

**“Amended – October 21, 2015”**  
Chief & Council



FINANCIAL POLICY  
&  
PROCEDURE MANUAL

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## 1. Use of Policy and Procedure Manual

|                     |                          |
|---------------------|--------------------------|
| Date Approved:      | Band Council Resolution: |
| Date Last Reviewed: | Amendment Date Approval: |

### **POLICY:**

The Mississauga First Nation Council is responsible for the financial administration of the First Nation. It is Council's policy to create, revise, and issue policies and procedures that reflect the First Nation's accepted practices as well as meet law and regulatory requirements that affect the First Nation's financial administration processes.

The purpose of this financial policy and procedure manual includes the following:

- a) To provide guidance, assistance and an accountability framework to the users of the financial accounting system. The users include the Mississauga First Nation Council, the Director of Operations, Program Manager/Supervisors, and Other Employees;
- b) To promote efficiency of operations;
- c) To ensure consistency with application of generally accepted accounting principles in the preparation and processing of financial information;
- d) To ensure timeliness of the provision of information to Council and operating personnel.

### **SCOPE:**

The policies and procedures contained in this manual apply to all employees, Council members and members of the Mississauga First Nation.

### **PROCEDURE:**

#### ***1.1. Policy Creation***

1. Any employee may recommend a policy to the Finance Manager.
2. The Finance Manager will create a list of all policies and procedures required to adequately and effectively manage and control the financial management system and to safeguard the First Nation's assets. The Finance Manager will draft the required policy, keeping within the following policy format:
  - a) **Policy** – clear statement that indicates the protocol or rule affecting the specific area;
  - b) **Procedures** – Describes the steps, details, or methods to be used to implement and maintain the policy;
  - c) **Related Policies** – List of related policies related; and
  - d) **Forms** – List of forms related.

2. The Finance Manager will submit the final draft policy and procedure document to the Director of Operations for review and recommendation for submission to the Finance Committee.
3. The Finance Committee will review the draft policy and procedure documents and may recommend them, with or without amendments, to Council for the final approval.
4. Each policy and procedure document presented to Council for approval will include a documented record of the Finance Committee's review and recommendation.

### ***1.2. Policy Revision***

1. The financial policy and procedure manual is reviewed after the annual audit to accommodate changes to the accounting system or implementation of new policies or procedures.
2. The Finance Manager will submit the final draft policy and procedure document to the Director of Operations for review and recommendation for submission to the Finance Committee.
3. The manual will be reviewed by the Finance Committee for review and recommendation to Council for the final approval.
4. Approval of revisions to the Policy and Procedure Manual will be made by Council.
5. A Finance Committee delegate is appointed by the Director of Operations for processing all changes to the Financial Policy and Procedure Manual and distributing revisions to the Committee Members, Director of Operations, and Program Managers/Supervisors.
6. The Financial Policy and Procedure Manual will be available for review by all employees and members of the Mississauga First Nation.

### **RELATED POLICIES:**

### **FORMS:**

## 2. Organizational Structure/Reporting Responsibilities

|                     |                          |
|---------------------|--------------------------|
| Date Approved:      | Band Council Resolution: |
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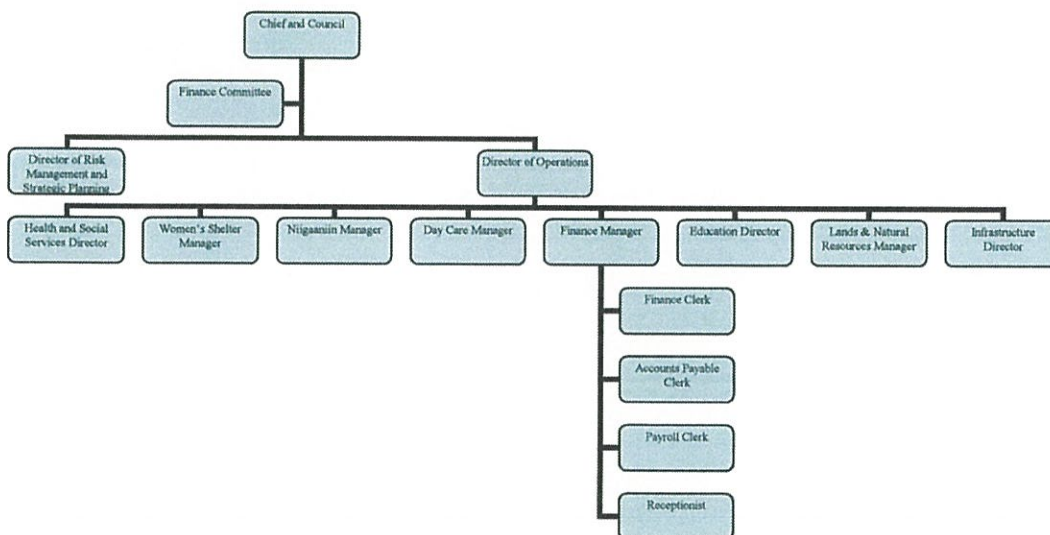
### POLICY:

The Mississauga First Nation Council is responsible for the delivery of programs and services for the Mississauga First Nation.

Responsibility for the day-to-day administration of programs and services has been delegated to employees of the Mississauga First Nation as demonstrated in Figure 1, Organization Chart below. It is their duty to deliver the programs and services under the guidance and direction of the Mississauga First Nation Council and to report back to the Mississauga First Nation Council.

Responsibility for the day-to-day financial administration has been delegated to employees of the Mississauga First Nation as demonstrated in Figure 1, Organization Chart for Financial Responsibilities below.

Figure 1: Organization Chart for Financial Responsibilities



### PROCEDURE:

1. The Director of Risk Management and Strategic Planning, or a designate, as authorized and instructed by Council, will prepare an organizational chart that accurately depicts the First Nation's governance, administrative and financial management systems, and identifies the specific roles and responsibilities assigned to each level of governance and administration and to each participant in the systems including committees and submit to Council for approval.

2. The Director of Risk Management and Strategic Planning will ensure that the chart includes definitions of the persons or classes of persons who are affected by the organization chart. The Director of Risk Management and Strategic Planning will ensure each role identified in the organizational chart is clearly defined as evidenced by a job description in accordance with applicable Human Resource policies or other such policy that requires job descriptions to be in prepared and approved.
3. The Director of Risk Management and Strategic Planning is responsible for centrally filing the organizational chart so that it can be located and retrieved as soon as practicable by all persons affected by it, and will disseminate the approved organizational chart to all those affected and/or make it readily available by other means normally used by the First Nation.
4. The Director of Risk Management and Strategic Planning on request, will provide a copy of the chart to a group of listed people.
5. Periodically, but at least annually, the Director of Risk Management and Strategic Planning will update, as necessary, the organizational chart for changes in personnel and will submit recommendations, as necessary, to Council for approval, to revise roles, responsibilities, or reporting relationships.

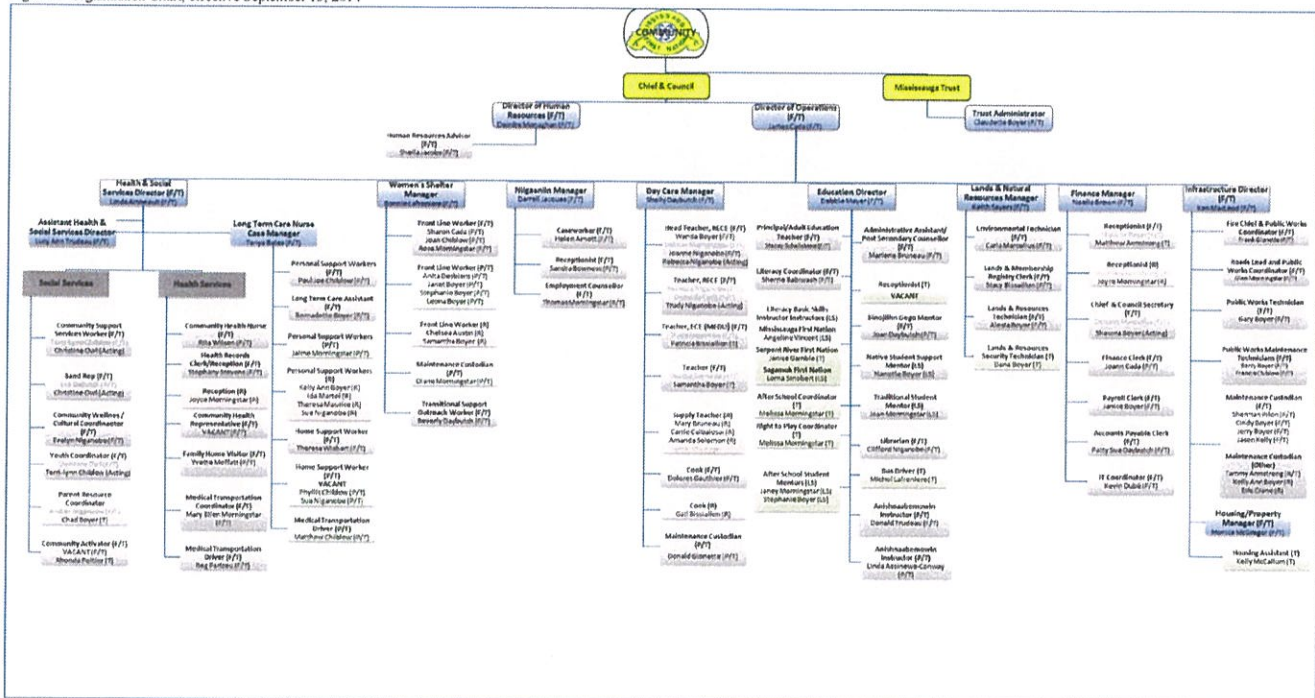
**RELATED POLICIES:**

Conflict of Interest, Appeals, Delegated Authorities

**FORMS:**



Figure 2: Organization Chart, effective September 15, 2014



### **3. Finance Committee**

|                     |                          |
|---------------------|--------------------------|
| Date Approved:      | Band Council Resolution: |
| Date Last Reviewed: | Amendment Date Approval: |

#### **POLICY:**

The Finance Committee assists Council in carrying out its oversight responsibilities for financial reporting, internal control, and risk management processes. Financial issues related to the administration of the Mississauga First Nation will be discussed at a meeting of the Finance Committee prior to discussion at a Council meeting.

The Finance Committee is comprised of the Mississauga First Nation Council Portfolio Holder, the Director of Operations, Finance Manager, Niigaaniin Manager, Health and Social Services Representative, Education Director, Elder Representative and Youth Representative.

#### **PROCEDURE:**

1. The Mississauga First Nation Council will appoint members to the Finance Committee at the beginning of each term of Council.
2. Finance Committee Meetings will be held on/or by the Tuesday of each month. Issues that may be discussed include reviewing budgets, decisions to contract on behalf of the Mississauga First Nation, review of financial management for programs and activities, etc. as determined in the Finance Committee Terms of Reference.
3. The Finance Manager will present recommendations from the Finance Committee to Council in a briefing note.
4. The minutes of the Finance Committee Meetings will be maintained by the Finance Committee delegate. Finance Committee meeting agenda and minutes will be maintained for seven years following the end of the year during which the meeting was held.
5. The Finance Committee meeting minutes will be provided to Council.

#### **RELATED POLICIES:**

Delegated Authorities, Conflict of Interest, Revenue, Receipts, Housing Loan Guarantees, Financial Assistance to Members, Month-End Processing, Miscellaneous Transactions, Investments

#### **FORMS:**

#### **4. Disclosure of Financial Information to Members**

|                     |                          |
|---------------------|--------------------------|
| Date Approved:      | Band Council Resolution: |
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##### **POLICY:**

The purpose of this policy is to make the Mississauga First Nation accountable to Membership by giving them a general right of access to financial records of the First Nation in the custody or under the control of the First Nation. This policy also sets out specific limited exceptions to the Membership's right to access certain financial records.

The Director of Operations must refuse to disclose to a Member, financial information that:

- a) Would reveal the deliberations of the Mississauga First Nation Council and any of its committees, including any advice, recommendations, or policy considerations submitted or prepared for submission to the Mississauga First Nation Council or any of its committees, unless those deliberations concerned the applicant;
- b) Legal opinions which are subject to solicitor-client privilege;
- c) Other privileged documents which could reasonably expect to reveal information received in confidence from a government, First Nation, Society, Corporation or harm the conduct of negotiations relating to Aboriginal self-government, treaties or land claims;
- d) Could reasonably be expected to harm the financial or economic interests of the Mississauga First Nation;
- e) Would be an unreasonable invasion of a third-party's personal privacy, including personal financial information relating to eligibility for or receipt of employment benefits, income assistance, education benefits or social service benefits.

Unless the financial information pertains to the payment of money, honoraria, contract fees, and travel expenses of a Councilor, received from the Mississauga First Nation, the Director of Operations must fully disclose it upon request.

If the Member is entitled to have the financial record disclosed to him or her, and it can be reasonably reproduced, a copy of the financial record must be provided with the Director of Operations' response.

If the Member is entitled to have the financial record disclosed to him or her, and it cannot be reasonably reproduced, the Member must be permitted to examine the financial record at the Mississauga First Nation office during regular business hours of any business day; and under no circumstances are the documents/records/files to leave the Band Administration Office.

The Mississauga First Nation may disclose a Member's financial information to another government body, only if that financial information is required to ensure that the Member is complying with all eligibility requirements for Financial benefits of programs administered by the

Mississauga First Nation.

**PROCEDURE:**

1. To obtain access to a financial record, any Member of the Mississauga First Nation may make a written or verbal request for the disclosure of financial records. The Director of Operations must make every effort to assist the Member who makes a request for the disclosure of financial records.
2. The Director of Operations must respond openly, accurately and completely to the request for the disclosure of financial records within 30 days from the date the request is received, unless more time is required. If more time is required, the Director of Operations will **inform** the Member in **writing**, when the response can be expected.
3. In response to the request for information, the Director of Operations must advise the Member in writing:
  - a) Whether or not the Member is entitled to have the financial record or part of the record disclosed to him or her;
  - b) If access to the financial record or part of the record is refused, the reasons for the refusal will be documented;
  - c) The Member will be informed that they may request a review of the Director of Operations' decision by the Mississauga First Nation Council in accordance with the Appeal Process policy.
4. If the Member doesn't agree with the decision of the Director of Operations, the Member may appeal the decision in accordance with the Appeals Process policy.

**RELATED POLICIES:**

Appeal Process

**FORMS:**

## 5. Conflict of Interest

|                     |                          |
|---------------------|--------------------------|
| Date Approved:      | Band Council Resolution: |
| Date Last Reviewed: | Amendment Date Approval: |

### POLICY:

Council members and all staff involved in the financial administration of the First Nation will make a conflict of interest declaration.

A conflict of interest will arise when:

- a) A Council Member, Employee, or Committee member exercises an official power or performs an official duty or function in the execution of his or her office, job or committee and, at the same time, knows or should know that in the performance of the duty or function, or in the exercise of the power, there is opportunity to receive a financial benefit for themselves or to provide a financial benefit(s) to a related person; or
- b) A Council Member's, Employee's, or Committee Member's personal interests supersede or compete with their dedication to the best interests of the Mississauga First Nation.

A Conflict of Interest will not arise if a financial benefit is intended or extended at the same time:

- a) To Membership;
- b) To a group of Members who are identifiable by reference to age, gender, financial circumstances, or medical needs; or
- c) To the Mississauga First Nation Council as a whole.

"Financial Benefit" includes, but is not limited to:

- Employment benefit;
- Contract benefit;
- Educational, medical or other social benefit;
- Honourarium;
- Payment of any consideration;
- Allotment, lease or other grant of an interest in First Nation property.

A Council Member, Employee or Committee member with a conflict of interest will not exercise their powers in their position, and will:

- a) Not take part in the discussion of or vote on any question in respect of the matter;
- b) Immediately leave the meeting or the part of the meeting during which the matter is under consideration;
- c) Not sign a Band Council Resolution or letter in respect of the matter;
- d) Not attempt in any way, whether before, during or after the meeting, to influence the opinion or vote of the Mississauga First Nation Council on any question in respect of the matter; and

- e) Not attempt in any way to influence Employees or Committee members in carrying out their duties.

