

ANISHINAABEG

OF

NAONGASHIING

FINANCIAL CODE

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DEFINITIONS

Back-up	An exact copy of the accounting data.
Budgeted items	Items of a recurring nature, that have been included in the annual budget, for which the amount may vary from time to time.
Delegation	Where Chief and Council have appointed a staff member to have authority to approved certain payments.
Expenses/Expenditures	Monies paid by the First Nation to deliver programs and services.
First Nation Vehicles	Any vehicles that are purchased or leased by the First Nation, and registered in the name of the First Nation.
Immediate Family	The spouse, common law spouse, children, parents or siblings.
Off Site	A location other than the First Nation Office, where support copies of data can be stored.
Policy and procedures Manual	The policies and procedures, as amended from time to time, which clarify the principals of this code, and detail the method by which the aims of this code will be achieved.
Receipts	Monies , from various sources, received by the First Nation.
Recurring payments	Payments which are made on a regular basis throughout the fiscal year (i.e. hydro, travel etc)
Segregation of duties	A method whereby no one person can be responsible for duties involved in the approval and payment of an expense.
Supporting documentation	The documentation required to support a request for payment of an expense.

FINANCIAL CODE

PURPOSE

1.0 The purpose of this code is :

- a) To set up the principals and requirements to manage the financial resources of the Anishinaabeg of Naongashiing, in a fair and equitable manner.
- b) To detail the requirements to ensure that all financial resources are used in a manner that provides for the best value for the community members.
- c) To ensure that the financial aims of the duly elected Chief and Council are maintained.
- d) To provide accountability and transparency to the community members, in the management of financial resources.

This document together with the Election Code and the Administration code, shall detail the basis of good governance and accountability in the community. This code is the basis for all financial policies, that are affected by the availability and disbursement of financial resources. This code details the principals for the management and accountability of financial resources, while program policies detail the actual eligibility for the receipt and disbursement of financial resources and should be considered supporting documentation to this code.

2,0 **PRINCIPALS**

This code is intended to ensure that the management of the financial resources follows the approved directions of the duly Elected Chief and Council, and that no member of staff will decide the utilization of financial resources without the approved consent of council.

2.1 Chief and Council, in consultation with the Elders, will ensure that the traditions and customs of the Anishinaabeg of Naongashiing, are considered when preparing budgets and program policies.

3.0 **PLANNING**

- 3.01 Chief and Council will ,at a regularly scheduled community meeting, seek input as to the expectations of the community and the future direction that the community wishes the First Nation to follow
- 3.02 Having received direction from the community, Chief and Council will review the available financial resources and in consultation with the program supervisors will set a direction for the upcoming year.
- 3.03 Program heads and supervisors will prepare a budget according to the directions given by Chief and Council for their program.
- 3.04 Chief and Council will review all budgets submitted by the program heads and with the assistance of the administration staff will prepare and approve an annual budget for all programs services and projects for the fiscal year.
- 3.05 All annual program budgets and Capital budgets shall be completed by April 30th annually, for presentation to the membership at the next scheduled community meeting
- 3.06 Budgets for all programs, services or projects must be detailed to show an overall break even position. Financial resources, as long as permitted by the funding agreements, may be transferred from program to program, when approved by Chief and Council.

4.0 **ACQUISITION OF GOODS AND SERVICES.**

- 4.01 The procedure for acquisition of goods and services for the use of the First Nation or for program clients will be dependent upon the value of the goods and services and the reason for the acquisition. All goods and services acquired must be in accordance with the approved work plans and within allocated budgets.
- 4.02 Goods and service or payments for a client under the value of two hundred dollars (\$200.00) may be authorized by a program supervisor in accordance with the financial policy and procedures manual..
- 4.03 Goods and service in excess of two hundred dollars(\$200.00) and not in excess of one thousand dollars (\$1,000.00) may be approved by the First Nation Manager and acquired in the same manner as outlined in section 4.02.

4.04 All acquisition goods or services in excess of one thousand dollars (\$1,000.00) will require the approval of Chief and Council. Chief and Council will follow the following when acquiring goods and services.

