



Chief Poundmaker

POUNDMAKER CREE NATION
FINANCIAL REGULATIONS

December 2016

FINANCIAL REGULATIONS OF POUNDMAKER CREE NATION

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FINANCIAL REGULATIONS OF POUNDMAKER CREE NATION

These Regulations may be cited as *The Financial Regulations of Poundmaker Cree Nation.*

SECTION 1 APPLICATION

The Financial Regulations of Poundmaker Cree Nation shall apply to all employees, citizens and elected officials of Poundmaker Cree Nation. Poundmaker Cree Nation business entities shall follow the Regulations unless otherwise approved.

SECTION 2 DEFINITIONS

2.1 In these Regulations:

- a) "Administration" means the Director of Operations, Finance Controller, and Program Managers.
- b) "Administrative Office" means the physical office utilized by Administration;
- c) "Administrative Services" means the services provided by the Director of Operations, Finance controller, Executive Assistant and/or Program Managers concurrently with their respective support staff;
- d) "Administrative Staff" means the support staff of Poundmaker Cree Nation;
- e) "Agency Services" means services provided by Agencies, Tribal Councils, Federation of Saskatchewan Indian Nations, Assembly of First Nations, and/or other governments or organizations;
- f) "Benefits" means Leave Benefits, Group Benefits and Pension Benefits available to the employees of Poundmaker Cree Nation; and/or Severance Pay (non-INAC funding) available to the Chief and Council of Poundmaker Cree Nation;

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- w) "Ministerial Guarantees" means guarantees made by the Minister of Indian and Northern Affairs Canada.
 - x) "The Organization" means all of the staff, independent contractors and business entities, boards and committees that are endorsed by the Chief and Council of Poundmaker Cree Nation;
 - y) "Poundmaker Cree Nation" means all the departments, business entities, boards and committees that are administered by the Chief and Council of the Poundmaker Cree Nation;
 - z) "Portfolio" means a defined area of responsibility of a Chief or a Councillor as designated by the Chief;
 - aa) "Regulations" means The Financial Regulations of Poundmaker Cree Nation;
 - bb) "Severance Pay" means a financial severance payout made to Chief and to Council when re-election to office has not been successful;
 - cc) "Staff Member" means a member of the Poundmaker Cree Nation staff;
 - dd) "Quorum" means three (3) members of the five (5) members of Chief and Council.

SECTION 3 AUTHORITY & RESPONSIBILITY

3.1 Council Authority

The Council of Poundmaker Cree Nation has the exclusive executive powers of government as delegated by the members of Poundmaker Cree Nation with the following authority:

- a) To call General Band Meetings and/or Informational Band Meetings, as a Band Custom Nation, to consult and seek guidance and advice from Elders and band Citizens;
- b) To approve of budgets and audits, including budgetary reviews;
- c) To approve legal instruments of the Nation;
- d) To ensure efficient program management, and education and awareness to its citizens;
- e) To develop, implement and amend regulations, bylaws and policies for the order and good governance of the Poundmaker Cree Nation;
- f) To provide the general community plan.

3.2 Council Responsibility

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- l) To ensure accountability and transparency to Poundmaker Cree Nation membership and service agencies;
 - m) To reflect shared values and goals of a stable and effective Nation with standard governance procedures and systems through the effectiveness and efficiency of management;
 - n) To establish such boards, committees and business entities as may be necessary for the good administration of Poundmaker Cree Nation funds. To ensure such bodies have a specified mandate, clearly defined roles and a defined relationship to Chief and Council with appropriate policies/procedures that are approved by the Council;
 - o) Beginning 30 days prior to a Poundmaker Cree Nation election, the Chief and Council shall suspend any decisions on new developments on behalf of Poundmaker Cree Nation. An Interim Operating Committee shall be appointed to carry on the normal business activities of Poundmaker Cree Nation during the 30-day period prior to election;
 - p) To make decisions as a quorum of Chief and Council and not individually.

