller(s) are responsible for the maintenance of the General Ledger and Chart of Accounts.

9.4 Responsibility Centre Accounting

9.4.1 The Responsibility Centre Accounting Structure shall provide a breakdown of the PFN's centers of activity (eg. type of program, nature of training program)

9.4.2 The Responsibility Centre Accounting Structure shall enable the Finance Department and PFN's Directors to plan, budget, account for, report on and monitor program activities relative to the approved Operating Budget and Work Plans.

9.4.3 PFN's Finance department is responsible for maintaining an adequate Responsibility Centre Accounting Structure to facilitate the allocation of revenues and expenditures amongst the areas which support the community, Chief and Council, or individual capital projects or other projects which occur in the community.

9.4.4 The Chief Financial Officer in consultation with PFN's Controller(s), approves additions, deletions and changes related to the Responsibility Centers. PFN's Controller(s) are responsible for the maintenance of the Responsibility Centers.

9.4.5 Statements of revenue and expense for each program's responsibility center account shall be prepared using a chart of accounts. Should reporting requirements not be identified by any of the First Nation's funders, the First Nation will adopt industry best practices where appropriate and practicable.

10) MAIL OPENING, CASH RECEIPT AND DEPOSIT OF FUNDS

10.1 Mail Opening

The receipt of invoices, supplier statements, cheques and other negotiable instruments by mail will be recorded daily. The recording of all incoming mail will be completed chronologically and the mail should be date stamped when received.

Invoices and supplier statements shall be date stamped immediately upon receipt.

Cheques and other negotiable instruments shall be marked "For Deposit Only to Peguis Indian Band".

10.2 Receipt and Deposit of Funds

10.2.1 Monies received will be recorded daily and must be deposited to the appropriate PFN bank account(s) at minimum, on a weekly basis.

10.2.1.a For those accounts with a large amount of daily activity, every effort should be made to deposit funds received on a daily basis.

10.2.2 Receipts of all cheques must be recorded and distributed promptly so that the deposits are completed the same week they are received. At all times, the individual opening the mail should not be the same individual performing the bank deposit(s).

10.2.3 When funds are to be held overnight or longer than usual business hours, or longer, the funds (whether cash or cheques), must be kept in a locked safe or fireproof filing cabinet.

10.3 Detailed Records

Complete detailed records will be maintained to ensure that receipts can be traced to provide adequate information and to ensure that all receipts are properly credited to the relevant accounts.

10.4 Bank Deposit Slips

Bank deposit slips will be identified and the items listed clearly described with sufficient information so that all entries may be credited to the relevant accounts. Photocopies of cheques will be attached to the deposit slip.

10.4.1 The bank deposit slip must be kept for audit purposes.

11) BANK ACCOUNT AND BORROWINGS

11.1 Banking Arrangements

PFN shall manage the First Nation's cash economically and efficiently and shall seek to maximize the return on its temporary surplus funds, within the approved investment policies.

11.2 Banking and Signing Authorities

With written approval of the Chief and Council, any two of PFN's authorized signing officers may jointly open bank accounts on behalf of PFN.

11.2.1 Chief and Council shall designate cheque signing officers for PFN bank accounts. The Chief and Council shall select and designate, in consultation with the Chief Financial Officer, no less than five (5) and no more than fifteen (15) signing officers from PFN's Senior Management Team.

11.2.2 All cheques, automatic debit transactions and orders including electronic orders, shall be signed, endorsed or otherwise made by two persons noted above.

11.2.3 The signatories shall be knowledgeable of sound financial management and internal controls.

11.2.4 The appropriate documents, endorsed by a quorum of Chief and Council, along with requisite Band Council Resolutions must be provided to PFN's bankers to show specimen signatures for signatories for comparison with cheques presented for negotiation.

11.3 Safekeeping of Cheques

11.3.1 All manual blank cheques should be stored in a locked filing cabinet when not in use.

11.3.1.a Access to the cabinet key shall be restricted to the Controllers and the Chief Financial Officer.

11.3.1.b Cheque signers should not sign blank cheques under any circumstance.

11.4 Bank Account Reconciliations

Bank reconciliations shall be performed within five (5) working days of the close of the period in ACCPAC.

11.4.1 Bank reconciliations will be prepared monthly by an individual other than a person who is:

- Responsible for physically taking deposits to the bank, and has cheque signing authority.
- Has signing authority for the Bank account being reconciled

11.4.2 The Chief Financial Officer shall approve bank reconciliations monthly.

11.4.3 The Controllers shall approve bank reconciliations either daily or weekly.

11.4.4 The review of bank reconciliations will be evidenced by signature of the reviewer and notation of date reviewed.

11.5 Bank Loans

The Chief and Council, upon review with and advice from the Chief Financial Officer may approve the establishment of a line of credit or demand loan to cover the short-term operational requirements of PFN.

11.5.1 All of the First Nation's investments, borrowings and loan activities must be disclosed in accordance with GAAP in the annual audited financial statements.

12) INVESTMENTS

12.1 Investment Committee

The First Nation's Chief and Council are responsible for establishing and appointing the Investment Committee which oversees PFN's investments and sets the investment policy on behalf of the First Nation and Chief and Council.

12.2 Purpose of Investment Committee

The Investment Committee will recommend and approve the limit and nature of the investment(s) on behalf of the First Nation. In so doing, the Investment Committee will only make recommendations on the investment of surplus funds which from time to time, may be available to the First Nation.

12.3 When Investments Can Occur

Investment of surplus funds may only be made upon recommendation of the Investment Committee, and only with approval from Chief and Council.

12.3.1 The investment may only be made if the investment of said funds does not violate the terms of reference to which the funds were received.

12.4 Types of Investments

PFN may only invest in securities guaranteed by the Government of Canada and/or a Provincial Government (i.e. GIC- Guaranteed Investment Certificate) or corporate bonds with a minimum AA rating.

13) ACCOUNTING AND CONTROL OF REVENUES

13.1 Adequate Controls

PFN's Finance Department, via the Chief Financial Officer, shall establish and maintain adequate controls to ensure that revenue due to PFN or that have become receivable by PFN, are recorded and collected on a timely basis.

13.1.1 PFN will establish and maintain a set of controls to ensure that no amounts receivable is removed from the records without the appropriate authority.

13.1.2 The authority to write-off accounts receivable balances is a shared responsibility between the First Nation's Chief and Council, PFN's Chief Operating Officer and Chief Financial Officer and its auditors.

13.1.3 At minimum, on a quarterly basis, three of these four individuals will work collaboratively to identify and solve issues surrounding uncollectible accounts or accounts that may become uncollectible in the near future.

13.1.2.a The near future in this case is defined as within a one-year period from the latest balance sheet date.