- a) Goods or Services with a value of less than fifty thousand dollars(\$50,000.00), Chief and council will review the available suppliers and will evaluate the suppliers based on.
 - i) The suitability of the goods or service.
 - ii) The quality of the goods or service.
 - iii) Past history with the supplier.
 - iv) Socio-economic benefits to the First Nation.
 - v) Availability of service and warranty locally.
- b) Construction or other service contracts in excess of Fifty thousand dollars (\$50,000.00) and not in excess of two hundred and fifty thousand (\$250,000.00), Chief and council will:
 - i) Prepare a terms of reference or specification for the service, construction or purchase and may proceed by either placing an advertisement in local or regional newspapers or by inviting tenders from at least three qualified contractors/ suppliers.
- c) For all projects in excess of two hundred and fifty thousand dollars (\$250,000.00) Chief and council will conduct a public tender through advertisement in local or regional newspapers.

4.05 Notwithstanding section 4.04, amounts in excess of \$1,000.00 for budgeted expenditures of a recurring nature, that are in excess of \$1,000.00 may be approved for payment by the First Nation Manager, provided that authority for such payments has been delegated by council, when budgets are prepared.

5.0 **ACCOUNTING RECORDS.**

5.01 The Anishinaabeg of Naongashiing will maintain a computerized accounting system, which will produce the following documentation in hard copy on a monthly basis:

- a) General ledger trial balance
- b) General ledger expenditure listings
- c) Listing of all Banking transactions.
- d) Payroll Journals.
- e) Monthly financial statements for each program showing monthly expenditures, year to date expenditures, and remaining budgets.

- f) Monthly Financial statements by program showing budgeted income, income received that month, year to date income and income still receivable for the balance of the fiscal year.

5.02 All accounting data will be “backed-up” on at least a weekly basis and one copy of the data will be stored off site.

6.0 RECEIPTS

6.01 All Financial resources received by the First Nation will be recorded and deposited in a bank account maintained by the First Nation at a chartered bank, designated by Chief and Council. Supporting data for all such deposits will be retained on file.

6.02 All Financial resources received by the First Nation will be compared to the expected and budgeted resources by program to ensure that the amounts received are in accordance with the agreements and invoiced amounts.

6.03 Any inconsistencies will be reported to the First Nation Manager, who in consultation with the program head will follow up to ensure that resources are not being withheld pending reporting.

7.0 PURCHASE ORDERS.

7.01 Goods and services may be acquired by purchase order in accordance with the Financial Policies and Procedures Manual.

PAYMENTS AND DISBURSEMENTS.

8.01 Payments for goods, services and client program payments will only be made when they meet one or more of the following;

- a) They are accompanied by a duly approved purchase order.
- b) They are accompanied by a cheque requisition, detailing the purpose of the payment, the program to which it applies, the payee, and is authorized by the program supervisor.
- c) Is reimbursement for duly authorized travel as outlined in section 9 of this code.
- d) Is payment for a recurring payment i.e. hydro and telephone that has received approval in the annual budget.
- e) Is a payment on a contract that has been approved and signed by council and the project manager has attested to the stage of completion of the project.

8.02 **CHEQUE PROCEDURES.**

The First Nation will prepare and write cheques on a twice- weekly basis, ensuring that any cheque written is supported by the relevant supporting documentation, in accordance with the financial policies and procedures manual.

8.03 **SEGREGATION OF DUTIES.**

To insure the integrity of the Anishinaabeg of Naongashiing accounting systems, all cheques issued by the First Nation will meet the following:

- a) All cheques are signed by any two of the signatories approved by the Chief and Council.
- b) No one person shall:
 - i) Approve the payment request.
 - ii) Write the cheque
 - iii) Sign the cheque
 - iv) Reconcile the Bank statement.
 - v) Have physical custody of cheques and cash.

All the duties referred to in section 8.03 b should, when ever possible, be the duties of separate employees. The First Nation acknowledges that there are times when due to staffing limitations this is not possible, but in no circumstances should an employee perform more than two of the above tasks in relation to any one transaction.