3.3 Chain of Command

The Administration of Poundmaker Cree Nation is comprised of the Director of Operations, Finance Controller, and Program Managers:

The chain of command shall be:

- a) In the absence or vacancy of the position of Director of Operations, the Finance Controller acts as the Director of Operations during the period of absence or vacancy;
- b) In the absence or vacancy of the Finance Controller, the Director of Operations acts as the Finance Controller during the period of absence or vacancy;

The Director of Operations is the Chief Administrative Officer, and as such, is the Senior Administrative Officer in charge of day-to-day operations of Poundmaker Cree Nation. This position may be filled by an Expert Resource as may be required from time to time.

The Finance Controller is the manager in charge of overall finances of Poundmaker Cree Nation.

The Executive Assistant is the Executive Secretary to Chief and Council.

Accounting Staff is made up of the Finance Clerks.

Program Managers include the Principal and Post-Secondary Supervisor.

5.2 MINUTES OF CHIEF & COUNCIL MEETINGS, BOARDS, COMMITTEES AND BUSINESS ENTITIES

- a) Council meeting minutes are formal, legally binding decisions on policies, administrative guidelines, financial decisions and all other first nation matters. All decisions must be accurately documented in the minutes, through recorded motions and votes;
- b) Meeting minutes of Council, committees, boards, and business entities shall follow generally accepted rules of order complete with an Agenda that is approved at the beginning of the meeting and shall include any additions/deletions of agenda items;
- c) At the beginning of a meeting the chairman shall be appointed by the meeting members unless a chairperson has been formally appointed;
- d) Minutes of meetings shall be recorded in a standard format;
- e) The Council meeting minutes shall be recorded by the Executive Secretary to Council;
- f) Minutes of committees, boards, and business entities shall be recorded by the Secretary as delegated by their respective committee members;
- g) Minutes of all council meetings, committees, boards, and business entities shall be forwarded to the Director of Operations no later than five (5) working days following the meeting and each page marked as "draft";
- h) Minutes of all council meetings, committees, boards, and business entities shall be forwarded to the Director of Operations no later than three (3) working days following the adoption of minutes if there are any amendments from the draft minutes;
- i) The minutes of previous meetings, with amendments, if any, are approved by motion at the next subsequent respective meeting, and when approved, a motion approving the minutes is recorded in the minutes and thereafter, the minutes of the previous meeting, with the amendments, are, signed by the Secretary certifying that such minutes have been approved ("the approved minutes");
- j) It is the responsibility of the Secretary of each meeting to note minutes recording on the minutes;
- k) It is the responsibility of the Secretary of each meeting to forward to the Director of Operations draft copies of the minutes and the final adoption of minutes;
- l) It is the responsibility of the Director of Operations to ensure all "draft" and "adopted" minutes be forwarded to a Chief and Council Meeting, and that, if any, recommendations be

Chief and Council shall delegate the completion of the financial reports to the Finance Administrator and Director of Operations or Expert Resource.

Chief and Council shall delegate the Director of Operation and the Program Managers to prepare the service delivery reports.

Chief and council finance administrator, program managers and support staff will be attending general band meetings to assist in answering questions and inquires.

Service delivery reports shall consist of:

- i. general statistical information;
- ii. general program information.

SECTION 6 FINANCIAL PROCEDURES

6.1 Financial Year

Poundmaker Cree Nation fiscal year-end shall be the 12 months ending March 31.

6.2 CASH AND BANKING

a) Deposits

Upon receipt, cash and cheques must be deposited in a timely manner and at least weekly into the Band account (s). Funds received are not to be deposited to the credit of an individual. Accounting clerks shall have the responsibility to ensure deposits are completed in a timely manner and proper documentation shall support every deposit for audit purposes.

b) Deposit Slip

Every deposit must be recorded in the deposit book of that respective account. *Deposits shall be entered in the accounting software program as soon as possible following the deposit;*

c) Accounts Receivable Cheques

The cheque must be copied and the perforated cheque information stub must be attached to the cheque copy. All copies of cheques shall be retained in a separate file and filed in chronological sequence.

d) Cash

Upon receipt of cash, a receipt must be filed. The Receipt Book shall be chronologically numbered for that fiscal year and then entered in to the respective department Deposit Book. All cash must be deposited immediately in to the respective Band account (s).