**PROCEDURE:**

***5.1. Declaration of Conflict of Interest***

1. All Council Members, Employees and Committee Members who are involved in decision-making whereby financial benefits are provided, will sign a Declaration of Conflict of Interest, should a conflict arise. The Declaration of Conflict of Interest shall be signed upon appointment.
2. The Risk Management and Strategic Planning Department shall ensure that all employees are advised of and required to inform themselves of the Conflict of Interest policy and for ensuring training/orientation' on the Conflict of Interest is provided to Council Members, Committee Members and Employees, at least once per political term.
3. The Risk Management and Strategic Planning Department will retain the signed Conflict of Interest Declaration forms in the employee's personnel file. The signed Conflict of Interest Declaration forms for Council Members and Committee will be held by the secretary, or equivalent, to the Council.
4. Council Members, Employees, and Committee Members will arrange their private affairs and conduct themselves in a manner to avoid Conflict of Interest. Council Members, Employees and Committee members with a Conflict of Interest will, without delay, declare the Conflict of Interest to the Council or the Committee.
5. Where Council Members, Employees or Committee members are unsure of whether they have a Conflict of Interest they will raise the perceived Conflict of Interest, and the Mississauga First Nation Council or Committee will decide whether a Conflict of Interest does exist.

***5.2. Financial Benefit***

1. Prior to approving a financial benefit to a Council Member, the Mississauga First Nation Council will determine whether the financial benefit is consistent with this policy and is consistent with standards of other federal governing boards.
2. All Council discussions and resolutions concerning financial benefits payable to Council Members will be made at General Council Meetings and the decision recorded as a motion in the meeting minutes.

### ***5.3. Failure to Declare a Conflict of Interest***

1. Where a Conflict of Interest is discovered after consideration of the matter, the Conflict of Interest must be declared in writing. The Conflict of Interest must be validated with supporting documentation and the Council Member, Employee or Committee Member must respond to the matter.
2. Once a Conflict of Interest has been validated, any Council Member, Employee or Committee Member who fails to or makes an incomplete disclosure of Conflict of Interest will pay to the First Nation any sum of money equal to the value of any and all Financial benefits the Council Member, Employee, Committee Member or Related Person received or benefited from the undisclosed Conflict of Interest notwithstanding any other disciplinary action the Mississauga First Nation Council may take.

#### **RELATED POLICIES:**

Financial Assistance to Members, Housing Loan Guarantees, Purchasing, Contracts & Tendering

#### **FORMS:**

Conflict of Interest Declaration Form

## 6. Appeals

|                     |                          |
|---------------------|--------------------------|
| Date Approved:      | Band Council Resolution: |
| Date Last Reviewed: | Amendment Date Approval: |

### **POLICY:**

A member may appeal a decision of the Director of Operations or Band Administration that affects them financially.

In the event of a dispute between The Mississauga First Nation Council and a Member, in respect of this policy, the dispute may be resolved by mediation. The mediator selected must be acceptable to both parties.

### **PROCEDURE:**

#### ***6.1. Administrative Decisions***

1. In order to appeal a decision, the member must do so, by providing the Mississauga First Nation Council a written notice to appeal and containing the reasons of appeal, within 30 days of the decision.
2. Upon receipt of a written notice to appeal from a Member, The Mississauga First Nation Council will hear the Member's appeal within 30 days at a Council meeting in accordance with Council's decision.

#### ***6.2. Council Decisions***

1. Prior to meeting to make a decision which may affect the financial interests of a Member, the Mississauga First Nation Council will:
  - a) Provide notice of meeting to the Member, at least 5 days prior to the meeting, disclosing the nature of the meeting; and
  - b) Provide the Member with an opportunity to be heard either orally or in writing.
2. The decision will be recorded as a motion in the minutes of the Mississauga First Nation Council meeting. Council will advise the Member of the decision within 5 days of the Council meeting and disclose the factors used in making their decision.

### **RELATED POLICIES:**

Conflict of Interest, Disclosure of Financial Information, Housing Loan Guarantees, Contracts & Tendering, Financial Assistance to Members

### **FORMS:**



## 7. Delegated Authorities

|                     |                          |
|---------------------|--------------------------|
| Date Approved:      | Band Council Resolution: |
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### POLICY:

For the purposes of administering the programs and services of the Mississauga First Nation, the Mississauga First Nation Council has delegated the following authorities to carry out the administration of the First Nation, as follows:

| Schedule of Delegated Authorities   |   |  |
|---|---|--|
| Funding/Contribution Agreements   |   |  |
| <b>Purpose:</b> Authority to commit the First Nation to the terms and conditions of agreements to receive funding and/or contributions. |   |  |
| Functional Role   | Value of Revenue  | Approval Authority, unless otherwise specified |
| Proposal / Applications   | Signing of funding proposals or applications                                      | Program Manager                                |
| Signing of Agreements with the First Nation   | \$0 to \$50,000   | Program Manager                                |
|   | \$50,001 to \$100,000   | Any two bank signing authorities               |
|   | \$100,001 to \$500,000  | Director of Operations and Chief               |
|   | Over \$500,000  | Quorum of Council                              |
| Amendments  | All proposed changes to the original agreement term or to the total funding value | Director of Operations                         |
| Procurement of Goods and Services   |   |  |
| <b>Purpose:</b> Authority to purchase good and/or services for the administration and operations of the First Nation.                   |   |  |
| Functional Role   | Procurement Value<br>Annual Lease/Rental Value                                    | Approval Authority                             |
| Commitment of Expenditures  | Recurring program expenditures within program guidelines                          | Program Manager / Director                     |
|   | \$0 to \$25,000   | Director of Operations                         |
|   | \$25,001 to \$100,000   | Chief and                                      |

|   |  |  |
|---|--|--|
|   |  | Director of Operations   |
|   | Over \$100,000<br>Major capital projects   | Quorum of Council  |
| Contracts<br>(Signing of independent contractor agreements on behalf of the Mississauga First Nation) | \$0 to \$5,000   | Program Manager / Director   |
|   | Over \$5,000   | Director of Operations   |
| Lease Agreements  | Signing of agreements to long-term lease or rent equipment or other tangible capital assets (i.e. photocopier, vehicle lease). | Director of Operations   |
| Contract Changes  | All proposed changes to the original contract term.  | Director of Operations   |
|   | All proposed changes to increase the procurement value   | Chief and Director of Operations   |
| Payment of Expenditures   | Recurring monthly expenditures (i.e. hydro, telephone, janitorial)   | Finance Manager  |
|   | Payment of expenditures committed under an authorized purchase order   |  |
|   | Travel claims or cheque requisitions for which purchase orders have not been authorized  | Delegated authority under Commitment of Expenditures                     |
| <b>Banking Services</b>   |  |  |
| Sign on the Bank Accounts   | Cheques<br>Electronic Funds Transfers<br>Bank Service Agreements<br>Credit Notes   | Any two (2) of the bank signatories approved by Band Council Resolution. |
| Debt  | Borrowing of any funds   | Quorum of Council  |

In compliance with conflict of interest policies, authorized signing officers are not permitted to authorize their own personal expenditures. When possible, a delegated bank signatory who prepares cheques shall not sign any that they have prepared.

**PROCEDURE:**

1. The individual with delegated authority will sign the appropriate document to confirm their approval and/or agreement on behalf of the First Nation.
2. If the individual in the position of delegated authority is not available, the individuals' superior may sign in their place.

**RELATED POLICIES:**

Organizational Structure/Reporting Responsibilities, Conflict of Interest, Budgeting Process, Revenue, Housing Loan Guarantees, Contracts & Tendering, Purchasing, Travel, Debt, Financial Assistance to Members, Month-End Processing, Year-End Processing, Audit Process, Investments

**FORMS:**

Purchase Order  
Cheque Requisition  
Cheques

## 8. Insurance

|                     |                          |
|---------------------|--------------------------|
| Date Approved:      | Band Council Resolution: |
| Date Last Reviewed: | Amendment Date Approval: |

### **POLICY:**

The First Nation will obtain sufficient insurance coverage for its operations, staff and councillors as part of its overall risk management strategy.

### **PROCEDURES:**

#### ***8.1. Identify significant material risks***

1. The Finance Manager, with input from Program Managers, will develop a list of potential significant material risks to the First Nation's financial assets, tangible capital assets and the operations of the First Nation. This will include an examination of:
  - a) Potential sources of liability of the First Nation arising from its operations;
  - b) Values and use of property and equipment;
  - c) Values and use of assets under control of the First Nation;
  - d) Potential sources of liability for individuals such as councillors, officers and staff members of the First Nation;
  - e) Other risk areas that could result in a loss to the First Nation and could be insured.
2. Based on the risk analysis performed, the Finance Manager will identify the risks where insurance coverage is appropriate.

#### ***8.2. Identify and procure insurance products***

1. A request for proposals will be issued every 3 years to solicit proposals for the First Nation's audit services.
2. In accordance with the Contracts and Tendering Policy, the Finance Manager will review options from several different insurance providers, as provided by the First Nations insurance broker, and will make a recommendation to the Finance Committee on which to accept. The Finance Manager's determination of a recommended option will take into consideration the following:
  - a) Cost of the coverage;
  - b) Attributes and features of the proposed coverage including what is and is not covered and any gaps or exclusions;
  - c) Independent advice on the reputation and strength of proposed insurance providers;
  - d) Where appropriate, legal advice will be sought as required to ensure that the terms and conditions of coverage sought are appropriate for the First Nation.

3. The Finance Manager will present the evaluation of proposals and their recommendation to the Finance Committee.
4. The Finance Committee will review the Finance Manager's evaluation of the proposals and recommendation and recommend approval by Council.
5. The Finance Committee will recommend the selection of an insurance proposal to Council.

### ***8.3. Approval for insurance coverage***

1. The Finance Manager will present the Finance Committee's insurance recommendation to Council.
2. Council will review the proposed option presented by the Finance Committee and document their approval.

### ***8.4. Maintenance of insurance coverage***

1. The Finance Manager will maintain a schedule of insurance policy expiration dates and payment dates and monitor on a regular basis to ensure that coverage does not lapse.
2. The Finance Manager will review insurance coverage on an annual basis to ensure that it continues to adequately address the risks and meet the needs of the First Nation.

#### **RELATED POLICIES:**

Contracts and Tendering, Purchasing

#### **FORMS:**

## 9. Investments

|                     |                          |
|---------------------|--------------------------|
| Date Approved:      | Band Council Resolution: |
| Date Last Reviewed: | Amendment Date Approval: |

### **POLICY:**

The Mississauga First Nation's investments will be managed and administered in a manner to preserve capital and generate sufficient income and growth to meet the First Nation's operational or strategic objects.

To maximize the return on surplus funds, the First Nation invests these funds into investment accounts that offer maximum liquidity in case of emergency.

### **PROCEDURE:**

1. Investment accounts for the holding of First Nation monies may be opened and closed only upon the approval of Chief and Council.
2. Two authorized persons must sign all documentation or authorizations for depositing and withdrawing funds.

#### ***9.1. Selection of Investment Manager(s) and Custodian***

1. Council may select the Investment Manager(s) and Custodian. The Director of Operations may review and analyze the proposals, or Council may engage an independent consultant to facilitate the selection process of Investment Manager(s) and Custodian.
  - a) Investment Manager(s) proposals will be analyzed using a number of criteria including: experience, qualifications, investment management style, costs, past performance, volatility of returns, and any other criteria identified by Council.
  - b) Custodian proposals will be analyzed based on experience, security, service and fees.
2. A Custodian agreement and Investment Management agreement(s) will be entered into by the First Nation. Agreements must be consistent with this policy and procedure, and must facilitate execution of the short and long term investment strategies. The agreements must be entered into before any funds are transferred into the investment account(s).

#### ***9.2. Termination of Investment Manager(s)***

1. Council may terminate an Investment Management agreement for:
  - a) performance results;
  - b) changes in the First Nation or its investment strategy which would no longer require the services of an Investment Manager;

- c) changes in Investment Manager personnel, firm or ownership structure, investment philosophy, style or approach which might adversely affect the potential return and / or risk level; and
- d) failure to adhere to this policy and procedure.

### ***9.3. Designation and Transfers of Investment Funds***

1. The Finance Manager will notify Council in writing when there is First Nation funds available for transfer to the investment account(s). The written notification must identify the source(s) of the available funds (i.e. government transfer, local revenues, or unrestricted) and whether they are to be invested according to the short-term or long-term strategy.
2. Council must approve the transfer of funds to and from the investment account(s) and authorize the creation of a new investment account if required.
3. The Finance Manager will transfer the approved funds into the designated investment account(s) and communicate to the Custodian and Investment Manager whether the funds are restricted or unrestricted, and whether they are to be invested over the short term or long term.
4. The Finance Manager will communicate and oversee approved requests to redeem investments and transfer the proceeds to the First Nation.

### ***9.4. Permitted Investments***

1. Restricted funds may only be invested in :
  - a) securities issued or guaranteed by Canada or a province;
  - b) securities of a local, municipal, or regional government in Canada;
  - c) investments guaranteed by a bank, trust company or credit union;
  - d) deposits in a bank or trust company in Canada or non-equity or membership shares in a credit union; or
  - e) securities issued by the First Nations Finance Authority.
2. Unrestricted funds may be invested in:
  - a) securities issued or guaranteed by Canada, a province or the United States of America;
  - b) fixed deposits, notes, certificates and other short term paper of, or guaranteed by a financial institution including swaps in United States of America currency;
  - c) securities issued by the First Nations Finance Authority or by a local, municipal or regional government in Canada;
  - d) commercial paper issued by a Canadian company that is rated in the highest category by at least two (2) recognized security-rating institutions;
  - e) any class of investments permitted under an Act of any province relating to trustees;
  - f) any other investments or class of investments prescribed by a regulation under the Act;
  - g) a company that is incorporated under the laws of Canada or of a province or territory and in which the First Nation is a shareholder;
  - h) a trust in which the First Nation is a beneficiary;

- i) a limited partnership in which the First Nation is a partner; and
- j) subject to the Financial Administration Law, a member investment program as described in section 64 of the Law.

### ***9.5. Monitoring of Investments***

1. The Senior Financial Officer will reconcile the investment and custodian accounts to the general ledger and financial statements in a timely manner (either monthly or quarterly).
2. The Senior Financial Officer will recalculate the investment management and custodian fees charged to ensure they are consistent with the underlying contracts.
3. The Senior Financial Officer will prepare a quarterly monitoring report and provide that report to the Senior Manager. The report will summarize:
  - a) the performance of the investments under management to relevant benchmark(s);
  - b) the weighting of the investment portfolio and comparison to the target portfolio asset allocation;
  - c) any relevant media or news articles about the Investment Manager and / or Custodian;
  - d) any ownership and / or staffing changes within the Investment Manager organization;
  - e) any instances of non-compliance with the FSMA, the Financial Administration Law, or this policy and procedure;
  - f) recommendations in relation to rebalancing of the portfolio and / or de-selection of the Investment Manager, or any other recommendation(s).
4. The Director of Operations will review the report, add his / her recommendation(s), and provide the report to the Finance Committee.
5. The Finance Committee will review the quarterly monitoring report, add their recommendation(s), and provide the report to Council.
6. The Council will review the quarterly monitoring report and accompanying recommendations and make any necessary decisions.
7. The Investment Manager will be required to attend a Council meeting and discuss investment performance, and changes in strategy, approach or personnel.

### ***9.6. Re-balancing of the Investment Portfolio***

1. The Director of Operations and Finance Manager will transmit any rebalancing instructions to the Custodian and Investment Manager only if first approved by the Council.