9.0 **TRAVEL**

9.01 Chief and Council and all staff members are allocated a travel budget in the annual budget process. The allocated budget is for business related travel only, but also includes travel expenses in relation to professional development relevant to the program.

9.02 Travel expenses will be reimbursed for mileage, meals and accommodations and other incidental costs, in accordance with the rates and regulations as approved by Chief and Council and detailed in the Financial Policies and Procedures Manual. Reimbursement of travel expenses include GST and PST and the First Nation will claim reimbursement where applicable.

- 9.03 Any member of Chief and Council or staff member will only be reimbursed mileage to the value of the actual kilometers driven or when air transportation is available to the lesser of the airfare or the mileage, unless the requirement for Land Travel is supported by medical documentation.
- 9.04 Any member of Chief and Council or the staff of the Anishinaabeg of Naongashiing, who will receive reimbursement for the travel from some other agency or government, may request reimbursement from the First Nation, with the appropriate documentation. But if they do so, the amounts paid will be in accordance with the Anishinaabeg of Naongashiing rates, and any reimbursement from the other agency or government will be retained by the First Nation, even if the amount exceeds that paid to the traveler.
- 9.05 No member of Chief and Council or member of the Staff of the Anishinaabeg of Naongashiing, may receive payment for travel expenses from both the First Nation and any other government or agency.
- 9.06 All claims for travel expenses must be made to the Anishinaabeg of Naongashiing within 30 days of the travel. Any claims not received during this period will be referred to the supervisors committee for recommendation.
- 9.07 The Anishinaabeg of Naongashiing does not assume any liability for any claims or damages resulting from the driving negligence of an employee.
- 9.08 The employee is responsible for his/her own insurance coverage and to ensure that they maintain a valid driver's license and to ensure that the registration of the vehicle is current.
- 9.09 Any fines with respect to invalid vehicle documentation, driving behavior and/or invalid parking are the responsibility of the individual.
- 9.10 Section 9.09 applies also to staff members who are driving a vehicle that is registered to the First Nation, and any notices of traffic fines, due to driving behavior or invalid parking, received by the First Nation will be charged to the employee and deducted from payroll.

10.0 PAYROLL

- 10.01 Salary rates for staff members are set by Chief and Council on hiring, and reviewed on an annual basis, when budgets are finalized.
- 10.02 Salary rates for Chief and Council are set by the membership, in accordance with the Election code, and are effective for the term of Chief and Council.
- 10.03 All employees of the Anishinaabeg of Naongashiing, whether staff employees or contract employees are paid on a Bi-weekly basis.
- 10.4 Chief and Council will review the salary levels of employees who complete a term of probation , or whose job description changes during the current year, otherwise rates are set at budget time.
- 10.5 Salary levels are considered a personal matter and are not available on a individual basis to the general membership.

11.0 ADVANCES

- 11.01 Funds secured by the First Nation are for the delivery of programs, services and projects, therefore the Anishinaabeg of Naongashiing will not loan funds to any individual or organization, unless funds have been identified for that purpose as part of an economic development proposal, or part of a project in the annual budget process.
- 11.02 Notwithstanding section 11.01, Chief and Council or an employee may request a travel advance, provided that the purpose of the travel is business for the First Nation, and meet the following requirements.
- a) The traveler will be away from the community for at least one night.
 - b) The amount requested is within the daily limit, as set from time to time by Chief and Council.
 - c) The traveler will account for the advance when filing a travel claim on return.
 - d) The traveler does not have any outstanding travel advances.
- 11.03 Any employee requesting an advance may give a written request to the First Nation Manager, setting out
- a) The purpose of the request
 - b) The amount of the request.
 - c) The intended method of repayment.