13.1.4 The use of miscellaneous accounts for revenue items will be kept to a minimum.

13.2 Funding Agreements- Approval and Acceptance

13.2.1 Only Chief and Council, in their governance capacity, and in consultation with the Chief Financial Officer, can approve and sign off on all funding agreements relating to the First Nation's administration, program delivery, projects and activities.

13.2.2 Once approved, all funding agreements, and the funds that maybe received from those agreements, will be subject to PFN's Financial Policies and applicable accounting treatments.

14) ACCOUNTS RECEIVABLE

PFN shall establish and maintain a set of adequate controls to ensure that revenue due to PFN is recorded and collected on a timely basis.

14.1 Invoicing

All invoicing will be done immediately following delivery of goods or services or materials and no later than five (5) working days after the close of the month or period.

14.1.1 All supporting documentation will be attached to the invoice.

14.2 Periodic Review and Collections

14.2.1 Collecting on overdue accounts and analysis on all revenue accounts will perform monthly.

14.2.2 Aged accounts receivable listings should be reviewed by PFN's Controllers and Chief Financial Officer monthly.

14.2.2.a The Finance staff shall follow up on balances outstanding beyond thirty (30) days in a prompt and efficient manner.

14.2.3 Funding receivables should be reviewed monthly by the Controller, the Chief Financial Officer and when necessary, PFN's Financial Services Officer.

14.2.4 As part of the monthly close procedure, the Chief Financial Officer shall review subsidiary ledgers to ensure balances agree to the general ledger control account.

14.2.4.a The review of the accounts receivable sub-ledger reconciliation and listing shall be endorsed by signature of the reviewer and notation of date reviewed.

14.3 Salary Advances

Under no circumstances will funds be advanced to PFN employees in regard to salaries or wages.

14.4 Loan Guarantees for PFN's Employees

At no time will an endorsement from PFN be issued to an employee assisting them in obtaining a personal loan.

14.4.1 PFN's payroll department, upon request, will issue letters or other documents that will verify an employee's employment with PFN.

15) PURCHASING

15.1 Requisition System

If an employee requires an item not currently available in their Department, to order or purchase that item, the employee shall follow the procedure outlined below:

- a purchase order is completed and fulfilled by the accounting department, and will detail: the item ordered, expected delivery date, all specifications and technical information where applicable, where the item is used, and quantity ordered
- the general ledger and code and responsibility center it is to be charged to
- if necessary, the requisitioning employee can recommend where the item may be available for purchase and he/she may include that information along with the request for a Purchase Order.
- Once complete, the Purchase Order will be taken to the requisitioning employee's budget owner or Director for authorization or approval.

All Supervisors/Directors should plan for their needs for inventory on a weekly basis.

15.2 Purchasing Staff

15.2.1 Upon receipt of the Requisition form (if applicable) the purchasing staff will check to see if the item ordered is in stock with the supplier.

15.2.2 If the item is not in stock, the purchaser will confirm the details and specifications are listed and whether the item ordered can be substituted, if applicable, or purchased from another supplier.

15.2.3 Once confirmed that the goods are needed the purchaser will prepare the purchase order for approval by PFN's Controller(s) or its Chief Financial Officer.

15.2.4 If an item ordered is specific to a Department, such as, office equipment/furniture etc., the item ordered should be delivered directly to the Department and be stated directly on the purchase order.

15.3. Purchasing for Inventory Stores/ Stock

15.3.1 It is both convenient and cost effective to keep certain commodities in inventory stock, such as photocopy paper, file folders, pens, pencils, writing pads, maintenance, etc.

15.3.1.a For those items, purchasing will prepare a bulk purchase order, following the same authorization rules as outlined in the Instrument of Delegation including cost coding to the inventory Department.

16) INVENTORY CONTROL – INVENTORY

Inventory Control will be responsible for receiving duly authorized purchases and for the filing of internal requisition forms.

16.1 Receipt of Goods into Storage

Upon receipt of goods, inventory control staff will ensure that all items are accounted for by checking off against the packing slip and the copy of the purchase order. Any discrepancies will be noted on the packing slip.

- In the event inventory orders have been delivered directly to the warehouse, Inventory staff and Department staff will forward the packing slip and all other accompanying paperwork, including requisitions and Purchase Orders to Accounts payable no later than the next working day.
- All packing slips (or other paperwork) from the vendor must be signed in confirmation of receipt of said order, and noting any discrepancies, should there be any.

16.2 Filling Requisition Forms

16.2.1 Inventory control staff will complete requisition forms for existing inventory stock. The signed requisition form will be sent to Finance for approval.

16.2.2 Inventory control staff will then prepare a "charge out" to the Department and forward it to Finance for entry and for Management approval.

16.3. Purchase Orders (POs)

16.3.1 Purchase orders will be prepared by the Finance staff and only when the requesting employee has obtained all needed signatures on the purchase requisition, and it has been properly bid out where applicable.

16.3.2 Purchase orders will be issued for all activities where and when the Finance Department was requested to get involved.

16.3.4 Any purchases over \$750.00 require PO's to be complete in full prior to the purchase of the items.

16.4 Replenishing Inventory

Inventory staff will maintain an inventory control. Inventory control will record inventory purchased and inventory on hand. A physical count of all inventories will be done at minimum, on a quarterly basis.

16.5 Responsibility of the Purchasing Department

- ensure the best price for the same quality and service
- buy locally when possible

- allow for First Nation's procurement whenever possible.
- provide an evaluation process which considers total acquisition costs, rather than only the lowest price received
- to support the operations of PFN with an uninterrupted flow of materials
- develop reliable and effective sources of suppliers and supply chain
- develop strong, positive relationships with all the vendors within and without the First Nation who support PFN in its operations.
- to ensure that all acquisitions are done in an impartial and unprejudiced manner, to ensure that PFN maintains a good public image and to ensure that all suppliers are treated with respect and fairness.
- provide the means for processing documents and meeting PFN's needs in a coordinated and timely fashion

- ensure that all purchase orders are duly authorized and cost coded.
- to ensure that accounting has all documents necessary to process invoices and to maintain a current level of pre-approved inventory stock

16.6 Responsibility of the Inventory Control Department

- To safeguard the assets of PFN
- To ensure delivery of duly authorized goods
- To ensure the receipt of authorized goods by checking the receiving slip against the purchase requisition to confirm that the quantity and proper item have been shipped.
- ensure that any goods returned are shipped back to the supplier and a credit is issued from the supplier
- To ensure Accounts Payable is advised immediately so that returned goods are not paid for if previously approved.
- if goods are being returned for replacement, the Accounting Department must be advised, so a reduced invoice of the balance is only paid.

17) CAPITAL ASSETS

Examples of capital assets include; buildings, leasehold improvements, furniture, computer hardware, boats and motors, and vehicles.