#### **RELATED POLICIES:**

Delegated Authorities

#### **FORMS:**



## 10. Tangible Capital Assets

|                     |                          |
|---------------------|--------------------------|
| Date Approved:      | Band Council Resolution: |
| Date Last Reviewed: | Amendment Date Approval: |

### **POLICY:**

The Mississauga First Nation invests significant resources into Capital Assets that are used for the First Nation. Tangible Capital Assets (TCA) will be recognized and recorded on a consistent basis and in accordance with Public Sector Accounting Board (PSAB) PS 3150

### **Tangible Capital Asset**

*Tangible Capital Assets (TCA) are non-financial assets having physical substance that:*

- a) are held for use in the production or supply of goods and services, for rental to others, for administrative purposes or for the development, construction, maintenance or repair of other tangible capital assets;*
- b) have useful economic lives extending beyond one year;*
- c) are used on a continuing basis; and*
- d) are not for resale in the ordinary course of operations. (PS 3150.05)*

Tangible capital assets (TCA) are a significant economic resource of First Nations and a key component in the delivery of many First Nations program (PS 3150.02). The Public Sector Accounting Board (PSAB) has issued new standards that will come into effect for fiscal years beginning on or after January 1, 2009.

The objective of the TCA Policy is to prescribe the accounting treatment for tangible capital assets so that users of the financial report can discern information about the investment in Tangible Capital Assets and the changes in such investment.

The principal issues in accounting for TCA are the recognition of the assets, the determination of their carrying amounts, and the amortization charges and the recognition of any related impairment or disposal losses.

### **Recognition of Tangible Capital Assets**

Tangible capital assets (TCA) are assets having physical substance that are used on a continuing basis in the Mississauga First Nation's (MFN) operations, have useful lives extending beyond one year and are not held for resale in the ordinary course of operations.

TCA are acquired, constructed, or developed assets and have the following characteristics:

- a) ownership and control clearly rest with the MFN; and

- b) the asset is used to achieve government objectives.

The following will help determine whether an asset is a TCA:

- a) Include Land, buildings, infrastructure assets (roads and water network), vehicles, purchased computer software, in-house developed computer software, computer hardware, tools, furniture, equipment, leasehold improvements, and assets acquired by capital leases or by donations;
- b) Do not include non-operational heritage assets such as museum and gallery collections, other works of art, archives, archaeological sites, ruins, burial sites, monuments, and statues;
- c) Do not include intangible assets such as copyrights, trademarks, natural resources, and Reserve lands that have not been purchased by the First Nation.

#### **Recognition of Tangible Capital Assets Carrying Amounts (Cost)**

The cost of TCA includes the purchase price of the asset and other acquisition cost such as:

- a) Installation cost
- b) Design and engineering fees
- c) Legal fees
- d) Survey cost
- e) site preparation costs
- f) Freight charges
- g) Transportation insurance costs
- h) Duties
- i) Betterments (see below)

The cost of a constructed asset would normally include direct construction or development costs (such as materials and labour) and overhead costs directly attributable to the construction or development activity (PS 3150.10).

#### **TCA Partially Funded by Federal or Provincial Government:**

Capital grants received from federal or provincial governments cannot be netted against the cost of the asset

#### **Betterment or Repairs & Maintenance**

TCA also include betterments. Betterments are expenditures relating to the alteration or modernization of an asset that appreciably prolong the asset's period of usefulness or improve its functionality.

Most building components/systems have an accepted useful life cycle. The replacement of a component which does not extend the useful life of the building would normally be considered R&M. If the replacement of a component/system occurs towards the end of the useful life cycle of the building and extends the useful life of the building, then the cost may be classified as

betterment. For example, a roof replacement in year 20 of a building with a useful life of 40 years would clearly be R&M. However if the roof was replaced near the end of the useful life of the building, and extended the life of the building for another 20 years, then the cost of the roof replacement would be a betterment.

| Schedule 1: General Tangible Capital Assets |  |                          |                           |
|---|--|--------------------------|---------------------------|
| Asset Class                                 | Description/Notes  | Residual Value           | Capitalization Threshold* |
| Land  | <ul style="list-style-type: none"> <li>Real property in the form of a plot, lot or area</li> <li>Includes the purchase price and all closing costs to acquire the land</li> <li>Costs associated with the permanent improvements of the land, such as re-grading or filling, are added to the cost of the land</li> <li>Excludes land held for resale</li> <li>Excludes Reserve land that has not been purchased</li> </ul>  | cost                     | \$0                       |
| Land Improvements                           | <p>Includes all costs excluding land and buildings incurred in the development of land to facilitate various recreation and economic pursuits</p> <ul style="list-style-type: none"> <li>Examples include but are not limited to landfill site development, driveways, parking lots, bike paths, sidewalks, outside swimming or wading pools, fences, ball diamonds soccer fields, tennis courts, camp sites, golf courses</li> <li>Playground structures – 10 yrs</li> <li>Soccer field &amp; ball diamonds – 20 yrs</li> <li>Fencing – 20 yrs</li> <li>Outdoor lighting – 20 yrs</li> <li>Swimming pools – 20 yrs</li> <li>Tennis courts – 20 yrs</li> <li>Outside sprinklers – 25 yrs</li> <li>Landscaping, golf courses – 30 yrs</li> <li>Sidewalks (concrete) – 30 yrs</li> <li>Parking lots: <ul style="list-style-type: none"> <li>(i) Gravel – 10 yrs</li> <li>(ii) Asphalt – 20 yrs</li> <li>(iii) Concrete – 30 yrs</li> </ul> </li> </ul> | None                     | \$12,500                  |
| Buildings – Brick, Mortar & Steel           | <ul style="list-style-type: none"> <li>All buildings, which function independent of an infrastructure network, whose structural frame is made out of brick, mortar and steel</li> </ul>  | none                     | \$25,000                  |
| Buildings – Wood Frame                      | <ul style="list-style-type: none"> <li>All buildings, which function independent of an infrastructure network, whose structural frame is made out of wood</li> <li>Includes office buildings, community &amp; recreation facilities, maintenance garages, storage sheds, trailer buildings</li> </ul>  | none                     | \$25,000                  |
| Houses                                      | <ul style="list-style-type: none"> <li>All Band housing and CMHC rental units</li> </ul>   | none                     | \$30,000                  |
| Vehicles                                    | <ul style="list-style-type: none"> <li>Automobiles, vans, light trucks (1 ton &amp; under), trailers, and snowmobiles</li> </ul>   | <10% of acquisition cost | \$10,000                  |

| <b>Schedule 1: General Tangible Capital Assets</b> |  |                          |                                  |
|--|--|--------------------------|----------------------------------|
| <b>Asset Class</b>                                 | <b>Description/Notes</b>   | <b>Residual Value</b>    | <b>Capitalization Threshold*</b> |
| Machinery & Equipment                              | <ul style="list-style-type: none"> <li>All types of machinery or equipment, other than machinery and equipment used in road construction and maintenance</li> <li>Includes trucks over 1 ton</li> </ul>  | <10% of acquisition cost | \$10,000                         |
| Road Construction & Maintenance Equipment          | <ul style="list-style-type: none"> <li>All types of machinery and equipment used in construction and road maintenance</li> </ul>   | <10% of acquisition cost | \$10,000                         |
| Computer Hardware & Software                       | <ul style="list-style-type: none"> <li>Purchase installation of personal PC computers, peripherals and LAN servers</li> <li>Off-the-shelf and related upgrades or licenses for individual personal computers, as well as LAN or communication software</li> <li>Does not include the purchase, design and development of major applications. All major applications should be evaluated individually.</li> </ul> | none                     | \$10,000                         |
| Leasehold Improvements                             | <ul style="list-style-type: none"> <li>Costs to renovate, modify or improve accommodations leased by the First Nation</li> </ul>   | none                     | \$25,000                         |
| Assets Under Construction (AUC)                    | <ul style="list-style-type: none"> <li>Also known as work in progress</li> <li>Costs incurred to construct an asset, normally a building or leasehold improvements</li> <li>The costs are transferred to the asset class when the asset is put into use, which is normally upon completion of the asset.</li> </ul>  | n/a                      | n/a                              |

| <b>Schedule 2: Infrastructure - Transportation</b> |  |                       |                                  |
|--|--|-----------------------|----------------------------------|
| <b>Asset Class</b>                                 | <b>Description/Notes</b>   | <b>Residual Value</b> | <b>Capitalization Threshold*</b> |
| Land   | <ul style="list-style-type: none"> <li>Includes land purchased or acquired for value for use under roads and road allowance (i.e. Right Of Way)</li> <li>Excludes land held for resale</li> </ul>                                |                       | \$0                              |
| Road Surface                                       | <ul style="list-style-type: none"> <li>Asphalt (20 yrs) and concrete (30 yrs) road surfaces</li> <li>Does not include the initial application of gravel on gravel roads</li> <li>Consider segmentation of the network</li> </ul> | none                  | \$25,000                         |

| Schedule 2: Infrastructure - Transportation |  |                |                           |
|---|--|----------------|---------------------------|
| Asset Class                                 | Description/Notes  | Residual Value | Capitalization Threshold* |
| Road Grade                                  | <ul style="list-style-type: none"> <li>Includes formation works, drainage works and culverts under 2 meters in diameter</li> <li>Includes the initial application of gravel on gravel roads</li> <li>Future applications of gravel is an operating expense</li> <li>Consider segmentation of the network</li> </ul>  | none           | \$25,000                  |
| Bridges                                     | <ul style="list-style-type: none"> <li>Structures of 2 or more meters, which span and give passage over a waterway, deep valley, depression or some other obstacle such as another transportation route</li> <li>Includes culverts that are 2 or more meters in diameter</li> <li>Timber/wood – 30 yrs</li> <li>Precast concrete – 40 yrs</li> <li>Concrete Pre Stressed – 45 yrs</li> <li>Steel w/o trusts – 45 yrs</li> <li>Steel with trusts – 50 yrs</li> <li>Culverts:               <ul style="list-style-type: none"> <li>(i) Plastic – 25 yrs</li> <li>(ii) Steel/Corrugated Steel – 30 yrs</li> <li>(iii) Precast Concrete – 40 yrs</li> <li>(iv) Concrete Pre Stress – 45 yrs</li> </ul> </li> <li>Cast Iron – 50 yrs</li> </ul> | none           | \$25,000                  |
| Lighting / Traffic Lights                   | <ul style="list-style-type: none"> <li>Includes traffic lights and streetlights for illumination</li> <li>Traffic Lights:               <ul style="list-style-type: none"> <li>(i) Hung wire – 15 yrs</li> <li>(ii) Mast arms – 20 yrs</li> </ul> </li> <li>Street Lighting:               <ul style="list-style-type: none"> <li>(i) Wood – 15 yrs</li> <li>(ii) Metal – 20 yrs</li> <li>(iii) Concrete – 30 yrs</li> </ul> </li> </ul>   | none           | \$2,500                   |
| Assets Under Construction (AUC)             | <ul style="list-style-type: none"> <li>Also known as work in progress</li> <li>Costs incurred to construct transportation infrastructure assets</li> <li>The costs are transferred to the asset class when the asset is put into use, which is normally upon completion of the asset.</li> </ul>   | n/a            | n/a                       |

| Schedule 3: Infrastructure – Water & Waste Systems |                   |                |                           |
|--|-------------------|----------------|---------------------------|
| Asset Class  | Description/Notes | Residual Value | Capitalization Threshold* |

| Schedule 3: Infrastructure – Water & Waste Systems |   |                |                           |
|--|---|----------------|---------------------------|
| Asset Class  | Description/Notes   | Residual Value | Capitalization Threshold* |
| Land   | <ul style="list-style-type: none"> <li>Includes land purchased or acquired for value used for water and waste water sites</li> </ul>  | cost           | \$0                       |
| Land Improvements                                  | <ul style="list-style-type: none"> <li>Land improvements that are associated with water and waste water sites</li> <li>Includes lagoons and reservoirs</li> </ul>   | none           | \$12,500                  |
| Buildings – Brick, Mortar & Steel                  | <ul style="list-style-type: none"> <li>Buildings that are associated with water and waste water sites</li> </ul>  | none           | \$25,000                  |
| Buildings – Wood Frame                             | <ul style="list-style-type: none"> <li>Buildings that are associated with water and waste water sites</li> </ul>  | none           | \$25,000                  |
| Water and Waste Water Networks                     | <ul style="list-style-type: none"> <li>Underground networks such as water distribution pipe systems, waste water collection systems and storm drainage collection systems</li> <li>Useful life of the underground system could vary depending on the durability of the material used (i.e. concrete, metal, polyethylene)</li> <li>Sanitary Sewer Lines &amp; Storm Sewers:                             <ul style="list-style-type: none"> <li>(i) 30 yrs – Metal Corrugated</li> <li>(ii) 40 yrs – Concrete, not reinforced (CON)</li> <li>(iii) 40 yrs – Reinforced Concrete Pipe (RCP)</li> <li>(iv) 40 yrs – Vitrified Clay Pipe (VCP)</li> <li>(v) 50 yrs – Ductile Iron (DI)</li> <li>(vi) 60 yrs – Plastic</li> <li>(vii) 100 yrs – Ditch/Trench</li> </ul> </li> <li>Water Mains:                             <ul style="list-style-type: none"> <li>(i) 25 yrs – Plastic</li> <li>(ii) 40 yrs – Lead Joint, Sand Cast Water Main</li> <li>(iii) 75 yrs – Ductile Iron (DI)</li> </ul> </li> <li>Useful life of the underground system could vary depending on the diameter of the pipe (main line versus an arterial line)</li> <li>(vi) Consider segmentation of the network</li> </ul> | none           | \$25,000                  |
| Machinery & Equipment                              | <ul style="list-style-type: none"> <li>All types of machinery or equipment that are associated with water and waste water sites</li> <li>Includes but is not limited to tanks, pumps, generators, filtration treatment systems, residue management systems, sewage treatment systems, water meters, fire hydrants, control valves, valve chambers, etc.</li> </ul>  | none           | \$2,500                   |

| Schedule 3: Infrastructure – Water & Waste Systems |  |                |                           |
|--|--|----------------|---------------------------|
| Asset Class  | Description/Notes  | Residual Value | Capitalization Threshold* |
| Electrical System                                  | <ul style="list-style-type: none"><li>Underground conductors and devices</li></ul>   | none           | \$25,000                  |
| Assets Under Construction (AUC)                    | <ul style="list-style-type: none"><li>Also known as work in progress</li><li>Costs incurred to construct water and waste water infrastructure assets</li><li>The costs are transferred to the asset class when the asset is put into use, which is normally upon completion of the asset</li></ul> | n/a            | n/a                       |



**PROCEDURE:**

***10.1. Threshold***

1. Only TCA that exceed the asset class threshold will be capitalized in accordance with Schedules 1 to 3.
2. Once the initial TCA listing has been prepared and in subsequent years, it will be reviewed to determine whether or not the threshold should be raised.

***10.2. Estimated Useful Life***

1. Expected useful life is normally the shortest of the asset's physical, technological, commercial and legal life and is based on its use by the MFN. In determining an asset's useful life the present condition, intended use, construction type and maintenance policy will be considered, including how long the asset is expected to meet service demands and the MFN's experience with similar assets.

***10.3. Amortization***

1. Capital assets will be amortized in accordance with Generally Accepted Accounting Principles. At year-end, the amount of amortization will be determined based on the amortization rate identified in the TCA schedules and recorded on the master inventory list.
2. The cost, less any residual value of a TCA with a limited life will be amortized over its useful life using the straight line method. The amortization method and estimate of useful life of the remaining unamortized portion will be reviewed on a regular basis and revised when the appropriateness of a change can be clearly demonstrated.
3. Amortization begins in the year after acquisition as it will be after year end that the full cost of putting the asset into service will be known.

***10.4. Transfers of Assets***

1. Transfers of TCA between departments will be recorded at the net book value of the asset. The receiving department will record both the asset at its original historical cost and the accumulated amortization.
2. Transfer of assets from outside the MFN to the MFN will only be capitalized as a TCA when the agreement provides for the transfer of ownership.

### ***10.5. Disposal of Assets***

1. When TCA are taken out of service, destroyed or replaced due to obsolescence, scrapping or dismantling, the Operating Department must notify the Finance Department of the asset description and effective date of the disposal.
2. Assets will be retired from the accounts of the MFN when the asset is disposed of. The gain or loss on disposal will be calculated as the difference between the proceeds received and the net book value of the TCA. The gain or loss on disposal will be recorded in the accounts of the Operating Department.