- That the work has been performed, the goods supplied or the service rendered, as the case may be, and that the price charged is according to contract, or if not specified by contract, is reasonable;
- That supplies and services are in accordance with contract specifications and that all the terms and conditions of the contract have been met;
- That, where a payment is to be made before the completion of the work, delivery of the goods or rendering of the service, as the case may be, such payment is specifically provided for in the contract;
- That applicable discounts have been deducted, that charges not payable have been eliminated and that the computation of the amount payable is correct;
- That the account has not previously been paid in whole or in part;
- That the proper expenditure coding is identified in the requisition; and,
- That any other procedures necessary in relation to the payment are carried out.

Triplicate cheque requisitions shall be utilized to assist in audit documentation as follows:

- i. White copy—to be attached with the cheque;
- ii. Yellow copy—to be attached with supporting documentation;
- iii. Pink copy—to be filled in chronological numerical sequence in a box file specifically for this purpose.

It is everyone's responsibility to ensure proper documentation is recorded on the cheque requisition. The finance Clerk shall not process cheques without the proper documentation required with each cheque.

There shall be no cash transactions. In the event cash transactions are made in any form, all cash shall be supported by a receipt complete with supporting documentation to ascertain for what the cash is for.

b) Cheque Processing

Cheques will only be processed and payments made every Thursday. All requests for payments must be made by noon on Monday, and any requests after the 3 pm deadline may deem the request processed the next cheque processing date.

Emergency provisions for cheque processing will only apply in case of funerals or wakes.

Cheques requests must be approved by the appropriate person, complete with the required documentation. The onus to forward the required documentation is on the staff member and failure to do so will result in a 'hold' on cheque processing.

c) Cheques made in/With Error

If a cheque contains an error, it must be marked "VOID" and signing area must be blotted out or cut out. The erroneous cheque must be retained and filed in numerical sequence with the cancelled cheques for that respective month.

Payment to vendors will follow the 'Net 30 day' rule; payment to contractors will be processed that next cheque processing date provided that all documentation is in order and the proper approval processes have been followed.

b) Payment Processing and Authorization

Invoices should be entered in to the accounting system upon receipt and stamped as "Entered" complete with the date of entry, accounting code and initial of personnel entering invoice. The timely entering of invoices would ensure accurate updated financial picture of the organization.

Invoices should be supported by:

- i. The packing slip authorized by the appropriate person;
- ii. The purchase order (yellow copy);
- iii. Signature of the person who authorized or acknowledged the good or services.

The invoice will then be filed in a Payment Pending file for review by the Finance Controller. Invoices shall not be paid without the proper supporting documentation attached.

When invoices are reviewed and approved for payment, a cheque is generated complete with the cheque requisition, invoice, packing slip and purchase order. The invoice to be paid should be stamped with "Paid, cheque number, personnel processing payment and amount".

Invoices that include Harmonized Sales Tax and/or Goods and Services Tax should be deducted when the goods and/or services occurred on reserve.

Payment of invoices that include the Goods & Services Tax should be recorded in to a separate account.

A GST rebate shall be calculated and filed for bi-annually.

c) Filing of Processed Payments

Cheque requisitions shall be filed in finance department alphabetically by name and numerically with the latest date to the most recent date. Copies may be retained by the respective department.

d) Invoice Retention

Cheque requisitions including supporting documentation shall be filed and retained for audit purposes.

After the audit, cheque requisitions shall be archived and retained for seven (7) years; after which they may be destroyed with the permission of Chief and Council.

A file retention policy shall further define the security provisions, storage and retention of electronic documentation on the server or in a cloud-based application.

6.5.3 Contracts must be authorized before the work begins. Under no circumstance may work begin prior to a written contract. Where work commences before proper authorization, the responsible Manager/Director of the Division or Department must provide a letter to the Director of Operations justifying why this occurred.

