



POLICIES & PROCEDURES MANUAL

FOR

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF
CENTRAL INTERIOR FIRST NATIONS

In the event that there is a conflict between the contents of this policy manual and Federal, Provincial or Municipal Act, regulation or bylaw, the government regulation will take precedence.

To continue growing and flourishing as a corporation, we strive to uphold the business objectives, maintain program goals, methods, structure and assist with Indigenous Human Resource and Skill Development, that reflect experience, needs and background of our clients and communities and remain linked to the overall economic, social, political and development of the Indigenous people.

1.0 Board Governance Policies	Revision Date	Board Approval
1.1 Policy: Board Governance Guidelines	Aug 19	
1.2 Policy: Amendment of Board Policies	Aug 21	
1.3 Policy: Board Nomination Process Policy change:	Aug 23	
1.4 Policy: Resignation of Board Members	Aug 23	
1.5 Policy: Terms of Reference for the Board	Aug 23	
1.6 Policy: Terms of Reference for the Executive	Aug 23	
1.7 Policy: Terms of Reference for the Audit	Aug 23	
1.8 Policy: Role of the Board Chair	Aug 23	
1.9 Policy: Code of Conduct & Ethical Conduct	Aug 23	
1.10 Policy: Board Performance Evaluation	Aug 24	
1.11 Policy: General Manager Performance	Aug 24	
1.12 Policy: Director Reimbursement & Expense	Aug 23	
1.13 Policy: Indemnification	Aug 23	
1.14 Policy: Ends – Mission, Vision, Values	Aug 24	
1.15 Policy: Board – General Manger Relationship	Aug 23	
1.16 Policy: Executive Limitations	Aug 23	
1.17 Policy: Policy Development & Approval	Aug 23	
1.18 Policy: Employment of Board Members	Aug 23	
1.19 Policy: Appeals to the Board	Aug 23	

2.0 Human Resources Policies	Revision Date	Board Approval
2.1 Policy: Policy Framework	Aug 16	
2.2 Policy: Hiring Policy	Aug 16	
2.3 Policy: Conflict of Interest/Nepotism	Aug 16	
2.4 Policy: Terms of Employment	Aug 16	
2.5 Policy: Personnel Records	Aug 16	
2.6 Policy: Code of Conduct	Aug 16	
2.7 Policy: Probation	Aug 16	

2.8 Policy: Trial Period	Aug 16	
2.9 Policy: Salary & Wages	Aug 16	
2.10 Policy: Overtime	Aug 16	
2.11 Policy: Benefits	Aug 16	
2.12 Policy: Travel Approval & Reimbursement	Aug 16	
2.13 Policy: Holidays & Vacation	Aug 16	
2.14 Policy: Leaves of Absence	Aug 16	
2.15 Policy: Supplementary Activities	Aug 16	
2.16 Policy: Workplace Impairment	Aug 16	
2.17 Policy: Performance Reviews	Aug 16	
2.18 Policy: Harassment Policy	Aug 16	
2.19 Policy: Disciplinary Policy	Aug 16	
2.20 Policy: Appeals Policy	Aug 16	
2.21 Policy: Dispute Resolution Policy	Aug 16	
2.22 Policy: Termination of Employment	Aug 16	
2.23 Policy Title: Exit Interviews	Aug 16	

3.0 Financial Policies	Revision Date	Board Approval
3.1 Policy: Financial & Risk Management Policy	Aug 23	
3.2 Policy: Cheque Signing Authority	Aug 21	
3.3 Policy: Disposal of Assets	Aug 19	
3.4 Policy: Donations	Aug 19	
3.5 Policy: Investments	Aug 19	
3.6 Policy: Budget	Aug 19	
3.7 Policy: Budget Approval	Aug 21	
3.8 Policy: Banking Services	Aug 19	
3.9 Policy: Collection of Revenues	Aug 19	
3.10 Policy: Discharge of Financial Obligations	Aug 19	
3.11 Policy: Payments Over \$40,000	Aug 19	
3.12 Policy: Capital Acquisitions	Aug 19	
3.13 Policy: Signing Authority for Contracts/ Proposals	Aug 19	
3.14 Policy: Credit Card	Aug 21	