### ***10.6. Capital Leases***

1. A lease will be recorded as a TCA and an offsetting liability when it meets the test for a capital lease as defined by PSAB. PSAB uses a “benefits and risks” approach to assessing if a leased asset should be treated as a capital lease. If the “benefits and risks” of the asset are essentially transferred to the MFN (the lessee) then the lease is a capital lease and the leased asset is a TCA if it exceeds the MFN’s threshold.

### ***10.7. Write Downs***

1. The employee assigned to inventory verification will prepare a list of missing, unserviceable or obsolete items for review by Council to write-off, sell or surplus. The Mississauga First Nation Council will discuss the write-off, sale or surplus of assets and authorize its disposal through a formal motion. The motion will be recorded in the minutes of the Council meeting. Should an asset be approved by The Mississauga First Nation Council for write-off, sale or surplus, the asset will be removed from the master inventory list and the motion number noted beside the deleted item.
2. A write down is used to reflect a permanent partial impairment in the value of an asset.
3. This impairment may be as a result of:
  - a. Removal of the asset from service;
  - b. Physical damage;
  - c. Significant technological developments;
  - d. A decline in or cessation of the need for the service provided by the asset; and/or
  - e. A change in the law or environment affecting the asset usage.
4. If the value of an asset is impaired, the cost of the asset will be written down to reflect the decline in the asset’s value and its shorter useful life. This write down is considered a loss (expense) in the accounts of the Operating Department.

### ***10.8. Inventory of Capital Assets***

1. A complete inventory of capital assets will be maintained by the Finance Manager, and it will be updated annually.
2. The master inventory list will be drafted and will include the following:
  - brief description of item purchased;
  - cost and date of original purchase;
  - serial number of the item;
  - inventory identification number;
  - date of sale/disposal of assets; and
  - write-off or surplus value.
3. As assets are purchased, a copy of the invoice for the asset will be maintained in a separate capital asset file that contains a master inventory list. All moveable property and assets will be tagged with an inventory identification number. The inventory identification number will be noted on the copy of the invoice that is filed in the capital asset file.
4. At the end of each fiscal year, the master inventory list will be updated using the invoices in the file. A copy of the updated master inventory list will be provided to the First Nation's auditors at year-end.
5. Periodically, the Finance Manager will assign an employee to verify the existence of items contained in the master inventory list. The employee will confirm the existence of the items by making a notation on a copy of the master inventory list. If any assets are missing, the employee will attempt to locate the missing item(s) and note items found on the master inventory list. Any items that remain missing will be brought to the attention of the Finance Manager for possible write-off or recovery under the First Nation's insurance policy.

#### **RELATED POLICIES:**

Delegated Authorities, Tangible Capital Assets, Budgeting Process, Contracts & Tendering, Purchasing, Miscellaneous Transactions, Year-End Processing

#### **FORMS:**

## **11. Housing Loan Guarantees**

|                     |                          |
|---------------------|--------------------------|
| Date Approved:      | Band Council Resolution: |
| Date Last Reviewed: | Amendment Date Approval: |

### **POLICY:**

The Mississauga First Nation Council is periodically requested to guarantee loans between lending institutions and Members of the Mississauga First Nation for rent-to-own housing. The loan guarantee constitutes a contingent liability of the Mississauga First Nation and commitment of funds by the First Nation in the event of default by the Member.

The decision to approve a loan guarantee for the member of the Mississauga First Nation will be discussed at a duly convened meeting of the Mississauga First Nation Council. Upon notification of a defaulted loan by a Member, the Mississauga First Nation shall immediately attempt to resolve the issue with the Member.

### **PROCEDURES:**

#### ***11.1. Approval of Loan Guarantees***

1. All loans must be pre-approved by a bank or loaning institution through the personal efforts of the Home Dweller(s) before approaching the First Nation for a Ministerial Guarantee arrangement.
2. Council discusses the purpose of the loan for the Member and their credit worthiness and ability to repay the loan, etc.
3. Council determines whether or not to approve the loan guarantee. The decision is recorded in the minutes of the meeting.

#### ***11.2. Default of Loan Guarantees***

1. Upon receipt of the loan default notice, the Finance Manager notifies the Housing/Property Manager of the defaulted loan. The Housing/Property Manager contacts the Member, determines the issues facing the Member and negotiates, if possible, a tentative agreement with the Member for payment of the loan arrears.
2. Upon negotiating a tentative agreement with the Member, the Housing/Property Manager presents the tentative agreement to the Mississauga First Nation Council for discussion and decision. The decision is recorded in the minutes of the meeting.
3. Upon approval, the Finance Manager contacts the lending institution outlining the agreement

that has been made with the Member and makes arrangements for payment of the loan arrears. Confirmation of the discussion will be sent, in writing, to the lending institution.

**RELATED POLICIES:**

Accounts Receivable, Delegated Authorities, Receipts, Financial Assistance to Members, Month-End Processing, Year-End Processing

**FORMS:**

## 12. Debt

|                     |                          |
|---------------------|--------------------------|
| Date Approved:      | Band Council Resolution: |
| Date Last Reviewed: | Amendment Date Approval: |

### POLICY:

The Mississauga First Nation may finance programs, services and/or capital assets through debt. All proposals for funding through debt obligations will be submitted to the Finance Committee for review and recommendation and to Council for review and approval and will be supported by a financing proposal. Debt obligations will be recorded, monitored, reconciled and reported to Council quarterly through the Finance Committee and any exceptions or issues identified and resolved.

### PROCEDURE:

#### *12.1. Determination of Need and Evaluation of Options*

1. The Director of Operations and Finance Manager will document the requirement for the First Nation to incur a debt obligation by examining the strategic plans, multi-year financial plan, annual budget, current financial situation, and any planned activities requiring funding. Once the need and amount of funding required is determined, Finance Manager will work with the Senior Manager to outline the various financing options available to the First Nation.
2. The Director of Operations (and members of the finance team under the supervision of the Finance Manager as appropriate) will prepare a debt financing proposal report which includes the following:
  - a) Need for financing and alternatives considered;
  - b) Evaluation of available financing options;
  - c) Recommended financing option;
  - d) Proposed security for the financing option;
  - e) The purpose, use and application of funds;
  - f) Description of re-payment plans based on cash flow analysis;
  - g) Linkage to the First Nation integrated planning process, including the strategic plan, multi-year financial plan, annual budget, and cash flow statements;
  - h) Identification of any provisions in the finance policy or in any applicable law that limits debt which can be incurred by the First Nation or that imposes requirements or conditions which must be met before debt may be incurred;
  - i) Requirement for consultation with members of the First Nation before any capital project-related debt is incurred by the First Nation.
3. The Director of Operations will consider at least the following for each financing alternative identified in the report:

- a) Impact on future budgets and projected cash flow;
  - b) The cost to the First Nation;
  - c) Level of risk involved (i.e. covenant risks, refinancing, earnings dilution, interest rate risk, project completion risk);
  - d) First Nation's ability to service the debt and repayment schedules;
  - e) An analysis of the terms and conditions and how these would impact the First Nation;
  - f) Any financial reporting implications.
4. The Director of Operations will review and approve the content of the debt financing proposal report prepared by the Finance Manager, including a recommended course of action to the Finance Committee.
  5. The Director of Operations will obtain concurrence from legal counsel on the debt financing proposal.

### ***12.2. Approval***

1. The Director of Operations and Finance Manager will present the debt financing proposal report to the Finance Committee for their review. The Finance Committee will review the report and make a recommendation to Council on whether to incur the debt and which option it recommends.
2. Council will review the debt financing proposal report and accompanying recommendations. Council will vote on whether to approve the requirement for entering into a debt obligation. If the requirement to incur debt is approved, Council must also approve, through a Band Council Resolution, the terms and conditions of the debt financing option that will be used.

### ***12.3. Management and Monitoring of Debt Obligations***

1. The Council will manage and monitor the debt obligation by:
  - a) Ensuring the multi-year financial plan of the First Nation demonstrates how and when this deficit will be addressed and how it will be serviced;
  - b) Ensuring the deficit does not have a negative impact on the credit worthiness of the First Nation; and
  - c) Ensuring that any financial covenants contained in lending agreements are reported upon to the appropriate stakeholders in a timely manner.
2. The Director of Operations will manage and monitor the debt obligation by:
  - a) Ensuring that timely payments are made according to the terms and conditions/repayment schedule of the debt obligation;
  - b) Performing annual reconciliations between the First Nation's financial records and statements from the lender; and
  - c) Calculating any financial covenants contained in lending agreements and evaluating whether compliance with the terms of the covenants have been met.

### ***12.4. Reporting***

1. The Finance Manager will report to each meeting of the Finance Committee the year to date borrowings, loans and payments in respect of each capital project.
2. The Finance Manager will ensure that the debt obligation is reported to the Finance Committee on a quarterly basis in the financial statements in accordance with GAAP.

### ***12.5. Records Management***

1. The Finance Manager will ensure that records pertaining to the debt obligation are created, maintained and retained in accordance with the Records and Information Policy. For each debt obligation, the following will be documented:
  - a) The loan agreement and any ancillary agreements;
  - b) The debt financing proposal report on which council based its decision;
  - c) Documented council approval and required membership information or involvement;
  - d) An interest and principal repayment schedule (if applicable) that includes the dates of all payments required under the loan agreement or plan for extinguishing the debt;
  - e) The cost of borrowing including interest payments and service or other charges;
  - f) The purpose for which the debt has been incurred;
  - g) Reconciliations of the debt with lender records.



### 13. Annual Budgeting and Planning

|                     |                          |
|---------------------|--------------------------|
| Date Approved:      | Band Council Resolution: |
| Date Last Reviewed: | Amendment Date Approval: |

#### **POLICY:**

The Mississauga First Nation utilizes budgets to plan and monitor the financial resources for the First Nation. Annual budgets are used to manage the short-term financial requirements of the Mississauga First Nation. Budgets are revised and approved by the Mississauga First Nation Council.

**Even though budgets are approved by the Mississauga First Nation Council, no expenditures are incurred for programs or activities until the funding has been identified or approved.** If certain funds must be spent in anticipation of the funding agreements, the issue is brought to a Finance Committee Meeting. The necessity of the expenditure is discussed in relation to the risk that the First Nation is taking if the funds are not actually secured. A recommendation will then be forwarded to Council for a decision. The decision is recorded in the minutes of the Council meeting.

The annual approved budgets of the Mississauga First Nation may be revised due to changes in anticipated funding or expenditures. Changes in funding agreements require revisions to approved budgets. For example: income and expenses for an anticipated program are not actually funded, or funding for a new program is secured. Unanticipated changes in personnel or operations may require re-allocation of funds between budget line items. In these cases, approved budgets require revisions within the approved budget total, and must be approved by the Director of Operations.

Monitoring of monthly budgets is essential in determining how actual activities impact on the finances of the Mississauga First Nation.

#### **PROCEDURE:**

##### ***13.1. Development of Annual Budgets***

1. In January, the Finance Manager requests draft budgets from all Program Managers/Supervisors for the forthcoming fiscal year. The budgets are to include special budget instructions. Notes and assumptions are also completed to explain budget line items. Budgets are drafted based on anticipated funding agreements and expected activity under those agreements.
2. The Program Manager/Supervisor shall prepare initial operating budgets and five year capital budget estimates based on the annual integrated planning session.

3. Capital budgets shall include all capital improvement projects (purchase, construction or renovation of physical facilities) and all capital equipment expenditures.
4. The Program Manager/Supervisor returns a copy of the draft operating and capital budget with notes and assumptions to the Finance Manager by the beginning of February.
5. The Director of Operations discusses possible revisions with the Program Manager/Supervisor and updates the draft budgets based on these discussions. The Finance Manager reviews all draft budgets for reasonableness of costs and accuracy. He/she also ensures that all financial policies of the First Nation are taken into consideration (e.g. administration charges, internal transfers).
6. The Finance Clerk inputs all draft budgets. Budgets are completed for each contract anticipated for the First Nation. Contract budgets are included in departmental budgets to show the overall budget that each Program Manager/Supervisor is responsible for. All departmental budgets are consolidated into an overall budget for the First Nation.
7. The Director of Operations reviews the budgets with the Finance Manager for reasonableness and accuracy and ensures that the budget is in compliance with funding agreements and any special instructions given by Council.
8. The overall First Nation budget is reviewed at a February Finance Committee Meeting. The overall budget package includes:
  - Overall First Nation Budget;
  - Departmental/Contract Budget;
  - Five-Year Capital Budget;
  - Notes and Assumptions to each Budget.
9. The Mississauga First Nation Council reviews and approves the annual budgets that the Finance Committee recommends. If any revisions are requested, the revisions are recorded in the meeting minutes. The Finance Manager makes all revisions requested and forwards copies of the final approved budgets to Council, the Director of Operations, and the Program Managers/Supervisors.
10. The Mississauga First Nation Council reviews quarterly financial reports submitted by the Finance Committee.

### ***13.2. Multi-Year Financial Plan***

1. Based on the annual integrated planning session, a multi-year financial plan that has a planning period of five years comprised of the current fiscal year and the four succeeding fiscal years will be prepared that will also include the following:
  - a) revenue projections by major revenue type that demonstrate trends in existing revenue streams;

- b) in respect of projected revenues sets out separate amounts for income from fees and charges, transfers from Canada or a provincial government, grants and business operations and proceeds from borrowing;
  - c) in respect of projected expenditures, sets out separate amounts for payments, including payments of principal and interest on debt, payments required for capital projects, payments required to address any deficits and payments for all other purposes;
  - d) is based on projections of revenues, expenditures and transfers between accounts;
  - e) in respect of transfers between accounts, sets out the amounts from the tangible capital asset reserve account;
  - f) reserves/fund balances that estimate the available reserves available to help short-term fiscal shortfalls or unanticipated or planned expenditures;
  - g) shows all categories of restricted cash;
  - h) indicates whether in any of the five (5) years of the plan a deficit or surplus is expected from the project of revenues and expenditures that year; and
  - i) a cover sheet that describes the broad assumptions and judgments used in the developments of the plan.
2. The draft multi-year financial plan will be presented for discussion at a Finance Committee meeting. The Committee may accept the plan as presented or request amendments, within the context of the operating objectives and the strategic plan.
  3. The final multi-year financial plan recommended for approval to Council by the Finance Committee will be adopted as a formal planning document no later than March 31<sup>st</sup> of the each fiscal year.

### ***13.3. Revision to Approved Budgets***

1. Budget revisions shall be presented to the Finance Committee for review and recommendation to Council. Budget revisions are limited to substantial changes in the forecasted revenue or expenditures or in the expenditure priorities of Council, which may include the following:
  - a) External factors that impact funding agreements;
  - b) Impacts related to capital project adjustments;
  - c) Unforeseen changes to budget assumptions;
  - d) Council approved changes to priorities or operating objectives.
2. The Finance Manager shall present the budget revisions to Council with the recommendation from the Finance Committee for approval by Council. The decision of Council shall be recorded in the Council minutes.
3. The Finance Manager inputs the budget revision in the accounting system.
4. The Finance Manager revises the overall budget for the Mississauga First Nation. A note is

added to the budget notes indicating the change and the date the change was approved by Council.

5. The revised overall budget is provided to Council, the Director of Operations and the Program Managers/Supervisors by the Finance Manager.

**Changes to Funded Programs:**

1. When a new funding agreement is secured for the Mississauga First Nation, the Program Manager/Supervisor informs Council of the new funding available. The nature of the funding and the budget is presented at a Finance Committee Meeting for review. The budget is presented to Council for approval. If the additional budget affects other First Nation programs or departments or requires the commitment of First Nation resources, this is included in the budget discussion.
2. When an anticipated funding agreement is not forthcoming, the Program Manager/Supervisor informs the Finance Committee following notification of the funding decision. There may be times when funding is not forthcoming, but the Mississauga First Nation does not receive notification of the decision on funding. In this case, the Program Manager/Supervisor follows-up with the funding agency to inquire into the status of the funding. The Program Manager/Supervisor discusses the issue at a Finance Committee Meeting to advise Council when or if the funding may be anticipated. The budget related to the anticipated funding is removed from the approved overall budget for the First Nation.