17.1 Capitalization

PFN shall treat as a capital asset, any asset for which the First Nation has title and which has an expected useful life beyond one year. As part of the capital cost, will include all costs associated with putting the asset into service in addition, including the acquisition cost of the item itself.

17.2 When to Capitalize and Expense

An expense will be treated as a capital asset should the expense or cash outlay relate to the alteration, modernization of such asset, or if said expenditure appreciably prolongs that asset's useful life, increases its value, or improves its usefulness to PFN.

For consideration as a capital asset and for capitalization of the expenditure, the expense, expenditure or asset must meet one, or all of the following criteria:

- Have a useful life in excess of one year and a per item cost in excess of \$3,000
- A total cost per bulk purchase for furniture and office equipment in excess of \$3,000
- A purchase and/or work order for business premises renovations in excess of \$3,000 per project
- For purposes of this policy, the useful life of an asset will be defined as an estimate of the length of time an asset will produce value or contribute to the operations of PFN.

17.3 Use of Capital Assets (Amortization)

17.3.1 The expense associated with the use of business premises, computer equipment, office furniture and equipment, boats and motors and vehicles will be recorded using a declining balance basis to calculate and estimate the expense.

17.3.2 PFN will expense amortization, or the use of these capital assets, using the following rates:

- **Buildings**- 20 to 40 years on a straight line basis, or 5% of the capitalized costs per year
- **Infrastructure**- 5% straight-line basis
- **Equipment (including computers)**- 6% to 20% on a straight line basis
- **Vehicle**- 20% of the capitalized costs per year, or 5 years on a straight line basis.

17.4 Loss of Use/ End of Useful Life

Where assets become obsolete, worthless, or lost to PFN, they shall be disposed of in accordance with approved processes and authorities, and the recognition of the loss of use of the assets must always follow GAAP, including recording the disposal using current market values.

17.5 Disposal of Capital Assets

PFN shall dispose of assets where:

- An improvement on the rate of return can be achieved without adverse impact on policy objectives
- It is directed to do so as a matter of policy
- The holding of such assets involves PFN in an activity deemed inappropriate by the First Nation's membership or its Chief and Council.

17.6 Accountability

17.6.1 PFN uses assets to help carry out its operations and conduct the First Nation's business.

17.6.2 The security and safekeeping of PFN's assets are the responsibility of all employees that are required to use PFN's assets to help in the fulfillment their job responsibilities.

17.6.2. 1 Employees are fully accountable to secure against risk or damage to those assets under his/her control.

17.7 Inventory of Capital Assets

17.7.1 PFN shall and will develop an inventory of all capital assets on an annual basis.

17.7.2 PFN's capital asset inventory will be reviewed and inspected at minimum on an annual basis.

17.7.2.1 The inspection of PFN's Capital Assets will be conducted by a member of PFN's Finance department along with a member from PFN's Maintenance Department.

17.7.2.2 The purpose of the inspection it to determine the existence and value of the assets, and will be done at random intervals throughout the fiscal year.

17.7.3 The inventory of capital assets will be reviewed by the Chief Financial Officer and Chief and Council on an annual basis.

17.8 Leases

Depending on the nature of the lease arrangement and prior to entering into said arrangement, the lease agreement does require approval by Chief and Council, the Chief Financial Officer, and/or the Chief Operating.

17.8.1 Any Lease arrangements that are between \$1 and \$50,000 per year must have approval from both the Chief Operating Officer and the Chief Financial Officer.

17.8.2 Any lease arrangements that are in excess of \$50,001 per year must have Chief and Council approval and approval from the Chief Operating Officer, or the Chief Financial Officer, should the Chief Operating Officer not be available to approve.

17.8.3 The classification and accounting for leases shall reflect the economic substance of the lease transaction in accordance with GAAP. It will do so through assessing the lease agreement for the below attributes:

17.8.4 Should the lease arrangement transfer substantially all of the benefits and risks of ownership of the leased property to PFN, the lease arrangement will be accounted for as a capital lease.

17.8.5 Should a lease arrangement entail no transfer of ownership, the lease arrangement, and the expenses thereunder shall be treated as rent.

18) ACCOUNTS PAYABLE AND EXPENDITURES

The Chief Financial Officer, or their designated individual, shall review subsidiary ledgers monthly to ensure the subsidiary ledger account balances agree to the general ledger control accounts.

18.1 Requisite Controls

To the fullest extent possible, PFN will establish requisite controls allowing it to pay its financial obligations in accordance with the terms and conditions as set out on the vendor's invoice, or as determined by purchase agreements, or contracts with the vendor, whatever the case may be.

18.2 Proper Procedures

In accounting for monies spent or expenditures made, PFN shall ensure there is an establishment of procedures which lend themselves to as much disclosure as required under this Finance Policy and in accordance with GAAP. This includes the accrual of outstanding expenses at the end of the fiscal year.

18.3 Invoices and Purchase Orders

18.3.1 Purchase orders and invoices must be checked for authorization (budget owner's approval) and matched with quantity and price on the invoice.

18.3.2 Each invoice will be stamped with a "payment authorization" stamp and coded with an expense code and batched in ACCPAC and posted, at minimum weekly.

18.3.2.1 Daily posting of Accounts Payable batches and expenses is the preference.

18.3.3 Once batched, invoices must be reviewed by PFN's Controller(s) for accuracy and correctness, prior to posting for payment.

18.3.4 Purchases must be made using the following methods:

- by purchase order,
- PFN credit card
- or by cheque made out to the supplier/ vendor.

18.4 Purchases made by Employees on behalf of PFN

18.4.1 Where a cheque has been issued to an Employee to obtain cash for purchases on behalf of PFN, and should the cash go missing or is lost, or there are not enough receipts accounting for the entire balance of funds issued to that Employee the

Employee will be responsible for reimbursing PFN for the missing monies.

18.4.1.1 Repayment can be arranged through payroll deductions, lump sum payment, or an employee loan and the payments must be made until such time as the balance owing is paid in full.

18.4.2 In the case where an Employee has been robbed, the Employee will not be held responsible for the loss as long as a police incident report is provided to the Chief Financial Officer and Human Resources.

18.4.3 If purchase receipts have not been provided to PFN's Finance Department within fifteen (15) days of the date of the cheque, or if the Employee is not able to provide receipts for the amounts purchased, that amount will be deducted from the Employee's payroll, in full.

18.4.4 Any employee in receipt of or receiving monies from PFN for PFN related purchases must sign an agreement that they will be responsible for accounting for the cash prior to receiving a cheque in their name, and then returning the receipts to PFN's Finance Department and a reconciliation of the funds used.