6.5.4 Each contract must have a contract number which is based upon the fiscal year ending, cost code number and numerical number of contracts within that cost code. This number is assigned by Finance.

6.5.5 All services to be received by Poundmaker Cree Nation over \$1,000 must have a contract. For services less than \$1,000, a scope of work outlining the services to be provided and the rate to be provided at is required. This should be approved in writing by the manager.

Sole Sourcing

6.5.6 Where the total value of the contract is up to \$5,000, including amendments, a Manager may sole source to an individual or firm. The Manager must ensure that he or she verify the professional daily or hourly rate for the contractor.

6.5.7 Typically a letter from another Community/Organization which also hired the contractor would be sufficient. Furthermore, a sole source justification must accompany the contract which states why this contractor was selected and why this is the only contractor who can perform the work.

Competitive Bidding

6.5.8 Where the total value of the contract is over \$5,000, including amendments, a Manager/Director must initiate a Request for Proposals (RFP) process and ensure that a minimum of three (3) bids is received for the contract.

6.5.9 The Manager/Director must evaluate the bids by using the 'Contractor Bid Evaluation Form', typically available through Poundmaker Cree Nations Finance Division or Department. He must establish an ad hoc RFP Assessment Team composed of three Poundmaker Cree Nations Employees, two of whom must be a Poundmaker Cree Nations Manager/Director, and he/she must be guided by the Team's decision.

6.5.10 A similar process must be followed in the case of contracts whose total value is in excess of \$15,000 per annum, except that the RFP Assessment

6.5.16 Professional fees should only be paid upon receipt of a written invoice signed by the contractor and a previously agreed upon deliverable (e.g. report, activity report, etc.).

A contract advance can be provided to the contractor up to 15 percent, of the value of the contract. Under no circumstances may contract advance exceed 15 percent of the value of the contract. A contract advance may only be provided were the contractor is a:

- sole proprietor and requires funds to commence the requested project; or,
- Small firm that requires financial assistance to commence the project.

Amendments

Contract Amendments must be properly authorized through the same procedure as outlined above. A Manager must use the 'Contract Amendment Form', available through Poundmaker Cree Nations Finance Division or Department.

Contract Management

Every Manager must ensure that no payment is made in excess of the contract. At year-end, each Manager must ensure that all invoices are received by the contractor if the contract is to be charged to the old year.

Contractor Evaluation

At the end of each contract, a Manager should ideally complete a 'Contractor Assessment Form', available through Poundmaker Cree Nations Finance Division or Department. This form should ideally be forwarded to the Controller

Disclosure

6.5.17 Every Manager must disclose all contracts of any value to the Director of Operations.

6.5.18 On a quarterly basis, the Controller must disclose to the Finance Committee a list of all contracts approved in the previous quarter. The list must contain the contract number, contractor, purpose and amount.

6.6 TAX EXEMPTION

The Travel Request & Authorization Form shall include:

- Type of meeting or event
- Date of meeting or event
- Supporting documentation of the meeting or event
- Program to be expensed
- Program Managers authorization of travel and expenses

c) Reimbursement Form

Council and staff shall file for reimbursements using a Reimbursement Form for post-event travel expenses and/or expenses that exceeded the travel or expenses paid through the Travel Request and Authorization process.

Requests for reimbursement for travel or expenses must be accompanied by original receipts for accommodation, meals, parking, incidentals, etc.

c) Mileage, Accommodation, Meals & Incidental Rates

Poundmaker Cree Nation travel and expense rates shall be established by Chief and Council and amended from time to time by council motion.

d) Reimbursement for Band Purchases

Council and staff may be reimbursed for purchases related to Poundmaker Cree Nation projects and shall provide original receipts with the request for reimbursement. The reimbursement shall be subject to the approval of the respective program manager and respective portfolio councillor before being paid.

6.10 PAYROLL

All payroll information is to be treated as confidential and accordingly shall not be revealed to any staff member or to any person outside of the Poundmaker Cree Nation organization.

a) Payroll Frequency

Payroll shall be issued on a bi-weekly basis for Council and staff. Staff will be required to submit a timesheet every 2 week regardless if paid salary or by an hourly rate.