**Unanticipated Changes in Operations:**

1. The Program Manager/Supervisor reviews monthly financial statements that are provided by the Finance Manager. When the Program Manager/Supervisor feels that revisions are required to the budgets, the Program Manager/Supervisor tables the issue at the following Finance Committee Meeting.
2. The Finance Committee monitors the budgets at least every 3 months. The Program Manager/Supervisors discuss the monthly and year-to-date financial statements with the Finance Committee, if warranted. The operations of programs and activities are discussed with the need for the re-allocation of funds, and the Mississauga First Nation Council may approve any re-allocations.

***13.4. Monitoring of Expenditures against Budgets***

1. Monthly financial reports will be reviewed to maintain control over expenditures, as follows:
  - a) The Program Manager/Supervisor shall review monthly financial reports and review variances that exceed budget. The Program Manager/Supervisor will develop a plan to address the over-expenditure;
  - b) The Finance Manager will review monthly department financial reports and identify expenditures that exceed budget;

- c) The Finance Manager will notify the Director of Operations of departments that have exceeded budget. Information that will be provided to the Director includes the department, account and variance;
  - d) The Director of Operations will discuss the over-expenditure with the Program Manager/Supervisor and approve the plan to address the over-expenditure;
  - e) The Director of Operations will notify the Finance Manager of the plan, for further monitoring.
2. The Finance Manager, Finance Clerk and Accounts Payable Clerk will monitor expenditures as Purchase Orders are being processed. If an account balance exceeds budget, the Finance Manager, Finance Clerk or Accounts Payable Clerk will not process the Purchase Order until the plan to address the over-expenditure is implemented.

**RELATED POLICIES:**

Delegated Authorities, Revenue, Receipts, Contracts & Tendering, Travel, Month-End Processing, Miscellaneous Transactions, Year-End Processing

**FORMS:**

Budget Spreadsheets

## **14. Revenue**

|                     |                          |
|---------------------|--------------------------|
| Date Approved:      | Band Council Resolution: |
| Date Last Reviewed: | Amendment Date Approval: |

### **POLICY:**

The Mississauga First Nation receives various revenue for the administration and delivery of programs for the community. Revenue is safeguarded to ensure that funds are used for the intended purposes.

### **PROCEDURE:**

#### ***14.1. Funding Revenue***

1. The Director of Operations participates in negotiations with government departments to ensure that program funding meets the needs of the First Nation.
2. Upon receipt of the final agreement, it is reviewed by the Program Manager/Supervisor and Director of Operations to ensure that the agreement meets the negotiated terms.
3. Upon review, the delegated authorities of the Mississauga First Nation sign the agreement and return it to the relevant department. The Mississauga First Nation Council is informed of the agreement and provided with the detailed budget for the program being funded.
4. The signed, original copy of the agreement is forwarded to the Director of Operations for filing. A copy is provided to the employee responsible for project management and financial reporting. Another copy is forwarded to the Finance Manager.

#### ***14.2. Housing Rental/Lease Revenue***

1. The Housing/Property Manager shall provide a housing list to the Finance Clerk to notify Finance of rents/lease revenue that is receivable.
2. At the beginning of every month, the Housing/Property Manager records all rents due from each tenant using the accounting program. This records rents receivable to maintain track of all rents due.
3. When rents are received from tenants, the procedures for receipt of revenue (as described in Receipts) are followed. The receipt is recorded and the rent receivable is reduced by the amount received.
4. At the end of the month, the Housing/Property Manager prints an aged summary of

receivables indicating rents receivable from tenants. This summary is to be used to follow-up on accounts receivable (as described in Accounts Receivable).

#### ***14.3. Facility Rental Revenue***

1. Council authorizes the rates for rental of First Nation facilities in accordance with program policies.
2. Facility rental rates are published within program manuals and posted at the applicable facilities.

#### ***14.4. Payment in Lieu of Taxes***

1. Payment in lieu of taxes is charged to external parties based on agreements for payment in lieu of property taxes.
2. The Director of Operations negotiates the agreement terms in accordance with Council priorities.
3. Upon completion of negotiations, the Director of Operations presents the agreement terms to Council for their approval.
4. Council approves the agreement terms and the use of payments received in lieu of taxes.

#### ***14.5. Lands Revenues***

1. The Lands Manager is responsible for drafting rental rates for the use of Mississauga First Nation Lands.
2. The Lands Manager presents the draft rental rates to the Lands Committee.
3. The Lands Committee recommends the draft rental rates to Council.
4. Council approves the rental rates for the use of Mississauga First Nation Lands.
5. The Lands Manager informs land users of the rental rates and the date due.

#### ***14.6. Fundraising***

1. The Program Manager/Supervisor shall advise the Finance Manager when fundraising is planned for programs or services.
2. When fundraising involves the sale of tickets, tickets must be printed with sequential numbering to maintain control over all tickets. The sequential numbering of tickets shall be

reconciled to the cash on hand for ticket sales and the remaining tickets on hand. Each employee who is responsible for the sale of tickets shall be given tickets.

3. Employees who are responsible for fundraising shall provide all cash on hand, on a weekly basis at a minimum, to the Receptionist to process the receipt in accordance with the Receipts policy.

#### ***14.7. Other Revenue***

In the instances that other revenues are received, the following procedures are followed:

1. Program Manager/Supervisors advise the Finance Clerk when other revenue is expected for their program. This is done either by forwarding a memo or confirmation document of the revenue to the Finance Clerk. The Program Manager/Supervisor indicates the department and account the revenue must be credited to.
2. The Finance Clerk records the account receivable and files the memo or revenue confirmation document in the appropriate revenue file.
3. When other revenue is received, the procedures for receipt of revenue (as described in Receipts) are followed. The Finance Clerk matches the revenue information (e.g. payee, amount, note on cheque stub) from the Bank Statement and is recorded by a general ledger entry. A copy of the receipt is given when we receive cash/cheques and a journal entry is made when there is an automatic deposit.

#### **RELATED POLICIES:**

Receipts, Delegated Authorizes, Housing Loan Guarantees, Month-End Processing, Year-End Processing, Accounts Receivable, Electronic Banking

#### **FORMS:**



## 15. Receipts

|                     |                          |
|---------------------|--------------------------|
| Date Approved:      | Band Council Resolution: |
| Date Last Reviewed: | Amendment Date Approval: |

### POLICY:

Revenue is received by the Mississauga First Nation in various forms, (e.g. cheque, direct deposit, cash, etc.) Receipts are safeguarded to ensure they are deposited into the First Nation bank account in a timely manner and that the receipt of funds is recorded to the appropriate Program.

Some funds are received by cheque for program revenue, rents, and miscellaneous transactions, by direct deposit into the First Nation bank account or received in cash for rents or miscellaneous transactions. Cash is handled with extra precaution because it is the most negotiable instrument. Employees who generate cash through fundraising activities remit the cash to the Finance Department in the same way as individuals; however, the cash is remitted on the first working day following the fundraising activity.

### PROCEDURE:

#### 15.1. Receipt of Cheques

1. The Receptionist receives and opens all mail for the Mississauga First Nation on a daily basis. Upon receipt of a cheque, the receptionist records the cheque, and forwards the cheque directly to the Finance office as soon as all mail has been opened.
2. The Finance Manager and/or Finance Clerk immediately stamps a bank endorsement stamp on the back of the cheque indicating "For Deposit Only".
3. Upon receipt of the cheque(s), the Finance Clerk records the receipt of the cheque into the accounting system. The Finance Clerk determines the account and department to record the receipt to by matching notes on the cheque stub to agreements held by the First Nation or accounts receivable documents. If it is not clear which revenue the cheque should be applied to, the Finance Clerk consults with the Program Manager/Supervisor who receives funds from the payee. At the same time that the revenue is recorded, the Finance Clerk issues a receipt using the accounting system. A copy of the receipt is provided to the Program Manager. If requested by the payee, a copy of the receipt is mailed to the payee. The receipt is filed in the appropriate revenue file with the cheque stub or a copy of the cheque, if a cheque stub is not available.
4. The Finance Manager makes the deposit into the First Nation bank account. The bank cashier stamps the date of the deposit on the duplicate copy of the deposit slip. All duplicate deposit

slips are maintained together.

5. When a cheque is returned NSF (not sufficient funds), an NSF fee will be charged to the payee. The Finance Manager will notify the appropriate employee of the returned cheque and request the payee to re-issue payment for the amount of the cheque plus the \$25.00 NSF fee.

### ***15.2. Direct Deposit***

1. Finance Clerk receives the First Nation bank statement, the Finance Clerk reviews credits to the bank account to determine direct deposits that may have been made by funding agencies.
2. When a direct deposit is identified, the Finance Clerk matches the deposit amount to a deposit confirmation notice received from the funder, or to the funding agreement if a deposit confirmation notice is not available. The Finance Clerk uses the deposit confirmation notice or funding agreement to determine the account and department that the revenue is recorded to. The revenue is recorded in the accounting system.

### ***15.3. Cash***

1. The individual paying the cash notifies the Receptionist that they wish to make a cash payment to the Mississauga First Nation. The individual gives the cash to the Receptionist or delegate and details of the purpose of the cash payment.
2. The Receptionist immediately counts the cash in view of the individual.
3. The Receptionist issues a receipt in the name of the payee and gives the original receipt to the individual.
4. The Receptionist gives the cash to the Finance Clerk with a copy of the receipt. If the cash is related to housing, the Receptionist forwards a copy of the receipt of the Housing department.
5. The Finance Clerk records the receipt in the accounting system, using the manual receipt number as the document number. The cash is placed under lock and key in the safe pending deposit in the bank account.

#### **RELATED POLICIES:**

Revenue, Housing Loan Guarantees, Delegated Authorities, Financial Assistance to Members, Month-End Processing, Accounts Receivable, Year-End Processing, Electronic Banking

#### **FORMS:**

## 16. Accounts Receivable

|                     |                          |
|---------------------|--------------------------|
| Date Approved:      | Band Council Resolution: |
| Date Last Reviewed: | Amendment Date Approval: |

### POLICY:

Revenues are recorded when due to maintain control of funds due to the Mississauga First Nation and to enable staff to follow-up on amounts that are due.

Accounts receivables of the Mississauga First Nation are followed-up regularly to maintain the cash flow of the First Nation.

If a Mississauga First Nation Member's account is overdue more than 120 days, the Member will be denied rental of community facilities until the account balance is paid.

Funding agreements require submission of claims or reports to ensure that funds are paid to the Mississauga First Nation. Funding claims or reports are submitted on their schedule basis, as per the agreement, to maintain regular cash flow for the First Nation.

### PROCEDURES:

#### 16.1. Follow-up for General Accounts Receivable

1. Accounts receivable is done manually and a report is available at the end of every month.
2. Delinquent accounts are reviewed and all outstanding accounts are followed- up, as follows:

| Past Due | Notification   |
|----------|--|
| 30 days  | Letter with a Statement of Account   |
| 60 days  | Statement of Account<br>(with caution that if payment isn't received within 30 days, the account will be placed for review with Chief & Council) |
| 90 days  | Statement of Account and Telephone call for accounts over \$500  |
| 120 days | Discussion with Council prior to action  |
3. Those companies or individuals who have delinquent accounts over 90 days with the First Nation are contacted to request payment. The results of the contact are noted on the accounts receivable listing.
4. The aged accounts receivable listing of 120 days (with contact results) is forwarded to Council. The Council reviews the accounts receivable listing, determines options to pursue with the debtor, and provides direction to the employee responsible on what actions to take. The direction is recorded in the minutes of the meeting.

5. The accounts receivable listing is returned to the employee responsible for collections with a copy of the motion indicating the direction to take.
6. The employee responsible for collections follows-up on accounts receivable, as directed by Council, after 120 days. Follow-up results are recorded on the accounts receivable listing, and filed in an aged-accounts receivable file. Follow-up on accounts receivable is reported at the following Finance Committee meeting.

### ***16.2. Payment Claims/Reports to Funding Agencies***

1. By the end of the month following the quarterly reporting period, the Program Manager/Supervisor ensures that payment claims or reports are submitted to funding agencies. The Program Manager/Supervisor completes the claim form and/or narrative report required by funding agencies and forwards it to the Director of Operations.
2. The Director of Operations reviews the report to the funding agency. If the Director of Operations has any questions, they are discussed with the Program Manager/Supervisor. The Director of Operations signs the report submission on behalf of the Mississauga First Nation and returns it to the Manager/Supervisor.
3. The Manager/Supervisor makes two copies of the report and mails the original, signed report to the appropriate funding agency. One copy of the report is maintained in the Finance files with the funding agreement. The second copy is kept by the Program Manager/Supervisor for their records.

#### **RELATED POLICIES:**

Accounts Receivable, Delegated Authorities, Receipts, Financial Assistance to Members, Month-End Processing, Year-End Processing, Housing Loan Guarantees, Revenue, Receipts

#### **FORMS:**

## **17. Electronic Banking**

|                     |                          |
|---------------------|--------------------------|
| Date Approved:      | Band Council Resolution: |
| Date Last Reviewed: | Amendment Date Approval: |

### **POLICY:**

In an effort to reduce costs and improve payment security and efficiency, many of the First Nation's funders prefer to remit payments directly to the First Nation's bank account. This process is known as Electronic Funds Transfer (EFT).

Banking information will not be published (electronically or otherwise) in a format that could result in wide and inappropriate distribution of this information. It is only to be shared with known third parties and on a need-to-know basis.

### **PROCEDURE:**

1. The funding organization will provide their full organization name, the expected date(s) of payment and frequency of payment(s).
2. Once the funder's information is received, the Financial Officer will provide the organization with the First Nation's bank account information, in a secure fashion (i.e. via fax or secure e-mail).

### **RELATED POLICIES:**

Receipts, Disbursements, Payroll, Contracts & Tendering

## **18. Purchasing**

|                     |                          |
|---------------------|--------------------------|
| Date Approved:      | Band Council Resolution: |
| Date Last Reviewed: | Amendment Date Approval: |

### **POLICY:**

The purchasing function consists of business processes related to the acquisition of goods and services for the First Nation. Purchases of equipment, materials, commodities, supplies, and services are made competitively where practical. Performance, quality, suitability, delivery, and service are factors considered in buying.

Personal purchases are not permitted.

Each individual program identifies purchases required for the delivery of their programs by completing a purchase order. The purchase order must be authorized by the employee's immediate supervisor in order to purchase the goods and services.

Employees are not entitled to order their purchases directly from vendors. If goods are purchased without the use of an approved purchase order, the Mississauga First Nation may refuse payment for those goods until a manager/supervisor initials the invoice or goods may be returned to the vendor.

Disclaimer: This policy does not apply to Niigaaniin program assistance purchases for client purposes. Niigaaniin program policies and procedures apply.

### **PROCEDURES:**

#### ***18.1. Purchase Order***

1. The employee requiring a purchase gathers all pertinent information regarding the purchase. The employee completes a Purchase Order and gets their Manager to sign it.
2. After signature, the Program Manager gives the 1<sup>st</sup> copy of the Purchase Order to the employee. A 2<sup>nd</sup> copy of the Purchase Order is forwarded to Finance. The 3<sup>rd</sup> copy of the Purchase Order is kept in the Purchase Order book.
3. The employee gives or sends the Purchase Order to the vendor.
4. If a program employee receives a bill from the vendor, the employee must submit the bill to the Accounts Payable Clerk within three days.
5. Upon receipt of the bill/invoice, The Accounts Payable Clerk attaches the Purchase Order to the bill as proof of approval for payment. The bill/invoice is input for payment.

### ***18.2. Receipt of Goods***

1. Goods are received by the appropriate staff that relates to that particular program/project at the respective Mississauga First Nation office or site. Upon receipt of goods, the Receptionist, or designate, counts the items received and compares the count to the items listed on the packing slip. Discrepancies are noted on the packing slip and forwarded to the employee responsible for distributing the order.
2. If goods must be returned to the vendor, the merchandise is returned to the Receptionist, or designate, who is responsible for making the necessary arrangements. The Receptionist, or designate, writes on the packing slip/invoice that the merchandise was returned to the vendor and a copy is forwarded to the Finance Office.
3. When merchandise is received and the Receptionist, or designate, is required to sign for the delivery; he/she will write "Received but not Inspected," so that in the event that the merchandise was damaged or lost, while being transported to our office, it will be noted on the signature sheet/packing slip/invoice.