18.5 Reimbursable Expenses

18.5.1 Employees will clearly demonstrate and document that all amounts claimed for reimbursement have been approved and authorized for activities, events, or expenses that will benefit the First Nation and PFN.

18.5.2 If the employee cannot prove the above, then employee will then be responsible for returning the funds, in their entirety to PFN's Finance Department.

18.6 Expenses Paid By Hosts

Expenses paid by hosts or third parties may not be claimed. Declarations of such third party reimbursements will be made in accordance with PFN's Conflict of Interest Policy.

18.7 Personal Expenses

Regardless of their nature or reason, PFN is not responsible for the reimbursement of personal expenditures.

19) CREDIT CARD POLICY AND RECONCILIATION

Chief and Council, via the Chief Financial Officer, will approve the issuance of credit cards to PFN's Executive Management, and its Departmental Directors and the First Nation's Chief and Council only. Card holders will be expected to sign an agreement accepting the below terms of use for the credit cards.

19.1 Terms of Use

Corporate credit cards will be used for business purposes only, and the individual named on the card is responsible for ensuring the credit card is used properly and in accordance with this part of the Finance Policy.

19.1.1 The following purchases are not allowed:

- Alcoholic beverages
- Controlled or banned substances
- Personal items or loans
- Any other items deemed inconsistent with PFN's Finance Policy, or any other of PFN's policies

- Cash advances will not be permitted under any circumstance.

19.2 Number of Cards

The Chief Financial Officer, on behalf of the Finance Department, and in consultation with the Chief Operating Officer and Chief and Council will determine the number of credit cards issued to PFN, and the assigned credit limits on each of those cards.

19.3 Credit Card Reconciliations

19.3.1 The Controller(s) shall review and approve the credit card reconciliations on a monthly basis.

19.3.2 Evidence of this review and approval will be maintained by signature of the reviewer and notation of the date reviewed.

19.3.3 Chief and Council, or their designate, will review and approve the Chief Operating Officer's credit card reconciliation report on a monthly basis.

19.3.4 The Chief Operating Officer will review and approve the Chief Financial Officer's credit card reconciliation on a monthly basis.

19.4 Monthly Reconciliations

Credit card reconciliations shall be prepared on a monthly basis by the credit card holder and shall comprise the following:

- Matching of credit card charge with original receipt
- Where original receipt is not applicable, verification of the expenditure
- Verification of the purchase orders/authorization of the expenditure
- Allocation to the appropriate general ledger account

When the credit card statement does not arrive at the expected date, the Finance Department shall follow up with the bank.

19.5 Inconsistencies

Any inconsistencies or unidentifiable entries in the credit card statement will be reported to the Chief Financial Officer, or their designate.

19.5.1 Credit card inconsistencies or unidentifiable entries that have not been resolved by the following month shall be reported to the Chief Financial Officer who will determine appropriate action.

19.6 Attainment of Credit Limit and Authorized Transactions

Once the credit limit is attained, no further credit card transactions will be processed until the balance is paid.

19.6.1 No single transactions in excess of an authorized expense limit can be processed via the credit card.

19.6.2 Multiple transactions for a single purchase cannot be arranged which will circumvent the transaction or the expense approval limit.

19.7 Credit Card Payments

Payments against the PFN credit cards will be processed for payment online through the online banking system with the bank that PFN has partnered with.

19.8 Termination of Employment

Employees who leave the organization, whether voluntarily or involuntarily, are required to relinquish their credit card to the Chief Financial Officer, or their designate immediately upon or before their last day of work.

20) CHEQUE SIGNING, PAYMENT AUTHORITIES AND ISSUANCE PROCEDURES

20.1 Cheque Signing and Payment Authorities

PFN cheques must be signed by two authorized signors. At minimum, signing officers must be approved by the Chief and Council, or their designate, on an annual basis.

20.1.1 Should Chief and Council, or their designate, determine under their authority, changes to the signing authority roster be needed, those changes will be communicated to the Chief Financial Officer, along with the necessary documents (BCR's, letters of direction, for example).

20.1.2 The Chief Financial Officer will be required to communicate those changes to PFN's banking partners and ensure they are executed by the bank and all banking documents are updated to accurately reflect those changes.

20.2 Internal Controls

20.2.1 Cheque signing may be exercised by the same person as gave expenses approval, for routine transactions that occur on a regular basis (i.e. rent, utilities, group insurance and pension remittances).

20.2.2 For non-routine transactions (one time purchases for example), cheque signing may not be exercised by the same person who approved the expenses to ensure that an independent verification of the transaction is made.

20.2.3 Cheque signatories shall be accountable for the disbursements of funds that result from the issue of cheques under their signatures.

20.2.4 Cheque signatories shall ensure that the responsibilities and processes associated with spending, expenses and payments have been fulfilled by the authorized personnel.

20.3. Cheque Processing

For operational purposes, cheques may be printed on a weekly basis.

20.3.1 Blank cheques will be kept in a safe or under lock and key within the Finance Department.

20.3.2 A pre-cheque register shall be printed, reviewed and signed prior to printing cheques. Invoices listed on the pre-cheque register will be matched to cheque stubs. A cheque register will be printed after cheque printing to ensure cheques were printed correctly.

20.3.3 Printed cheques must be matched to invoices and forwarded for signing.

20.3.4 Cheques for operational procedures must be signed by any two of signing authorities for the department as pronounced by Chief and Council.

20.4 Direct Deposit

Unless identified elsewhere in this Policy, wherever and whenever possible, PFN will use Electronic fund transfers or direct deposit as the method of payment to an employee, client, or vendor.

Direct deposit shall be used as the method of payment for employee's expense claim reimbursements, for travel and for payroll whenever possible.

20.5 Payment of Accounts

The Finance Staff will be responsible for ensuring that requests for payment are supported by the proper documentation and through a final review, will assure these expenses and payments are in accordance with budget, financial signing authorities or other specific limitations.

20.6 Preparation, Filing and Distribution of cheques

It is the responsibility of Accounts Payable, or their designate, to obtain two authorized signatures for all payments and types of payment.

20.6.1 The payment distribution will be as follows:

- Original payment notification, or EFT advice or cheque to the payee
- Cheque stub or EFT or direct deposit confirmation from bank attached to invoice and filed.

20.6.2 Under no circumstances will cheques or payments be released by the Finance Department, Health Centre, or Income Assistance to any individual other than the payee listed on the face of the cheque.

20.7 Cheque Cancellations

Where a cheque has been cancelled before issuance the Finance Staff shall mark the original and the copies "Void" in ink and cut out the signature block.

20.7.1 The Finance staff must prepare the appropriate entries to cancel voided, misplaced or lost cheques in ACCPAC and with PFN's bank. All original and copies shall be filed in the system.