Pension benefit maximums cannot exceed five (5) percent which is the maximum allowable INAC employer funded contribution. An employee may wish to increase the percentage of the employee portion of the contribution only.

h) Poundmaker Cree Nation User Fees

Poundmaker Cree Nation shall enforce User Fees of \$18.80 per month in which the User Fee offsets sanitary disposal services within Poundmaker Cree Nation. Employees of Poundmaker Cree Nation will have User Fees deducted off their payroll one pay period per month.

User Fees may, from time to time, be subject for review and/or amendment by Chief and Council Meeting Motion.

i) New Employees

As acceptance to employment with Poundmaker Cree Nation, all new employees shall sign a Letter of Offer, a Payroll Authorization Form ,TD 1 (if applicable) and an Oath of Confidentiality Form as outlined in Poundmaker Cree Nation Personnel Policy.

All new employees shall be under probation as stipulated in Letter of Offer and as per the provisions of the Poundmaker Cree Nation Personnel Policy Manual.

The Payroll Authorization Form shall be filed and kept within the employee`s personnel file.

The Payroll Authorization Form authorizes payroll deductions and shall collect personal information about an employee such as:

- i. Address;
- ii. Date of birth;
- iii. Telephone number;
- iv. Social insurance number;
- v. TD1 income tax (if applicable) deductions;
- vi. Group insurance and pension contributions;
- vii. CMHC rent deductions

i) Personnel File Record Keeping

Payroll information is a permanent record. Should an employee leave the employment of Poundmaker Cree Nation, then the personnel record shall be kept for a period of seven (7) years from the last day of employment.

j) Revenue Canada Payroll Audit

- i. CRA Remittances will be forwarded to CRA in a timely manner to avoid late penalties.

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- 2) Every effort shall be made to obtain invoices, statements, contracts or other documents claiming payment, so that arrangements may be made for payment of all amounts owing by Poundmaker Cree Nation.
 - 3) All parties subject to such contracts shall be required to submit progress claims for all work performed to the last day of the financial year.
 - 4) Accrued liabilities shall be established for unpaid debts, only where, at March 31st, the following are met, that:
 - a) The work has been performed;
 - b) The goods have been received;
 - c) The services have been rendered; or
 - d) The amount is owing in accordance with contractual arrangements entered into on or before March 31st;
 - e) The debt represents a valid and proper claim on Poundmaker Cree Nation funds and is in accordance with the terms and conditions of the contract; and,
 - f) The verification of accounts has been completed.
 - 5) Debts may be for a determinate amount, e.g. the document claiming payment has normally been received but has not yet been paid, or for an estimated amount.
 - 6) Estimated debts must meet the above, and in addition, shall only be charged when:
 - a) The debt can be individually substantiated and valued;
 - b) The debt can be individually identified with subsequent payments; and
 - c) Accrual is required under Generally Accepted Accounting Principles (GAPP).
 - 7) Spending and Payment Authority shall be exercised twice in respect of an accrual; once when the debt is charged to one of Poundmaker Cree Nation budgets, and once when the debt is settled.
 - 8) Regular recurring services such as telephone paid for at monthly dates other than month-end shall not be accrued.
 - 9) No accruals are required for amounts less than \$500.
 - 10) Settlements of debts in the new fiscal year must be charged to the appropriate liability accounts.
 - 11) Over-and under-accruals shall be adjusted to the relevant expense accounts.
 - 12) Accrued Liability accounts shall be monitored regularly to ensure settlement in the subsequent financial year is effected promptly and appropriately.

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c) Safeguard of Assets

Accounting for Poundmaker Cree Nation assets shall follow guidelines as established by Tangible Capital Asset policy of the Nation as defined by generally accepted accounting principles (GAAP)

Record of assets shall be updated on purchase or acquisition of any capital asset and inventoried annually. Asset record shall include: date asset was purchased, year of manufacturing, make, model, serial number and shall be kept on file through the Finance software system and in hard copy for insurance and accounting purposes.