#### **RELATED POLICIES:**

Delegated Authorities, Capital Assets, Budgeting Process, Disbursements, Credit Cards, Month-End Processing, Year-End Processing, Travel

#### **FORMS:**

Purchase Order

## 19. Contracts & Tendering

|                     |                          |
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| Date Approved:      | Band Council Resolution: |
| Date Last Reviewed: | Amendment Date Approval: |

### POLICY:

The Mississauga First Nation periodically requires the services of external contractors for services such as construction, public works services, consulting, etc. Entering into a contract for the provision of any type of service with an outside contractor is considered a commitment to spend First Nation funding. Posting of tenders are approved by the delegated authorities of the Mississauga First Nation; in addition to the current Tendering Policy in relation to federally funded capital projects under a CFA or a CFNA.

### PROCEDURES:

#### 19.1. Contracting Limits

1. For contracts of less than \$5,000, the Mississauga First Nation Council reserves the right to authorize the Program Manager/Supervisor to negotiate and recommend a specific contract provided that at least three quotes have been considered.
2. Where a contract for services is expected to exceed \$5,000, up to \$200,000, tenders or quotes are invited from at least three firms. The method of solicitation of proposals is at the discretion of the delegated approval authority of the Mississauga First Nation.
3. Where a contract is expected to exceed \$200,000, either a public tender is advertised through newspapers in the Sault Ste. Marie-Sudbury region and posted in community buildings on the Mississauga First Nation or tenders are invited from at least six firms.

#### 19.2. Construction Projects

For construction projects exceeding \$200,000, invitations to tender contain the following documents:

- Tender instructions;
- Tender and Contract form;
- General Conditions;
- Insurance Schedule;
- Contractor Statement of Qualifications;
- Proof of Workplace Safety Insurance Board Coverage;
- Statement of Work Plan and Specifications; and
- Requirements for local content, joint venture arrangements or Aboriginal set-asides.



### ***19.3. Professional Services***

1. For non-construction (professional) contract services up to \$25,000 sole source, proposals for services are invited from at least three individuals or firms.
2. A Request for Proposal (RFP) over \$25,000, once advertised, has the following documentation available for interested consultants or a Request for Proposal (RFP) from at least six (6) firms:
  - Letter of Invitation;
  - Statement of Work Required;
  - Proposal Evaluation Criteria;
  - Contract Agreement (including general conditions and terms of payment).

### ***19.4. Receipt and Review of Proposals***

1. Tenders and proposals received are to be date stamped, kept safe and sealed until the deadline date for submission. On the pre-determined date, a selection committee opens and reviews the tenders.
2. All tenders/proposals received are reviewed against an evaluation criteria list. The contract bidder or proposal proponent who best meets the evaluation criteria is recommended for the contract by the selection committee, subject to approval by the delegated purchasing authorities for the Mississauga First Nation. The lowest bid is not necessarily awarded the contract. If an Aboriginal supplier's bid price is within 10% of the lowest bid, the Aboriginal supplier will be awarded the contract as long as they meet the evaluation criteria.
3. Upon approval by the delegated authorities of the Mississauga First Nation, the successful candidate is informed of the awarding of the contract, and the contract is drawn up.
4. Any contracts drawn and signed between the Mississauga First Nation and a contractor clearly state the requirements of the contract in detail. The contract contains a provision for the First Nation to hold-back a minimum of ten percent of the total contract amount subject to the contractor complying with all contract deliverables.
5. Should the Mississauga First Nation not have the resources or expertise to execute any part of the procedures stated in this policy section, the Mississauga First Nation reserves the right to hire outside experts, such as consultants or engineers to execute these procedures on their behalf.

#### **RELATED POLICIES:**

Delegated Authorities, Conflict of Interest, Budgeting Process, Purchasing, Disbursements

#### **FORMS:**

## **20. Disbursements**

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| Date Approved:      | Band Council Resolution: |
| Date Last Reviewed: | Amendment Date Approval: |

### **POLICY:**

Disbursements are payments made by cheque for goods and services received. Payments for goods and services procured on purchase orders are normally based on a proper invoice or bill from the vendor. Invoices arrive by mail with the delivery of goods or internally from employees.

For purposes of uniformity and data entry, a payment document is used to code invoices noting the account number from the chart of accounts for input into the Accounts Payable system for payments. Payments may not be made based exclusively on a vendor's monthly statement or other summary of amounts due.

### **PROCEDURE:**

#### ***20.1. Receipt of Invoices***

1. Upon opening the mail, the Receptionist date-stamps the invoice.
2. When invoices are received with delivery of goods, the Receptionist date stamps it and forwards it to the Finance Office.
3. When reimbursements are generated for payment, ex. purchases, are received from employees, the claim is forwarded to the Finance Office by the Program Manager/Supervisor.
4. Payments for some expenses may not have an invoice or reimbursement, ex. Postage. In these cases, the employee completes a Cheque Requisition form and forwards it to the Finance Office, who will attach the invoice to the requisition when the invoice is received.

#### ***20.2. Cheque Requisition***

1. The Finance Office reviews the invoices for accuracy in relation to the Purchase Order and packing slip. The Finance Officer notes discounts and due dates to limit penalties and late payment charges. If the invoice is different from the approved Purchase Order, the Finance Office calls the Program Manager/Supervisor to discuss the issue and request a possible correction to the invoice. The correction is noted on the original invoice.
2. Upon receipt of the Travel Advance form, the Program Manager/Supervisor reviews the claim to ensure that only authorized expenses are claimed, allowances are claimed at the

approved amount and forwarded to the Finance Office.

3. For recurring bills, the Finance Office will record the account number and departmental budget on the invoice or bill. All invoices with pre-approved purchased order will be forwarded to the Finance Manager for authorization of payment.
4. A Cheque Requisition is prepared for all other invoices/claims noting the account number from the chart of accounts, departmental budget to be charged, the amount of the cheque and date the cheque is to be prepared. The invoice/claim is attached to the cheque requisition and is forwarded to the delegated authority of the Mississauga First Nation for approval.
5. The Manager/Delegated Authority of the Mississauga First Nation indicates their approval of the cheque requisition by signing it and returns the cheque requisition to the Finance Office.

### ***20.3. Cheque Processing***

1. Cheque runs are processed on Tuesday and Thursday every week. Employees are expected to plan their expenditures for processing on the cheque dates. Emergency cheques will be issued on any other day for bereavement, medical or unforeseen purposes.
2. Approved cheque requisitions are to be submitted no later than 2:00 P.M. on the cheque day. The Finance Office prepares a cheque using the computerized accounting program. The Finance Office records the disbursements to the account and department indicated on the cheque requisition or purchase order.
3. The Finance Office forwards the cheques to two of the authorized bank signatories.
4. After the signatures have been obtained, the Receptionist mails any cheques that are to be mailed.
5. The Finance Office/Receptionist places all cheques to be picked-up in the appropriate folder in the filing cabinet at the Front Desk.
6. The Payroll Clerk forwards employee cheques to the appropriate department and/or puts them in the appropriate folder in the filing cabinet at the Front Desk Only upon the request of an employee, All unclaimed payroll cheques are placed in sealed window envelopes. Otherwise, the Payroll Clerk distributes cheques directly to the employees.
7. The Receptionist distributes cheques to payees when they enter the Administration Office to pick up cheques.
8. Any cheques remaining with the Receptionist at the end of the day are locked in the filing cabinet. Any cheques that are held longer than three working days the Manager/Supervisor is contacted so that they can make a final decision.

9. The Niigaaniin Program Manager approves the Niigaaniin monthly payroll listing by the 28<sup>th</sup> day of each month for same day processing. The Niigaaniin Program prepares cheques using the Social Assistance Computerized accounting system.
10. Approved Niigaaniin cheques issued to clients are picked up at the Front Desk and can only be released to the client whose name is on the cheque; unless, otherwise authorized by the Niigaaniin Program Manager.
11. Any Niigaaniin cheques remaining with the Receptionist at the end of the day are to be given back to the Niigaaniin Program Manager so that they can be locked in the office safe.

#### ***20.4. Lost/Misplaced Cheques***

1. When a cheque is lost or misplaced, the payee must notify the Finance Office. The payee will complete a Lost/Misplaced Cheque form confirming that the cheque was lost and that the cheque was not cashed by them.
2. The Finance Office informs the payee that a "stop-payment" is being applied to the cheque.
3. The Finance Office advises the payee that the cheque will be re-issued.
4. The Finance Office contacts the Mississauga First Nation bank institution and requests that a "stop payment" be placed on the cheque.
5. If the lost/misplaced cheque is found, it must be returned to the Finance Office. The Finance Office will mark the cheque with "VOID" across the front.

#### **RELATED POLICES:**

Delegated Authorities, Budgeting Process, Purchasing, Credit Cards, Travel, Financial Assistance to Members, Month-End Processing, Year-End Processing, Electronic Banking, Investments

#### **FORMS:**

Cheque Requisition  
Travel Advance Form  
Lost/Misplaced Cheque Form

## 21. Credit Cards

|                     |                          |
|---------------------|--------------------------|
| Date Approved:      | Band Council Resolution: |
| Date Last Reviewed: | Amendment Date Approval: |

### POLICY:

The use of credit cards is sometimes necessary to purchase products or services for the Mississauga First Nation.

Credit cards are used for the purchase of goods and services for the Mississauga First Nation ONLY. Use of the credit card is limited to purchases where immediate payment is required or where there is *no established credit* such as:

1. paying for accommodations at the time of booking,
2. paying for airfare at the time of booking, and
3. making purchases where the supplier won't take a purchase order.

Purchases made with a credit card must comply with purchasing policies and procedures of Mississauga First Nation.

The Mississauga First Nation's credit limit on the credit cards, in accordance with the credit lending institution, is \$5,000. Total purchases charged to the cards during any monthly period will not exceed this credit limit. To use the cards, an individual must be on the Mississauga First Nation payroll and be authorized to do so by a manager.

Cards must not be used for personal purchases. The consequences for making personal purchases on the credit card include the following:

1. The employee will immediately be required to reimburse the First Nation for the cost of the personal purchase.
2. The incident of non-compliance with policy will be recorded in the employee's human resources file.
3. The employee won't be permitted to make further purchases using the credit card.
4. The employee may be terminated.

The credit cards are available for use within the Accounts Payable office. The credit cards must remain in the Accounts Payable office at all times.

**POLICIES:**

***21.1. Bank Credit Card Purchases***

1. An employee who needs to use the credit card must process the transaction in the Accounts Payable office.
2. The employee using the credit card makes a purchase and obtains appropriate receipt for documentation and denotes the account(s) to be charged for that purchase on the receipt. The employee is responsible for obtaining itemized receipts for all credit card purchases. When an itemized receipt is not available, itemized supporting documentation must accompany the receipt.
3. The employee must write in the Credit Card Notebook detailed information about the purchase including the supplier name, purchase purposes, and account number and sub-code to be charged.
4. The employee must complete the purchase within the Accounts Payable office through the telephone or Internet.
5. The employee shall obtain itemized receipts for all credit card purchases and ensure that it is forwarded to the Accounts Payable Clerk. For example, the employee will ask the supplier to email a confirmation or invoice to the Accounts Payable Clerk. When an itemized receipt is not available, itemized supporting documentation must be provided to the Accounts Payable Clerk.

***21.2. Reconciliation of Credit Card Statement***

1. The credit card statement is reconciled on a monthly basis.
2. The Accounts Payable Clerk reconciles the credit card statement by matching the account transactions to the credit card notebook and to the receipts that have been forwarded to the Accounts Payable Clerk.
3. If the credit card charges do not match the amounts in the credit card notebook, the Accounts Payable Clerk shall consult with the employee who made the purchase to confirm the correct amount of the purchase.
4. The Accounts Payable Clerk identifies the account coding for each transaction based on the information recorded in the credit card notebook.
5. The Accounts Payable Clerk will record each transaction separately as a debit to the appropriate expense account and a credit to the appropriate bank account.

### ***21.3. Payment of Credit Card Statements***

1. The Accounts Payable Clerk shall process the payment of the credit card balance in accordance with the Disbursements policy.
2. Credit card statements are paid in advance of the deadline to ensure that interest is not charged.

#### **RELATED POLICIES:**

Purchasing, Disbursements, Travel, Month-End Processing

#### **FORMS:**

Credit Card Log

## 22. Travel

|                     |                          |
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| Date Approved:      | Band Council Resolution: |
| Date Last Reviewed: | Amendment Date Approval: |

### POLICY:

Employees are encouraged to travel during working hours, when possible. A staff member who fails to attend meeting/conference sessions is required to notify their immediate manager/supervisor.

Mileage is paid to for the use of the individual's personal vehicle for travel on behalf of the Mississauga First Nation. The mileage allowance is paid to the individual at the rate allowed by the Income Tax Act and is subject to change on an annual basis.

When commercial accommodations are required, individuals traveling on Mississauga First Nation business ensure the rates are reasonable and approved by the delegated authority of the Mississauga First Nation. Receipts are acquired for accommodation, meal and travel expenses, and submitted with travel claims. Incidental allowances are paid only for overnight travel.

When an individual must travel while carrying out their duties, a travel advance will be granted upon approval from the applicable Program Manager. Travel allowances are paid according to approved rates. Individuals receiving travel advances must submit travel reconciliation to verifying that they incurred the travel expenses on business for the Mississauga First Nation. The travel reconciliation accounts for any travel advances received and claims outstanding.

### PROCEDURE:

#### 22.1. Travel Advances

1. The individual submits a Travel Advance form to the applicable Program Manager. The Manager reviews the travel budget to ensure that budget is available to cover the individual's travel expenses and signs the Travel Advance form indicating approval of the travel. When a reimbursement is expected, a notation is made on the sheet indicating where the reimbursement is coming from, and the rates that will be applied and if it is to be reimbursed partially or in full.
2. Upon approval, the Program Manager/Supervisor forwards the Travel Advance form to the Finance Office.
3. Should an individual receive a travel advance for a trip not taken, that staff member is required to repay the travel advance to the Mississauga First Nation. If the travel reimbursement is not repaid to the Mississauga First Nation within fourteen (14) days, it is



deducted from the individual's subsequent Travel Advance(s).

4. A Travel Reconciliation form must be completed by all individuals after returning to the office from travel and approved by the applicable Program Manager.
5. The individual shall submit the approved travel reconciliation form to the Accounts Payable within 5 working days of returning from the trip. If an individual does not submit their completed travel reconciliation, no further travel advances will be provided to the employee.
6. The Accounts Payable Clerk shall process the travel reconciliation form in accordance with the Disbursements policy.
7. Where an organization reimburses or compensates a Council Member, Committee Member, Employee or individual for travel to attend a meeting or event, the reimbursement/compensation must be paid to the Mississauga First Nation. When the compensation is issued directly to the individual, they must remit the amount to the Mississauga First Nation immediately upon returning to the office.

## ***22.2.Mileage***

1. The amount of mileage that an individual may claim is based on prescribed mileage as indicated in the Mississauga First Nation mileage charts.
2. If the travel destination is not indicated on the mileage chart, the employee must confirm the mileage to the destination such as a Google map search.

## ***22.3.Meals***

1. When attending approved meetings which are at least 12 kilometers away from the Mississauga First Nation, individuals traveling on Mississauga First Nation business are entitled to meal allowances as follows:

|           |                                       |
|-----------|---------------------------------------|
| Breakfast | Travel between 7:00 to 8:30 a.m.      |
| Lunch     | Travel between 11:00 a.m. to 2:00p.m. |
| Dinner    | Travel between 4:30 p.m. to 6:30 p.m. |

2. Approved meal allowances are paid to individuals traveling on Mississauga First Nation business when the meal is not provided at meetings, as follows:

|            |         |
|------------|---------|
| Breakfast: | \$15.05 |
| Lunch:     | \$14.15 |
| Dinner:    | \$39.85 |

3. If on business, while less than 12km away, meals may be covered under exceptional circumstances. In such cases, the employer will discuss with their immediate supervisor,

prior to the event and get prior approval. If circumstances do not permit prior approval, the employee will obtain a receipt and submit for a reimbursement of the amount spent up to the maximum rate allowed.