20.7.2 When a cheque has been cancelled, or lost after issuance to the payee, the Chief Financial Officer, or their designate, shall immediately issue a stop payment at the bank following the appropriate procedures as directed by the bank.

20.7.2.1 The employee will be required to pay \$25.00 for the stop payment fee and it will be deducted from the replacement cheque. Should the lost cheque be the fault of PFN, no fees can be charged to the recipient.

20.7.2.2 A replacement cheque will not be issued until written notification from the bank is received that the stop payment is in effect.

20.7.2.2.a The Finance Staff will issue a replacement cheque with the following notation on the back:

"To replace cheque number presumed lost or destroyed which is to be returned to the Payer un-cashed should it come into the possession of the Payee."

20.9. Outstanding Cheques

The Chief Financial Officer, or their designate, will review the monthly list of outstanding cheques along with the monthly bank reconciliation.

20.9.1 All cheques outstanding for more than six months shall be considered stale dated and reversed.

21) JOURNAL ENTRIES

21.1 Journal Entry Requirements

All Journal Entries must be:

- Supported by proper and adequate documentation
- Classified as a correction entry or a source entry
- Documented to support the validity and amount of the Journal Entry; and
- Reviewed and approved before posting to ensure proper recording of entries at the posting account, appropriation and fund levels as applicable

21.2 Use of Journal Entries

Journal Entries will be used to:

- Record Monthly Billings
- Correct errors;
- Clear a suspense account that was used temporarily because the correct code was not immediately available
- Transfer a balance from one general ledger account to another

- Prepare adjusting entries on a monthly basis for balance sheet accounts

21.3 All significant Journal Entries must be approved by the Chief Financial Officer and will be assigned a unique identification number.

21.4 Adjusting journal entries may not be required at month end or year end if it affects only statement of operations accounts.

21.4.1 An adjusting entry is required if the previous year's error affects an asset or liability account if deemed material by the Chief Financial Officer.

22) GOODS AND SERVICES TAX (GST)

22.1 Eligible Expenses

As a First Nation organization, PFN is eligible to submit GST claims for some of its operational expenses. As an Aboriginal organization and a government, PFN can claim GST at the following eligible rates:

- 50% of GST on goods and services
- 100% of GST if the goods or service are delivered and consumed in the community
- 100% of GST on travel.

22.2 Remittance of GST

At minimum, the GST account will be filed with Canada Revenue Agency (CRA) quarterly.

22.3 Reconciliation of Balance Sheet Accounts

All GST balance sheet accounts must be reconciled at least on a quarterly basis throughout the fiscal year.

23) YEAR-END ACCOUNTING

23.1. Collection of Invoicing and Information from Vendors

Every effort must be made to obtain invoices, statements, contracts or other documents claiming payment, so that arrangements may be made to ensure all amounts owing by PFN before the fiscal year-end can be made ready for payment in the new fiscal year.

23.2. GAAP Requirements

The secondary nature of collecting this documentation is to allow PFN the opportunity to meet requirements under GAAP for an accurate accounting of all expenses and obligations that are a result of operations in the 12 month period ending March 31 every year.

23.2.1 All parties subject to such contracts shall be required to submit progress claims for all work performed to the last day of the fiscal year.

23.2.2 All vendors supporting PFN in its operations will be asked to submit invoicing on work, or work in progress, or for goods delivered or services rendered to PFN, up to and including March 31st every year.

23.3. Accrued Liabilities- Criteria and Accounting

23.3.1 Accrued liabilities shall be established for unpaid debts; only where at March 31st the following conditions or criteria have been met:

- The work has been performed, or is currently under construction as the case may be.
- The goods have been received or services rendered but not yet billed for.
- The amount owing is in accordance with contractual arrangements entered into, on, or before March 31st and there is a claim on the contract for work done for the twelve months ended March 31st.
- The debt represents a valid and proper claim on PFN funds, and is in accordance with the terms and conditions of the contract, and
- The verification of accounts has been completed

23.3.2 Debts may be for an actual amount, e.g. the document claiming payment (but has yet to be paid), or for an estimated amount, for example Capital Assets that are in construction.

23.3.3 In order to be accrued at fiscal year-end, estimated debts must meet the criteria outlined above, and in addition, shall only be expensed/ accrued when:

- The debt can be individually substantiated and valued
- The debt can be individually identified with subsequent payments and
- There is need to accrue the expense under GAAP
 - Regular recurring services such as telephone bills, which are paid on specific dates of the month, which are due at the end of the month, shall not be accrued.

23.3.4 In the new fiscal year, the finance department will be responsible for ensuring that any expense accruals, with the exception of depreciation, that have been accrued, have reversed properly in the subsequent fiscal year, and have been coded to the appropriate general ledgers accounts and codes.

23.3.5 All expenses relating to long- term obligations or contracts will be trueed up at year- end. This true up of the expense should be based on actual supporting documentation from the vendor, supplier or contractor.

23.4 Accrued Payroll- Final Pay Cycle in Fiscal Year

Given the nature of the expense, payroll for the final pay period of the year will be accrued at March 31 every year.

24) EMPLOYEE TRAVEL

24.1 Travel Regulations and Restrictions

24.1.1 From time to time, Employees may be required to travel on behalf of the First Nation in order to conduct the business of the First Nation.

24.1.2 In order to claim travel expenses, all travel must be for work benefitting PFN. All expenses must be approved by the employees immediate Supervisor prior to travel occurring.

24.1.3 Unless otherwise authorized by PFN's management, only those employees deemed to have travel status are eligible to claim expenses incurred while travelling for PFN.

24.1.4 Employee travel expenses will only be paid subject to a submission of a detailed and itemized travel reimbursement form and only if the expenses have the requisite authorizations and approvals.

24.2 Travel Authorization and Reporting

24.2.1 With the exception of emergencies, in province travel must be authorized by the employee's immediate supervisor, and must be for a business purpose.

24.2.1.1 Where an emergency occurs, the employee must advise their immediate supervisor by the following working day or travel expenses may not be claimed.

24.2.2 Out-of-province travel must be authorized in advance by one of the following four (4) individuals: the Department Director, the Finance Manager for the Department (in lieu of the Department Director), the Chief Operating Officer or the Chief Financial Officer.

24.2.2.1 In the case of travel for the Chief Operating Officer or the Chief Financial Officer, only the Chief and Council or the Chief Operating Officer, respectively can approve their travel.

24.2.3 Out-of-country travel must be authorized in advance by Chief and Council, the Chief Operating Officer, or in their absence, the Chief Financial Officer.

24.2.4 All travel claims will be paid to employees in arrears.

24.2.4.1 In order to be eligible for reimbursement, the travel claim must be submitted within 15 days after the date of travel.