- 11.04 Any request received under section 11.03, will be reviewed by the First Nation Manager and the Finance officer. If the amount of the request is under one thousand dollars, a review will be done and a decision made by the administration staff.
- 11.05 In the event that the request is in excess of one thousand dollars (\$1,000.00), the First Nation Manager will convene a committee , one member of which will be a member of the administration department, and two other people who are not immediate family members of the applicant, to review the matter and make a recommendation as to whether the advance should be granted.
- 11..06 Certain other community members may be receiving regular payments from the Anishinaabeg of Naongashiing and may from time to time request an advance.
- a) Welfare Clients- any advances here will be referred to the Social Services administrator, and will be limited to basic needs as emergency assistance.
 - b) Care givers for children in care – Any requests here to be referred to the Family Service workers who will contact the payer before deciding the course of action.
 - c) Project workers- will mostly fall within the payroll policies, but will be referred to the project manager to ensure continuation of employment before any action is taken.
 - d) University students – any request will be forwarded to the Education Director who will investigate the request and make a recommendation as to approval and repayment.
- 11.07 The Anishinaabeg of Naongashiing reserves the right to deduct from any community member or staff member any amounts owing to the First Nation, with respect to advances, rent arrears or other payments due to the First Nation from any amounts the individual may be entitled to receive.
- 11.08 All advances of any kind must be repaid within the fiscal year in which they are granted.

SOCIAL SERVICE SPECIAL FINANCIAL ARRANGEMENTS.

12.01 The social service income support program is administered by the Social Service Administrator, who calculates payments in accordance with the schedules of the Province of Ontario. The administrator is responsible for the reporting requirements of the programs he/ she administers, this code applies to that program also with the following exceptions.

- a) The administrator calculates the payment, writes the cheque, and does the reports.
- b) The approvals for budget with respect to income support are governed by the requirement of the Province of Ontario and all payments under this program are reported to Ontario.
- c) Shelter allowance under this program is paid firstly to Hydro One, then to the First Nation for Rent.

13.0 INSURANCE

13.01 The Anishinaabeg of Naongashiing will annually purchase insurance coverage to protect the assets of the First Nation. The insurance coverage will relate to:

- a) Replacement coverage for damage to public buildings and contents of those buildings
- b) Full coverage for all vehicles owned and operated by the Anishinaabeg of Naongashiing.
- c) Liability insurance to cover all aspects of the operations of the First Nations programs, services and projects.
- d) Replacement insurance to replace those homes that are still under mortgage.

13.02 The Anishinaabeg of Naongashiing may purchase insurance to cover the balance of the homes within the community and may also purchase renter insurance to cover the cost of contents in all the houses.

14.0 AUDIT

14.01 The Anishinaabeg of Naongashiing will retain an independent auditor to review the financial transactions of the First Nation for the Fiscal year.

14.02 The auditor will report to the First Nation no later than June 30th annually his findings for the previous fiscal year.

14.03 The auditor in his management letter will identify any weaknesses in the financial reporting systems and make recommendations for changes.

14.04 Chief and council will present to the membership the annual audit, the audit review from INAC and any management letter recommendations.

15.0 **DISPUTE RESOLUTION**

The process for resolution of disputes arising from this code is detailed in section 13.0 of the administration code to which reference should be made.

16.0 **BREACH OF CODE**

Section 14, 15 and 16 of the administration code deal with the systems to investigate any alleged breach of this code, and the remedies available to the electorate in the event a breach of code is verified. These procedures can and will be applied to a breach of this code.

17.0 **AMENDMENT OF THIS CODE.**

17.01 This code when ratified by the membership, cannot be changed by Chief and Council without the consent of the Electorate.

17.02 For greater certainty, any amendments to this code must be approved following the same procedure and time frames as those required to amend the elections code and set out in that code.

17.03 Prior to any ratification of any amendments to this code, a special general meeting must be called to discuss the proposed amendments and the reasons for those amendments, a full copy of the proposed amended code must be provided to the membership.

This Financial code was ratified by the membership at a meeting called for that purpose on the

This code was ratified by a majority of the Electors present at the meeting.

This code was proclaimed as the Financial Code of the Anishinaabeg of Naongashiing at an open council meeting held on the at Saug-a-gaw-sing I.R. #1

Chief Albert Handorgan

Councilor Carl Big George

Councilor Patrick Handorgan