#### ***22.4. Accommodations***

Accommodation expenses will be paid, as follows:

|                            |                                |
|----------------------------|--------------------------------|
| Commercial Accommodations: | Reimbursement based on receipt |
| Private Accommodations:    | \$50.00 per night              |

#### ***22.5. Incidental allowances***

Incidental allowances will be paid for commercial and private accommodations at a rate of \$17.30 per day.

#### **RELATED POLICIES:**

Disbursements, Delegated Authorities, Budgeting Process, Month-End Processing

#### **FORMS:**

Travel Advance Form

Travel Reconciliation Form

## **23. Payroll**

|                     |                          |
|---------------------|--------------------------|
| Date Approved:      | Band Council Resolution: |
| Date Last Reviewed: | Amendment Date Approval: |

### **POLICY:**

The Program Manager/Supervisor ensures that an Employee Data Sheet is completed upon commencement of work. It should have all of the necessary details such as the account/department number, from which the new employee will be paid from and the rate of pay.

The personnel policy governs deductions for wage rates, sick leave, compassionate leave, vacation pay, and personal deductions. Other deductions for payroll advances are governed by policy. Statutory deductions are defined by Revenue Canada. The First Nation is required to issue an itemized statement of all earnings and deductions for each pay period.

Timesheets must be completed by all employees in order to receive payment for hours worked.

### **PROCEDURE:**

#### ***23.1. Time Sheets***

1. Time sheets are kept for all employees by the Program Manager/Supervisor.
2. The time sheets are verified and signed by the Program Manager/Supervisor and forwarded, in an inter-office envelope, to the Payroll Department for preparation of payroll.

#### ***23.2. Payment of Wages and Salaries***

1. Wages are paid on a bi-weekly basis.
2. Employees are paid an hourly rate based on the time sheets signed by the Program Manager/Supervisor. Vacation pay of 4% of wages is paid to hourly non-permanent employees.

#### ***23.3. Deductions from Wages/Salaries***

1. The Program Manager/Supervisor notifies the Payroll Clerk of required deductions from an employee's pay for lateness, absences or reduced hours. Notification must be provided to the Payroll Clerk by memo, time sheet or attendance forms prior to processing of payroll for the week. The Program Manager/Supervisor will provide a copy of the notification to the employee.

2. If the notification was not received by the Payroll Clerk prior to payroll processing for the current week, the deduction will be made on the employee's next pay. The Payroll Clerk will inform the Program Manager/Supervisor of this who, in turn, will notify the employee.

### **23.4. Payroll Remittances**

1. Revenue Canada Remittances

Remittances to Revenue Canada are calculated by the Payroll Clerk and indicated on the payroll reports. Before the 10th and 25th of the month, the Payroll Clerk calculates the total remittances payable to Revenue Canada. The Payroll Clerk completes and submits a cheque requisition and attaches the calculations for the total remittance.

2. WSIB Remittances

Remittances to WSIB are calculated by the Payroll Clerk and indicated on the payroll reports. Before the 15th of the month, the Payroll Clerk calculates the total remittances payable to WSIB. The Payroll Clerk completes and submits a cheque requisition and attaches the calculations for the total remittance.

3. Other Remittances

At month end, other remittances are calculated for deductions that are deducted from the employee's payroll such as rent, family support payments and any other agreed upon deduction by the employee. The Payroll Clerk completes and submits a cheque requisition and attaches the calculations for the total remittance.

### **RELATED POLICIES:**

Month-End Processing, Year-End Processing

### **FORMS:**

Employee Data Sheet  
Employee Time Sheet

## **24. Financial and Operational Reporting**

|                     |                          |
|---------------------|--------------------------|
| Date Approved:      | Band Council Resolution: |
| Date Last Reviewed: | Amendment Date Approval: |

### **POLICY:**

Financial statements and reports will be prepared on a regular basis in accordance with generally accepted accounting principles. An annual operations report, including the audited annual financial statements and an assessment of progress towards financial and operational goals of the Mississauga First Nation, will be published following the fiscal year end and will be provided to First Nation members, council, and other organizations as required.

### **PROCEDURES:**

#### ***24.1. Financial Reports List***

1. Council and the Finance Committee, with the assistance of the Director of Operations, is responsible for preparing a list of all financial statements and reports that are to be prepared on a regular basis.
2. The financial reports list must include the required monthly information, as well as quarterly and annual financial statements.
3. Monthly reports prepared by the Finance Manager will be tailored to the needs of the Program Managers for monitoring purposes in the form and content recommended by the Finance Committee and approved by Council.
4. For each report or financial statement listed, the following information must also be identified:
  - a) A brief description or contents of the report;
  - b) The person responsible for its preparation;
  - c) When it is to be made available and its frequency;
  - d) The report's distribution.
5. The Finance Committee will review and update the financial reports list annually, and submit the list to Council for their review and recommendation.
6. Council will review and approve the financial reports list.

#### ***24.2. Financial Statement Preparation***

1. The Finance Manager will prepare monthly information respecting the financial affairs of the First Nation and its quarterly and annual financial statements. Other financial reports that are

listed in the approved financial reports list will be prepared by the person identified as responsible for its preparation.

2. Each quarterly financial statement will include the following for the First Nation and all its related bodies:
  - a) A statement of revenue and expenditures containing a comparison to the approved annual budget;
  - b) A statement of financial position;
  - c) Financial institution account reconciliations;
  - d) Revenue categories for the First Nation's land.
3. Each annual financial statement will include the following for the First Nation:
  - a) The financial information for the First Nation for the fiscal year prepared in accordance with GAAP;
  - b) The financial information for the local revenue account that is required to meet the First Nation Financial Management Board's standards respecting audit of the local revenue account;
  - c) A special purpose report setting out all payments made to honour guarantees and indemnities;
  - d) A special purpose report setting out the information pertaining to the compensation, expenses and benefits of councillors and senior management;
  - e) A special purpose report setting out all debts or obligations forgiven by the First Nation;
  - f) A special purpose report setting out the information pertaining to loans made to First Nation members;
  - g) A special purpose report setting out moneys of the First Nation derived from First Nation lands, categorized and shown separately from other revenues and that includes a sub-category respecting revenues from natural resources obtained from First Nation lands; and
  - h) Any other report required under the Act or an agreement.
4. Annual financial statements will be prepared according to a standard "financial closing and reporting process checklist".
5. Annual financial statements, the corresponding completed financial closing and reporting process checklist, and the highlights memo (if applicable), will be signed by the Director of Operations and presented to the Finance Committee along with his / her comment(s) and recommendation(s), no later than [45] days following the end of the fiscal year for which they were prepared.
6. The Finance Committee will review the annual financial statements, the accompanying information, and the Finance Manager's comment(s) and recommendation(s). Subsequently, the Finance Committee will forward the financial statements, accompanying information, and its comment(s) and recommendation(s) to Council no later than [60] days following the end of the fiscal year for which they were prepared.

7. Council will review the annual financial statements, the accompanying information, and the recommendation(s) of the Finance Committee and the Director of Operations, and make a decision to approve or not approve the annual financial statements.
8. In the event that the financial statements are not approved by Council, a documented rationale will be communicated to the responsible party(ies) for corrective action. The financial statements will be re-submitted for approval within the timeframe stated by Council.
9. A “financial reporting record” file will be created for each annual financial statement. The financial statement record file will at a minimum contain the:
  - a) Financial statements presented to Council for approval;
  - b) Record of, or reference to Council’s decision to approve or not approve the financial statements, the Finance Committee’s recommendation(s), and the Director of Operation’s recommendation(s);
  - c) Completed financial closing and reporting process checklist;
  - d) Completed highlights memo (if applicable).
10. The financial reporting record file will be classified as confidential and secure, and maintained according to the Records and Information Management Policy and Procedure. Retention period will be seven years.

#### ***24.3. Financial Reporting Risks***

1. The Finance Manager will review the financial reporting list to ensure that all identified financial statements and reports have been prepared and submitted for review and approval by the dates specified.
2. Annually, as part of the evaluation process, the Director of Operations will ensure that the persons engaged in the financial management system:
  - a) Have the necessary knowledge, skills and competence to perform the services for which they have been engaged;
  - b) Confirm in writing that they understand their responsibilities.
3. The Finance Manager will develop a “financial closing and reporting process checklist” for use at the end of each accounting period, which will include procedures to mitigate financial reporting risk. The financial closing process checklist will include the following minimum procedures:
  - a) Reconciliation / analysis of all statement of financial position accounts with approval by the Finance Manager. In those instances where the Finance Manager prepared the reconciliation or analysis, then the Director of Operations will be required to approve the reconciliation or analysis;
  - b) Review of trade, loan and other receivable balances to identify late payments. Late payments followed up on and have been reviewed for collectability. Any necessary adjustment to the allowance for doubtful accounts has been prepared;

- c) Reconciliation of general ledger balances with sub-ledger balances (e.g. trade accounts receivable, trade accounts payable, contribution receivable, etc.);
  - d) Search for unrecorded liabilities and preparation of accrual journal entries, including:
    - i. Reconciliation of supplier statements;
    - ii. Review of unmatched receiving information;
    - iii. Review of unmatched purchase orders;
    - iv. Review of numerical continuity of purchase orders;
    - v. Review of current contracts for supplies or services, including follow-up with supplier when necessary;
    - vi. Enquiries of departmental managers for any invoices, expense reports, commitments or any other knowledge of liabilities incurred at reporting date.
  - e) Analysis of revenue and expense accounts for budgetary variances and for reasonability. Where necessary, an account analysis will be prepared;
  - f) Reconciliation of payroll expense to the payroll register and bank account balance;
  - g) Preparation of non-recurring journal entries and journal entries not in the ordinary course of business, with supporting documentation;
  - h) Approval of material non-recurring journal entries and journal entries that are not in the ordinary course of business by Finance and Audit Committee;
  - i) Recurring journal entries have been prepared, approved by the Finance Manager, and recorded;
  - j) The financial statements have been reviewed for accuracy, additions, and cross-references. The financial statements agree with the general ledger;
  - k) The presentation of the financial statements has been reviewed. Necessary disclosures and reclassification entries have been prepared and have been approved by the Finance Manager;
  - l) Draft departmental financial statements have been provided to managers for their review, comment and budgetary variance explanations. Any issues or questions have been resolved;
  - m) The Finance Manager is satisfied that the financial statements are accurate and presented in accordance with GAAP.
4. The Finance Manager will prepare a highlights memo for each set of quarterly and/or annual financial statements prepared. The highlights memo will, at a minimum, report:
- a) Financial Performance, specifically:
    - i. An assessment of the overall financial situation for the First Nation (i.e. surplus, deficit, adequate reserves, etc.);
    - ii. A review of progress towards financial and operational goals set during the planning process;
    - iii. Identification and explanation of material budgetary variances;
    - iv. Current ratio and any ratios required to be maintained by contract (e.g. financial covenants contained in borrowing agreements);
    - v. Doubtful accounts receivable, with changes since last quarter summarized;
    - vi. Payment status of statutory and contractual obligations. Specifically, a listing of all late payments with explanations;
    - vii. Remediation options where financial performance is not in accordance with plans;



- b) Exceptions to expected financial and system performance. Specifically:
  - i. Unanticipated problems preparing the financial statements and the resolution;
  - ii. Unusual or unexpected accounting balances or transactions;
  - iii. Accounting entries not in the ordinary course of business;
  - iv. Explanation of transactions where measurement or accounting treatment was uncertain or where there were choices under GAAP;
  - v. Weaknesses in, and, suggestions to improve, the financial management system;
  - vi. Instances of financial administration law or system non-compliance, fraud and / or unauthorized activities.
- c) Forecast to end of year. Specifically:
  - i. Forecast of annual operations and budgetary performance, and annual cash flow and expected cash surplus or financing requirement;
  - ii. Statement of assumptions used in the budget process and any changes in assumptions that affect the budget;
  - iii. Identification of emerging financial performance risks and opportunities;
  - iv. Remediation options where forecast financial performance is not in accordance with plans.
  - v. Changes to the accounting software (i.e. new system or major changes to the current system set-up) require authorization from the Senior Financial Officer and consultation and communication with the Finance and Audit Committee and Council. Changes such as the addition/deletion/ modification of general ledger accounts, customer/member accounts, or vendor accounts require approval from the Senior Financial Officer or designate.

#### ***24.4. Fiscal Year***

1. The fiscal year for the First Nation will be the period beginning on April 1 and ending on March 31 of the following year.

#### ***24.5. Annual Operations Report***

1. The Council must prepare and publish an annual operations report within six (6) months that details the progress towards the financial and operational goals of the First Nation over the course of the fiscal year.
2. The annual operations report will contain, at a minimum, the following:
  - a) A description of the services provided by the First Nation and its operations;
  - b) A review of the First Nation's achievement towards its values, goals and objectives;
  - c) A progress report on any established financial objectives and performance measures of the First Nation;
  - d) The audited annual financial statements for the previous fiscal year including any special purpose reports prepared and approved in accordance with the Audit Process policy.
3. The annual operations report will be made available to all members at the Mississauga First Nation Administration office and on the First Nation website, and provided to all Council members, and other organizations as required.

**RELATED POLICIES:**

Month-End Processing, Year-End Processing

**FORMS:**

## **25. Month-End Processing**

|                     |                          |
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| Date Approved:      | Band Council Resolution: |
| Date Last Reviewed: | Amendment Date Approval: |

### **POLICY:**

Specific procedures are followed after the end of every month to ensure that financial information is accurate, financial reports are prepared in a timely manner, and the resources of the Mississauga First Nation are safeguarded.

Monthly financial reports are prepared and reviewed by Program Managers/Supervisors to assist in the financial management of the First Nation administration.

### **PROCEDURES:**

#### **25.1. Bank Reconciliations**

1. The Accounts Payable Clerk prepares bank reconciliation upon receipt of the bank statement and cancelled cheques from the First Nation's banking institution. The bank reconciliation is prepared within 30 days after month end.
2. The Accounts Payable Clerk reviews the bank statement for direct deposits and bank service charges. Direct deposits of revenue and bank service charges are recorded at this time. The Accounts Payable Clerk prints a general ledger listing of the bank account for the period of the bank statement.
3. The Accounts Payable Clerk compares the deposits listed on the bank statement with deposits listed on the general ledger listing. Any discrepancies are noted, and lists of errors or unrecorded items are noted.
4. All cleared cheques included with the bank statement are compared with each bank statement listing in the order of their listing. Any discrepancies or errors are noted.
5. The previous month's bank reconciliation is used to determine if any cheques outstanding at the end of that month are still outstanding. Cheques issued during the period of the bank statement are compared to cheques listed on the general ledger listing. Any discrepancies, errors, outstanding cheques or bank memorandums are noted.
6. Once the reconciliation has been finalized, a statement that reconciles the bank statement with the accounting record of cash balance is prepared. All noted discrepancies are listed on the reconciliation and justified with the correct balance. Adjusting entries are recorded in the accounting system if debits or credits appear on the bank statement that does not appear on

the First Nation's general ledger listing.

7. The Accounts Payable Clerk forwards the bank reconciliation to the Finance Manager. The Finance Manager reviews the bank reconciliation and initials it indicating it has been reviewed. The Finance Manager returns the bank reconciliation to the Accounts Payable Clerk.
8. The bank reconciliation is attached to the bank statement and filed with bank statements for the year. Completed bank reconciliations are retained and available for review at any time.
9. If any cheques are outstanding for longer than 6 months, the cheque becomes stale-dated. Cheques that are outstanding longer than 6 months are voided and reversed in the accounting system. The Accounts Payable Clerk informs the appropriate Program Manager/Supervisor of the stale-dated cheque and suggests that the Program Manager/Supervisor follow-up with the vendor.

### ***25.2. Monthly Financial Reports***

1. Monthly statements of revenue and expenditures and general ledger reports are prepared by the Finance Manager within 15 days after month-end.
2. The Finance Manager prints copies of the Statements of Revenues and Expenditures for all programs and distributes the Statements to the Program Manager/Supervisors.
3. The Program Manager/Supervisors review the Statements of Revenue and Expenditures that apply to their programs. Any errors or discrepancies are discussed with the Finance Manager for possible correction in the accounting system.
4. Revision Statements of Revenue and Expenditures are made by the Finance Manager after discussions with the Program Managers/Supervisors. The Statements are reviewed monthly by the Program Manager and actual transaction particulars are seen quarterly.