24.2.5 Travel claims cannot be accumulated and submitted at a future date.

24.2.6. Failure to submit travel claims in the manner set out in this Policy may result in denial of the travel claim.

24.2.7 Any abuse or continued abuse of this part of the Finance Policy will be subject to disciplinary action in accordance with PFN's Employee Personnel Policy up to and including termination of employment

24.3 Reimbursement of Travel Claims

24.3.1 Unless otherwise agreed upon and approved by both Management and Finance, travel claims will be reimbursed for all eligible and approved employees in the following manner:

- Travel will be made using the most direct or economical route possible.
- If an individual has consecutive days of meetings in the same or approximately the same location, and if it is more economical to stay overnight, arrangements will be made for accommodation.
 - Otherwise, extra travel expenses will be deemed as commuting, in which case the individual is responsible for all expenses incurred during the travel.
- Receipts must be submitted with travel claims for hotel accommodations paid by the employee, taxi, car rental or baggage fees that were paid for by the employee and reimbursement of said expense is requested.
- A record of the destination, departure and arrival times, and distance covered must be recorded and submitted by employees as per travel claim.

24.3.2 Travel claims must be made using the approved mileage rate as set out in Section E of PFN's Personnel Policy, and again in this section 24.4 of the Finance Policy below.

24.4 Travel Allowance and Rates

24.4.1 Whenever possible, employees must use a Band supplied vehicle for travel on behalf of PFN, even if that travel is within the community of Peguis First Nation.

24.4.1.1 Employees should **only** use their personal vehicles if the supply of Band vehicles is exhausted at the time business travel is necessary.

24.4.2 Mileage claims will only be made if the employee is using their personal vehicle for travel and only if that employee has made every effort to secure a Band supplied vehicle prior to their travel occurring, and only if that employee has received written approval from their Director to use their personal vehicle for work purposes.

24.4.3 Travel claims will only be paid to individuals using the following:

- Kilometer rates are set at PFN rates and paid at \$0.49/ kilometer driven.
- The mileage rate paid is intended to provide for an estimate of the cost of the additional wear placed on the vehicle for the use of the vehicle
- The mileage rate **includes** the cost of fuel.
- Mileage begins when the employee leaves PFN for their destination and from their destination to PFN.

- Mileage cannot be claimed for any additional personal errands that are performed while the employee is travelling for work.

24.5 Most Economical Route

24.5.1 Travel on behalf of PFN will be done so using the most economical route possible.

24.5.1.1 If multiple employees from one department are travelling to attend an event, then employees from that department are expected to travel together (a.k.a carpool) whenever possible.

24.6 PFN Vehicles

Where there is a PFN supplied vehicle available at the community level, the employee will be required to use the vehicle to conduct PFN business.

24.6.1 The terms and conditions for the use of Band supplied vehicles are set out in Section 26 of this Finance Policy.

24.7 Meals and Lodging

24.7.1 Employees required to travel for work are eligible to travel on a per diem basis.

24.7.1.1 To be qualified for a per diem, the following criteria must be met, in its entirety by PFN's employees prior to the per diem being advanced. The employee must:

- have prior approval for the travel
- the travel must be for a business purpose
- an agenda for the event must be made available to PFN's Finance department on request.

24.7.1.2 The Per Diem under PFN's Personnel Policy must be followed and is set out below.

24.7.1.2a Partial Per diems are allowed under the Personnel Policy (for one meal but not all three for example):

- Breakfast- \$15.25
- Lunch- \$18.50
- Dinner/ Supper- \$35.00

24.7.1.2.b Employees may only claim breakfast if they are required to be on route to their destination

prior to 7:00 am. Dinner/Supper may only be claimed where the employee is detained by work and is still in an office or in a meeting after the close of regular business hours, or 5 pm CDT.

24.7.2 No receipts are required when claiming meals while on PFN business providing a per diem has been approved in advance of the employee's travel. Meal rates must be claimed using PFN rates as noted in Section 24.7, subsection 1.

24.7.3 An employee may be requested to submit receipts when claiming for meals as part of an audit process, or when a meal is provided as part of a hotel rate, part of a conference, workshop or other such meeting event.

24.7.3.1 If meals are provided to employees as part of the event, than those meals cannot be claimed under the per diem policy.

24.8 Hotel Accommodations

24.8.1 Hotel claims shall be subject to a maximum of \$140.00 per night, including tax.

24.8.1.1 Unless approved in advance by the Chief Operating Officer, the Chief Financial Officer, any amount above \$140.00 per night including tax will be the sole responsibility of the Employee.

24.8.1.2 Parking fees at the accommodation or hotel should be included in the billing or a claim may be submitted for additional parking fees.

24.8.1.3 Hotel accommodations may not be charged to PFN unless prior approval has been acquired by purchase order from the employee's supervisor, Director, Chief Operating Officer, Chief Financial Officer or Chief and Council as the case may be.

24.8.1.4 Any employee reporting hotel fees on the appropriate Travel Claim form must have receipts to accompany their request for repayment, or PFN will not be obligated to pay. For audit purposes original receipts must be submitted and copies retained by the employee.

24.9 Private Lodging

Private lodgings may be reimbursed to employees at \$50.00 per night. Receipts are not required.

24.9.1 Houses owned by employees, or PFN owned homes are not applicable to this policy. For purposes of this policy, PFN deems that employees can only have one place of residence.

24.9.2 In order to be eligible for reimbursement, the name, dates of stay, and community are to be submitted on the travel form.

24.10 Incidentals

Employees, provided they are required to stay in a hotel while on business for PFN, may claim \$17.30 per day for incidentals. If an employee is staying in private accommodations, the employee waives their right to the \$17.30 per day reimbursement for incidentals.

25) OUT OF PROVINCE OR OUT OF COUNTRY TRAVEL

25.1 Authorization

Out of Province or Out of Country travel may only be authorized by Chief and Council or the Chief Operating Officer.

25.2 Per Diems

When Out of Province or Out of Country travel is authorized by the Chief Operating Officer or Chief and Council, the Per Diem amount shall be based at \$300.00 per day for Employees, Management and Chief and Council. This Per Diem shall include meals, accommodations, and incidental costs.

25.3 Additional Funds

Chief and Council or the Chief Operating Officer, in writing, may approve additional funds when specific circumstances or arrangements require additional dollars. Examples of requests can be, but are not limited to, incur the costs of airfare to their destination, or registration fees for a conference or inclement weather conditions.

25.4 Processing of Requests for Out of Province and Out of Country Travel

PFN's Finance Department will process requests and will make arrangements for out of province and out of country travel, including but not limited to accommodations, flights and meals.

25.4.1 Out of province and out of country travel must be based on the most economical airline and accommodations.

25.4.2 Individuals wanting to travel by car for their out of province travel or out of country travel will be reimbursed according to 25.4.1

25.4.3 Travel time will be allowed to a maximum of one day to and one from the destination. Per diems will be paid for travel days following the guidelines of the previous statement.