Assets shall include:

- i. Buildings and infrastructure;
- ii. Land
- iii. Any equipment with a life span of over 1 year and a value of \$2500 or more.

Adequate insurance must be carried on all CMHC houses, band buildings, band equipment, band building contents, and band vehicles, to protect against all perils:

Third party liability insurance must also be carried where required. Band Houses will be insured as budget allows.

An annual review of the Poundmaker Cree Nation insurance policies shall be conducted between Chief and Council, the Finance Administrator and insurance carried.

In keeping with Generally Accepted Accounting Principles (GAAP) of materiality and consistency, Poundmaker Cree Nation shall treat as capital assets any items (including bulk purchases) which in addition to the above conditions meet the following criteria:

- A useful life in excess of one year, and a per item cost of at least (\$1,000); or
- A purchase and/or work order for business premises renovations of at least (\$5,000) per project.

Disposal of assets should not occur without approval of the F=Director of Operations. Items greater than \$5,000 should be approved by Council.

d) Confidential files

All confidential files shall be kept secure in a locked cabinet located within a locked office, and within a building that is secured and locked after normal business hours, and such access will be granted by authorized personnel only.

e) Accounting Records

The importance of error free accounting records shall be the responsibility of the Finance Clerks and the Finance Administrator. Consistent monthly balancing will ensure that the time is

Poundmaker Cree Nation, as long as decisions are consistent with this policy and the respective funding agreement.

It is the responsibility of Council to ensure that all Poundmaker Cree Nation business entities do not contribute to any Poundmaker Cree Nation deficit. Council may delegate this responsibility to the Finance Administrator.

e) **Management Action Plan**

A Management Action Plan addresses deficits and organizational deficiencies. A Management Action plan, formerly called a Remedial Management Plan, may be required by Indigenous Affairs and North Development Canada to redress defaults within a funding arrangement.

It is the responsibility of Council, along with all Program Managers, to ensure that the Poundmaker Cree Nation Management Action Plan targets are met.

SECTION 9 FINANCIAL STATEMENT PRESENTATION

a) **Financial Reporting--Financial Statements**

A monthly financial report with year to date variance reports will be presented to Council, Administration and Program Managers at a Council Meeting to be held no later than the twentieth (20) day of each month.

During the first quarter of the fiscal year, with the priority being completion of the annual consolidated audit, an allowance may be made for late financial reporting.

The format of the financial statement shall follow Generally Accepted Accounting Principles, Financial Statements and shall include an income statement and year to date variance statements. This shall be compared to the yearly budget.

It is the responsibility of Council, as delegated to Administration and Program Managers to ensure budget targets are being met.

b) **Financial Reporting~~Remedial Management Plan**

Quarterly statements with year to date revenues and expenses are required for Management Action Plan reporting. These statements shall be presented to Chief and Council, administration and program managers no later than the end of each quarter. It is a requirement of INAC that quarterly meetings are held between INAC and Chief and Council to review the progress and Financial statements under this travel or intervention.

The format for Management Action Plan reporting should include:

- A narrative report on progress under the Action Plan
- A summary of revenue and expenditures

SECTION 11 BAND MEMBER ASSISTANCE

The objective of the Band Member Assistance policy is to develop a control mechanism that will enable Chief and Council to meet band member emergency needs while operating within its budget. The Band Member Assistance program shall not contribute to the overall band deficit.

The Band Member Assistance Policy complements Poundmaker Cree Nation's endeavours to ensure accountability and transparency. Verification and documentation shall be initiated and shall be implemented.

Please refer to the Band Membership Assistance Policy for further details.



Chief Duane Antoine

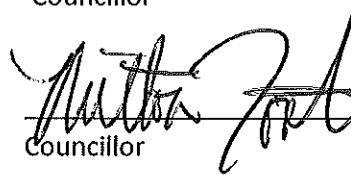


Councillor

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Councillor



Councillor

DATE: December 19, 2016.