#### **RELATED POLICIES:**

Receipts, Disbursements, Credit Cards, Payroll

#### **FORMS:**

## 26. Internal Transactions

|                     |                          |
|---------------------|--------------------------|
| Date Approved:      | Band Council Resolution: |
| Date Last Reviewed: | Amendment Date Approval: |

### POLICY:

Internal transactions are conducted by the Mississauga First Nation for administration charges or the use of shared assets. These transactions are processed to allocate shared costs to programs.

Administration fees are charged to programs to cover general administration charges not directly attributable to programs and services. These charges help defray costs of the administration of all programs. Examples of administrative fees that may be charged to programs include administration, public works administration, office rent and office fees.

Some expenditures for common expenses or shared assets that are directly attributable to programs are transferred internally between programs. Examples of asset costs that are shared among programs including the van, bus, photocopier, community hall and buildings.

### PROCEDURE:

#### 26.1. Administration Charges

1. An administration fee of 10% of revenue is charged to programs and services. Some funding agreements do not allow for administration fees. In those cases, administration fees are not charged to the program. However, administration costs may be charged to those contracts that are more directly attributed to the program, For example: rent can be charged based on a pro-rated share of rent/cost per square foot.
2. At the beginning of the year, the Finance Clerk prepares an Administration Allocation spreadsheet based on the annual program and department budgets. If budgets aren't approved by May of the fiscal year, the Finance Clerk shall prepare a draft Administration Allocation spreadsheet using administration charges from the previous year.
3. Starting in May, the Finance Clerk shall record the monthly administration fee based on the Administration Allocation spreadsheet.
4. If the budget is finalized or revised, the Finance Clerk shall update the Administration Allocation spreadsheet. The adjusted administration fees will be charged in the month following the revision.

## **26.2. Internal Transfers**

### **Vehicles:**

1. Operating costs of the Mississauga First Nation vehicles (i.e. van, bus) are charged to the applicable program based on usage. The costs of operating the vehicles are monitored and invoiced monthly.
2. A mileage log is used to keep track of all mileage used on the vehicles and the program utilization. When the vehicles are used by an approved driver, the driver records the date(s) of use, beginning and ending mileage, and program on the vehicle log. The driver initials the mileage log certifying that the vehicle was used for the purpose indicated.
3. The costs of operating the vehicles are maintained as a separate account in the accounting system. All costs associated with the vehicles, ex. gas, insurance, repairs & maintenance, are charged to this account.
4. At the end of each month, the mileage log is totaled and the total mileage per program is calculated. The amounts to transfer to each applicable program are calculated based on the mileage used.
5. The Finance Clerk records the vehicle transfer between programs based on the calculated cost allocation.

### **Equipment Rental:**

1. Equipment that is owned by the Mississauga First Nation is charged to the programs and individual(s) based on an hourly rate to recover the operating costs of the equipment.
2. The Payroll Clerk maintains a log of hours used on equipment by each program or individual based on payroll timesheets.
3. At the end of every month, Finance Clerk issues an invoice/transfer to each program or individual that has used the equipment during the month. The Finance Clerk keeps a copy of the invoice/transfer and forwards the invoice/transfer to the applicable Program Manager/Supervisor or individual.
4. When an invoice is issued to an individual, the Finance Office records the amount received from the individual. The individual pays the invoice to the Mississauga First Nation.

### **Facilities Rental:**

1. Facility rent is charged to the applicable programs, individuals, or other organizations based on the time used for activities to recover the operating costs.
2. The Program Manager/Supervisor shall complete a facility rental form to book a facility,

identifying the account and department number for the rental charge. The Program Manager/Supervisor shall forward the completed form to the Receptionist.

3. The Receptionist/Secretary shall record the facility rental within the calendar of facility rental.
4. At the end of every month, the Finance Clerk issues an invoice/transfer to each program, individual or other organization based on the information recorded on the facility rental form.
5. The individual or other organization makes their payment payable to the Mississauga First Nation.

**RELATED POLICIES:**

Capital Assets, Budgeting Process, Month-End Processing, Year-End Processing

**FORMS:**

Mileage Log  
Equipment Rental Log  
Facility Rental Form

## **27. Year-End Processing**

|                     |                          |
|---------------------|--------------------------|
| Date Approved:      | Band Council Resolution: |
| Date Last Reviewed: | Amendment Date Approval: |

### **POLICY:**

Year-end processing ensures that the prior years financial information is processed accurately and on a timely basis to ensure financial information can be made available to the First Nation and its stakeholders. Specific procedures must be followed at the end of the fiscal year to prepare financial information for annual reporting.

### **PROCEDURES:**

#### ***27.1. Bank Reconciliations***

1. The Accounts Payable Clerk ensures that all bank reconciliations for the Mississauga First Nation are completed and cash balances according to the accounting records are reconciled to the bank statement.
2. The Accounts Payable Clerk provides a copy of the bank reconciliation for the last month of the year to the First Nation's auditor. All other bank reconciliations for the fiscal year are readily-available for the First Nation's auditor during the audit review.

#### ***27.2. Cut-off Bank Statement***

1. The Finance Manager downloads a cut-off bank statement using Internet banking when requested by the auditor.
2. The Finance Manager provides the cut-off bank statement to the First Nation's auditor.
3. The bank reconciliation for April is readily-available for the First Nation's auditor during the audit review.

#### ***27.3. Accounts Receivable***

1. No later than April 15th, the Program Manager/Supervisors advise the Finance Manager of additional funds that are due to the Mississauga First Nation at March 31st. The Program Manager/Supervisors provide copies of documentation that demonstrate that the funds are receivable.
2. The Program Manager/Supervisors indicate which department and account in the accounting system should be credited for the amounts that are receivable. The Finance Clerk records the



funds receivable in the accounting system.

3. No later than April 25th, the Program Manager/Supervisor ensures that payment claims or reports to funding agencies are completed and submitted for all funding agreements for the period ending March 31.
4. The Finance Clerk determines the funding revenue receivable from funding agencies based on the claims submitted. The Finance Clerk records the revenue receivable from the funding agencies.
5. The Finance Clerk ensures that all accounts receivable are recorded in the accounting system. The Finance Clerk prepares a complete listing of accounts receivable for the First Nation. This listing includes all government funding as well as rents and miscellaneous revenue. The listing identifies the accounts and departments the accounts receivable were credited to.
6. The accounts receivable listing with supporting documentation is provided to the First Nation's auditors. All original documents for accounts receivable are readily-available for the First Nation's auditor during the audit review.

#### ***27.4.HST Receivable***

1. Upon recording of all accounts payable, the Accounts Payable Clerk compiles the HST paid on purchases for the Mississauga First Nation.
2. The Finance Manager contacts an external consultant to complete the HST refund form. The Finance Manager provides all information requested by the consultant to complete the form.
3. The external consultant forwards the HST refund form to the Finance Officer. The Finance Manager signs the HST refund form and forwards it to the Canada Customs Revenue Agency.

#### ***27.5.Accounts Payable***

1. The Accounts Payable Clerk records all accounts payable at year-end by April 25<sup>th</sup>, at the latest.
2. The Accounts Payable Clerk prints the Accounts Payable Listing for the First Nation.
3. The Accounts Payable Clerk forwards the accounts payable listing and invoices to the First Nation's auditors. All original invoices are readily-available for the First Nation's auditor during the audit review.

#### ***27.6.Reconciliation of Prepaid Expenses***

1. The Accounts Payable Clerk prepares a Prepaid List for the First Nation. The Prepaid List

includes all expenses that have been prepaid, and it identifies the accounts and departments that the prepaid expense pertains to.

2. The Accounts Payable Clerk forwards the prepaid list to the First Nation's auditors. All original invoices are readily-available for the First Nation's auditor during the audit review.

#### ***27.7.Reconciliation of Revenue***

1. The Finance Manager prepares a reconciliation of revenue for each funding agreement held by the Mississauga First Nation during the fiscal year. The revenue reconciliation includes the amounts indicated in the funding agreement and the amount indicated in the general ledger listing for revenue for that particular funding agreement.
2. If errors were made in the recording of revenue for the agreement, the Finance Manager records the journal entry required to make the correction.
3. If accounts receivable were not included in the revenue balance according to the general ledger listing, the Finance Manager records the accounts receivable and updates the revenue balance accordingly. The Finance Manager includes the corrected balance on the revenue reconciliation. Any difference between the amount according to the contract and the amount according to the general ledger listing are explained.

#### ***27.8.Reconciliation of Salaries/Payments to Council and Management***

1. The Finance Office prepares a reconciliation of salaries and payments to Council and Senior Management.
2. The Finance Manager provides the reconciliations to the First Nation's auditors. All original copies of supporting documents for the payments to Council and management are readily-available to the First Nations auditor during the audit review.

#### ***Salaries, Honoria, Per Diems:***

1. The Finance Office prepares a list of salaries, honoraria and per diems paid to Senior Management and each member of the Mississauga First Nation Council. The list for each individual includes total salaries, honouraria and per diem paid.
2. The total amount is compared to the balance indicated in the general ledger listing. Any errors in recording these payments are identified.
3. The Finance Office prepares the journal entry to correct the errors to record in the accounting system. Any discrepancies between the amounts paid and the general ledger listing are explained.

**Travel:**

1. The Finance Office prepares a list of travel expenses paid to each individual on the Mississauga First Nation Council or employed in a senior management position by the First Nation. The list for each individual includes total travel paid directly to the individual.
2. The total amount is compared to the balance indicated in the general ledger listing. Any errors in recording these payments are identified.
3. The Finance Office prepares the journal entry to correct the errors and it is input in the accounting system. Any discrepancies between the amounts paid and the general ledger listing are explained.

***27.9. Capital Asset Inventory***

1. The capital asset inventory is updated at year-end according to capital asset policies and procedures (as described in Tangible Capital Assets).
2. The Finance Manager provides a copy of the capital asset inventory with accompanying invoices for asset additions and motions for asset disposals/sales/write-offs to the First Nation's auditors.

***27.10. Loan Reconciliation***

1. The Director of Operations prepares a reconciliation of loans outstanding by the Mississauga First Nation at March 31st.
2. The Director of Operations requests a loan statement from the lender for the period ending March 31st. The loan reconciliation includes the balance outstanding according to the loan statement provided by the lender. It also includes the balance payable at the beginning of the year according to the general ledger listing less total loan payments during the year plus total loan advances during the year.
3. If errors were made in the recording of loan activity, the Finance Manager records the journal entry required to make the correction.
4. If interest paid on loans was not recorded prior to determining the general ledger balance for that loan account, the Finance Manager records the interest accrual. The Finance Manager includes the corrected loan balance on the loan reconciliation.
5. Any difference between the balance according to the lender and the balance according to the general ledger listing are further investigated for errors and corrections recorded.

**RELATED POLICIES:**

Capital Assets, Month-End Processing, Accounts Receivable, Revenue, Housing Loan

Guarantees, Receipts, Purchasing, Disbursements, Credit Cards, Travel, Payroll, Miscellaneous Transactions

**FORMS:**

## **28. Audit Process**

|                     |                          |
|---------------------|--------------------------|
| Date Approved:      | Band Council Resolution: |
| Date Last Reviewed: | Amendment Date Approval: |

### **POLICY:**

The Mississauga First Nation is required to have an annual audit conducted at the end of the fiscal year. The Mississauga First Nation Council appoints an Auditor to audit financial statements, records and supporting documentation of the First Nation at least once per fiscal year. The annual audit provides assurances to First Nation membership and to the First Nations Funding agencies that the financial statements are prepared in accordance with the Canadian Generally Accepted Accounting Principles. The annual audit is also provided to the First Nation membership which provides them with the opportunity to review information on how their elected government utilized First Nation funds.

Detailed financial statements covering all financial activities of the Mississauga First Nation are audited at least annually, or more frequently as requested by the Council or the organization's funding agents.

The Mississauga First Nation Council appoints an Auditor to audit financial statements, records and supporting documentation of the First Nation at least once per fiscal year. The audit is completed and submitted to Council on, or before, July 31st for the fiscal year ending March 31st.

### **PROCEDURE:**

#### ***28.1. Appointment of Auditor***

1. A request for proposals will be issued every 5 years to solicit proposals for the First Nations audit services.
2. The Director of Operations and the Finance Manager will establish evaluation criteria to be included in a Request for Proposal ("RFP") for the external audit which will be approved by the Finance Committee and include, at a minimum:
  - a) Independence from the First Nation, its related bodies, Councillors and officers and members;
  - b) In good standing with Chartered Professional Accountants Canada and their respective counterparts in the province or territory in which the firm or accountant is practicing;
  - c) Licensed to practice public accounting;
  - d) Other considerations as appropriate (i.e. funding agreement requirements).
3. The Finance Committee will review and approve the RFP before it is made public.

4. The Finance Committee will review Management's evaluation of the proposals and their recommendation. The Finance Committee may approve the recommendation or may ask for additional information, including an in-camera (i.e. without management) interview with the recommended Auditor.
5. Upon approval, the Finance Committee will recommend the engagement of the selected Auditor and the engagement letter to Council.
6. Council will review the engagement letter with the Auditor selected to ensure it contains the required content, sign the engagement letter in accordance with the First Nation's approved signing authorities and ensure that it is delivered to the Auditor.
7. The Director of Operations advises funding agencies of the auditor selection, if required in funding agreements.
8. Annually at the conclusion of the audit, the Director of Operations and Finance Manager will prepare a performance evaluation report of the Auditor's activities, along with any Management recommendations, and present the report to the Finance Committee.
9. The Committee will review the Auditor performance evaluation and recommendations and take necessary steps as appropriate.
10. On a periodic basis, the Finance Committee and Council will review the engagement of the external auditor and determine whether an RFP should be initiated for a new auditor.

### ***28.2. Auditor Independence***

1. The Finance Committee will ensure that the First Nation has received a letter from the Auditor, before the audit is finalized, in which the Auditor confirms their continued independence.
2. The Finance Manager contacts the Auditor at least 2 months prior to fiscal year-end to discuss what information, other than bookkeeping records, the Auditor requires for the audit. This process determines pre-audit specifications and helps reduce the First Nation's auditing costs.
3. The Program Manager/Supervisor ensures that they are available for the First Nation's auditor during the audit review at the Mississauga First Nation office. The Finance Manager provides assistance to the auditor as requested. All files are readily-available to the auditor during the audit review. The Finance Manager helps the First Nation's auditors in the preparation of reconciliations to assist in completion of the audit and, possibly, reduce the audit fees of the First Nation.
4. The Auditor prepares a draft audit report and reviews it at a Finance/Management Committee Meeting. Any errors or revisions to the draft audit report are discussed at this meeting.

5. Upon revision of the draft audit report, the final audit report is prepared by the Auditor and signed by the Director of Operations and Chief.
6. As part of the annual audit of financial statements, the Auditor may prepare a Management letter that comments on and lists the recommendations relating to the First Nation's financial management practices and its system of internal controls. Council ensures that, where appropriate, the recommendations of the auditor are implemented.
7. A copy of the final audit report is forwarded to Program Managers/Supervisor and funding agencies with other required financial or narrative reports within 10 working days of acceptance of the final audit report by Council.
8. Review of the audit report is recorded as a motion in the minutes of the meeting of Council.

**RELATED POLICIES:**

Year-end Processing, Delegated Authorities, Organizational Structure/Reporting Responsibilities

**FORMS:**

Request for Proposals

## **29. Mississauga First Nation Forms**

### **SCHEDULE OF FORMS:**

1. Declaration of Conflict of Interest
2. Budget Spreadsheets
3. Request for Proposals
4. Purchase Order
5. Cheque Requisition
6. Travel Advance
7. Lost/Misplaced Cheque Form
8. Credit Card Log
9. Travel Reconciliation Form
10. Employee Data Sheet
11. Employee Time Sheet
12. Mileage Log
13. Equipment Rental Log
14. Facility Rental Form