25.4.4 Additional travel time to reach the destination must be utilized from the employee's leave credits or occur over the weekend, whatever is most practicable for the employee.

25.5 Misuse or Abuse of the Travel Claims

Any PFN employee that is found to be misusing or abusing the travel claim process, or otherwise found to be using travel claims for reasons other than its intended purpose, will be subject to disciplinary action in accordance with PFN's Personnel Policy, up to and including termination of employment.

26) PEGUIS FIRST NATION VEHICLES

26.1 Use of PFN Vehicles

261.1 PFN has a fleet of approximately sixty six (66) vehicles for use by employees to help in the fulfillment of their employment responsibilities, including travel responsibilities.

26.2 PFN vehicles are subject to use at the discretion of management unless otherwise authorized, and only then during regular business hours.

26.2.1 Use of PFN vehicles can only be approved by Management in writing and in advance of the vehicle's use.

26.3. Unless authorized in advance by PFN's management, or its Chief and Council, and in writing, PFN Vehicles are not for personal use by any employee.

26.3.1 Should the need arise where an employee requires a PFN vehicle for personal use, should there be an accident or any damage to the vehicle arising from the use of said vehicle, the employee shall solely be responsible for the cost of the repairs needed to restore the vehicle to its original state prior to the accident.

26.3.2 Should an employee use a PFN vehicle for personal use, the employee will be responsible for any fuel costs needed to restore the fuel to the position in the vehicle's fuel tank it was in prior to the vehicle being used for personal reasons.

26.3.3 Should an employee use a PFN vehicle for personal use the employee will be charged a mileage rate of \$0.49 per kilometer driven.

26.3.3 Should an employee use a PFN vehicle for personal use, the employee shall be responsible for any repairs or maintenance costs that may arise due to the employee's use of the vehicle.

26.4 Fuel Costs

Unless for purposes outlined in Section 26, subsection 3, the costs to supply PFN vehicles with fuel is the responsibility of PFN and not that of the employee using the vehicle.

26.4.1 PFN will make every effort possible to ensure a means of supplying the vehicles with fuel, with no cost to the employee using the vehicle. This will be done through a charge account system at a local gas station, or through Fuel Fleet Cards provided in each vehicle.

26.4.2 Should the situation arise where an employee is required to incur the cost of fuel for a PFN vehicle, that employee will be reimbursed for the cost of the fuel.

26.4.2.1 In order to be reimbursed the employee must submit the original receipt for reimbursement following the employee expense claim section of this Finance Policy.

26.5 Record Keeping

26.5.1 Mileage logs must be kept and completed on a daily basis.

26.5.1.1 At a minimum, mileage logs will include the opening number for the odometer and the closing number, the Vehicle Identification Number (VIN #), the license plate number, vehicle fleet number and the Department the vehicle is assigned to.

26.5.2 Walk around sheets will be provided in each vehicle. Each day the vehicle is signed out for use the employee signing out the vehicle will be required to complete a check on the exterior of the vehicle to ensure there is no damage to it.

26.5.3 Any damage to the vehicle must be recorded on the walk around sheet and reported to management immediately.

26.5.4 Mileage logs and Walk around check sheets will be submitted to Finance on a weekly basis, on Fridays.

26.6 Regular Scheduled Maintenance

PFN will be responsible for the regular scheduled maintenance on its fleet of vehicles following the vehicles user guides and manuals, along with any service agreements we might be able to negotiate with Car Dealerships.

26.6.1 Should a circumstance arise where a repair or type of maintenance needs to be performed on a PFN vehicle and the employee has to pay for the repair themselves, and providing the reason for repair or maintenance is legitimate and bonafide, the employee will be reimbursed for that expense. This includes the regular scheduled maintenance for the vehicle.

26.6.2 Copies of invoicing for repairs and maintenance will be kept with the vehicle at all times. Copies of the original invoicing may be provided to PFN's finance department for processing, copies of the original receipt or invoice will suffice for these purposes.

26.7 Exclusions to the Use of PFN Vehicles

Certain parts of Section 26 may not apply to specified employees who have PFN vehicles assigned for their exclusive use. For these employees terms of reference surrounding the vehicle, and its ongoing use, must be agreed upon prior to the vehicles use by the employee.

26.8 Driving Violations

26.8.1 In the case of an accident involving a PFN vehicle, whether that vehicle is owned or rented by PFN, any employee driving and found at fault by Manitoba Public Insurance, or another body of competent jurisdiction, fifty percent (50%) or more for the accident, shall be solely responsible for paying the insurance deductible on that vehicle.

26.8.2 Costs of Court Appeals which result in the suspension of an employee's driver's license shall be the responsibility of the employee.

26.8.3 Speeding, parking tickets or tickets for a violation of the Highway Traffic Act whatsoever, will be the sole responsibility of the employee.

26.8.4 In exceptional circumstances, a parking ticket may be paid by PFN when the employee is involved in PFN business and the parking infraction is beyond their control.

26.8.5 In the case of windshield repairs, the above requirement of this policy maybe waived and PFN will be liable for the cost to repair or restore the windshield.

26.9 No Smoking

There is a strict no smoking policy in any of the Band Supplied vehicles. Failure to comply with this part of the Finance Policy will result in a fine of \$300 to the employee that is in breach of the policy.

26.10 Disciplinary Action

26.10.1 Convictions, which result in suspension of an employee's driver's license can result in disciplinary action, up to and including termination of employment duties.

26.10.2 Convictions which result in criminal charges under the Highway Traffic Act, or any other Federal or Provincial laws, can result in disciplinary action up to an including termination of employment.

26.10.3 Failure to comply with Section 26.9 of this policy will result in a \$300 fine to the employee. Repeated violation of 26.9 can result in further disciplinary action up to and including termination of employment.

26.10.4 Failure to comply with any other any other sections of 26, including those noted above, can result in further disciplinary action up to an including termination of employment.

26.10.5 Section 26 subsection 10 may only apply to those employees which require a vehicle to fulfill their employment related responsibilities.

27) PROCUREMENT

27.1 Approved Vendors List- Requisite Criteria

The below list outlines steps and criteria that must be followed before a vendor is selected for inclusion on PFN's Approved Vendor List:

- If not an Aboriginal vendor, they must clearly demonstrate their percentage of Aboriginal employees employed and a commitment to Aboriginal employment strategy and a strategy to re-invest in the Aboriginal community.
- Previous history with the supplier must prove to be positive and has an impact on whether they should go on the Approved list.

- Warranties and representations are extremely important to consider in comparing equal competitors.
- The company should be able to deliver to the First Nation, or be able to make satisfactory arrangements to have their goods or services delivered to the First Nation
- Should the vendor operate in the environmental space/ sector, the supplier should have an Environmental policy in place and share that policy with PFN.
- The service on tenders has to be consistent and to PFN's specified standards.
- Quality of products received is to PFN's specifications and has not had any problems or concerns during the shipping process
- Customer service must be good and consistent, PFN will look whenever possible, to work with vendors which hold compliance certification such as ISO or COR certification.
- Whenever possible, PFN will buy and support local businesses and vendors.
- Current Worker's Compensation Board Certificate (WCB)
- Certificate of Automobile Liability and/or Contractors Equipment Insurance must be provided for such types of procurement or procurement opportunities.
- Certificate of Contractor's General Liability Insurance for Constructors and other trades
- Vendors must be willing to supply PFN with their Health and Safety Policy
- Vendors and/ or Suppliers must agree, at all times, to abide by PFN's Personnel and Administration Policy, including but not limited to Section J of said policy.
- Vendors and/ Suppliers will be required, when applicable, to sign and abide by PFN's confidentiality agreements and any Non-Disclosure Agreements that may be necessary under PFN's *Human Resources Policy and Procedure Manual*.

28) **CONTRACTUAL ARRANGEMENTS**

Contracts and Contractual arrangements are legally binding agreements requiring the parties to these contracts to perform certain services or deliver certain goods according to the terms as set out in the contract.

28.1. Legal Contracts

No contract may be entered into by PFN without the support of and approval from PFN's Chief and Council, or its Chief Operating Officer or Chief Financial Officer.

28.2 Authorized Contracts

Prior to work commencing under a contract, said contract must be approved and signed by any one of PFN's Chief and Council, its Chief Operating Officer or its Chief Financial Officer, or a combination thereof depending on the scope and financial impact of said contract.

28.2.1 Under no circumstances will work begin under a contract prior to the approval of the contract for said work has been reached.

28.2.2 Where the total value of the contract is up to and including \$50,000, one of PFN's Chief Operating Officer and/or Chief Financial Officer can sign and approve of said contract before it comes into force.

28.2.3 Where the total value of the contract is above \$50,001, no less than a quorum (currently 4 or more) of PFN's Chief and Council must sign and approve said contract before it comes into force. One of the quorum approvals requires the portfolio holder of that respective department.

28.3 Division of Contracts

At no time may a contract be divided into multiple smaller contracts to circumvent or avoid Section 28.2 or this part of the Finance Policy whatsoever.

28.4 Sole Sourcing of Contracts

If a contract for work of any kind is sourced to a vendor, supplier or contractor directly, the rationale for the sourcing decision must be clearly documented and the reason(s) for the sole sourcing must be clearly defined.

28.4.1 Sole sourcing of contracts is strongly discouraged by PFN.

28.4.2 At no time shall a contract be sole sourced and awarded to a contractor based on nepotism or to a contractor or service provider who is a member of the employee's immediate family.

28.5 Requests for Proposals

28.5.1 Where the total value of a contract is in excess of \$50,000, including any amendments, PFN shall put the contract and the scope of work to be awarded

through a tendering process and will put a call out for a Request for Proposals.

28.5.2 In the Request for Proposal process, PFN will require a minimum of three competing proposals from three different suppliers.

28.5.3 Respondents to the Requests for Proposals, at a minimum will be required to demonstrate how they match or may be best suited for the contract in that they may, upon request of Chief and Council, or the Chief Operating Officer or the Chief Financial Officer (or a combination of all three) be required to produce their companies or organizations

- Website
- Biographies of their Senior Management and or their Executive Management
- Biographies and/or resumes of their team of people assigned to the project
- Testimonials from other clients they may have provided the same or similar services for or to
- Along with how many years of experience they may have in their field of expertise.

28.5.4 Evaluation of the Proposals received will be done by PFN's Chief Financial Officer and Chief Operating Officer, who will be responsible for making a recommendation to PFN's Chief and Council on a course of action to follow, or which Proposal to accept.

28.5.5 During the Request for Proposal process, PFN will follow its Procurement Strategy as outlined above.

28.5.6 Under the Request for Proposal process, preference may be given to competing indigenous vendors, suppliers or contractors, should they be able to meet the terms of reference outlined in the Request for Proposal.

28.5.7 Final authorization for the contract can only be obtained from the requisite PFN authority before officially awarding the contract to the contractor, supplier or vendor.

28.6 Approval Process

28.6.1 Any contract entered into by PFN which requires a cash outlay over the life of the contract up to \$50,000 can be entered into by the signing of two signatures,

one of which must be the Chief Financial Officer the second will be the Chief Operating Officer. Should the Chief Operating Officer not be available, then a member of Chief and Council can sign, with preference given to the specific portfolio holder.

28.6.2 Any contracts entered into by PFN requiring a cash outlay over the life of the contract in excess of \$50,001 must have at the least an endorsement by a quorum of Chief and Council including the portfolio holder.

28.6.3 Providing a quorum and endorsement exists, any two members of Chief and Council can approve and sign the contract providing PFN's Chief Operating Officer has given the same approval and signed the contract.

28.7 Payments under the Contract

The Chief Financial Officer will ensure payments made under the contract do not exceed the amount awarded under the contract, including any additional payments that are required under approved amendments to the contract.

28.8 Contracts Under \$50,000

Although a Request For Proposal process for contracts awarded by the First Nation requiring a cash outlay over their life of the contract between \$1 and \$49,999 is not required, through this policy any contractor awarded with this contract must clearly demonstrate their suitability to manage the contract or their ability to execute their part of the responsibilities under the contract

28.8.1). In the case of 28.8) contractors must be able to demonstrate through similar mechanism as described by section 28.5.3). Additionally, they may be able to provide testimonials or the corporations or the service delivery providers resume or Curriculum Vitae (CV).

29) RECEIPT OF GIFTS

For purposes of this Finance Policy, all gifts received by PFN's employees must be reported using the disclosure forms attached to this policy as Appendix "F."

29.1 Gifts between \$31 and \$100

Any gifts received by PFN employees in excess of \$31 and not more than \$100 must be disclosed to the Chief Financial Officer and the Department Directors

29.2 Gifts in Excess of \$100

Any gifts received by PFN employees in excess of \$100 must be disclosed directly to the Chief Financial Officer.

- In the case of the Chief Financial Officer, any gifts in excess of \$100 must be reported to the Chief Operating Officer
- In the case of the Chief Operating Officer, any gifts in excess of \$100 must be reported to the Chief and Council

29.3 Gifts from third-parties in excess of \$100

- **Any donation or gifts provided by third parties in excess of \$100 must be reported to the Peguis Foundation for reporting to membership.**

End of Policy