4.0 Operations Policies	Revision Date	Board Approval
4.1 Policy: Operating Principles/Structure	Aug 19	
4.2 Policy: Minute Taking	Aug 19	
4.3 Policy: Health & Safety	Aug 19	
4.4 Policy: CFDC of CIFN Vehicles	Aug 16	
4.5 Policy: Work Related Computer/ Cell Phone/	Aug 19	
4.6 Policy: Social Media	Aug 19	
4.7 Policy: Confidentiality	Aug 19	
4.8 Policy: Privacy Policies	Aug 19	

5.0 Loans Policies & Procedures	Revision Date	Board Approval
5.1.0: Loan Policy	May 2022	
5.2.0: Loan Programs	May 2022	
5.3.0: Credit Management	May 2022	
5.4.0: Portfolio Management & Monitoring	May 2022	
5.5.0: Pacifican Reporting	May 2022	
5.6.0: Financial and Risk Management Policy	May 2022	
5.7.0: FERN / FaaS Bank	May 2022	
5.8.0: Financial and Accounting Procedures	May 2022	
Appendix 1: Collection Manual	May 2022	
Appendix 2: Lending Policies	May 2022	
Appendix 3: Loan Procedures	May 2022	
Appendix 4: Companion Operational Guide	May 2022	
Appendix 5: Pacifican Performance Report	May 2022	

Community Futures of Central Interior First Nations



CFDC of CIFN

Board Governance Bylaws

BY-LAW NO. 1

being the general By-law of

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF CENTRAL
INTERIOR FIRST NATIONS .

(the "Corporation")

DEFINITIONS

1. In this by-law and all other by-laws of the Corporation, unless the context otherwise specifies or requires:
 - (a) *Act" means the Canada Corporations Act, Revised Statutes of Canada 1970, c. C-32, as from time to time amended, and every statute that may be substituted therefor and, in the case of such amendment or substitution, any references in the by-laws of the Corporation shall be read as referring to the amended or substituted provisions therefor;
 - (b) *by-law" means any by-laws of the Corporation from time to time in force and effect;
 - (c) all terms contained in the by-laws which are defined in the Act shall have the meanings given to such terms in the Act;
 - (d) words importing the singular number only shall include the plural and vice versa; words importing the masculine gender shall include the feminine and neuter genders; words importing persons shall include bodies corporate, corporations, companies, partnerships, syndicates, trusts and any number or aggregate of persons; and
 - (e) the headings used in the by-laws are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify, or explain the effect of any such terms or provisions.

MEMBERSHIP

2. Membership. Membership in the Corporation shall be divided into two classes, namely, honorary membership and regular membership. Honorary members shall be called "Honorary patrons. Honorary patrons and regular members are hereinafter referred to as members".
3. Regular membership. Membership in the Corporation shall be available to those persons who are nominated any one of the Central Interior Native Bands, Tribal Councils or Organizations and who are resident in the Thompson-Nicola-Fraser Canyon-Lillooet area and who are interested in furthering the objective of the Corporation and whose application for admission as a Member has received the approval of the Board of the Corporation. Each Member shall be promptly informed by the Secretary of their admission as a Member. All Members shall represent people of Indigenous Ancestry.
4. Board Discretion. The Board has the discretion to accept or reject application for membership in the Corporation, provided that in the event membership is accepted, the applicant must immediately pay to the Corporation any subscription fee, if applicable. The exercise of the said discretion is subject to review at any meeting of the Members of the Corporation.

5. Honorary patrons. Any person, agency, educational institution, foundation, society or company may be admitted to honorary membership in the Corporation from time to time by resolution of the directors. Any honorary member will not, as such, be entitled to vote at any meeting of the members of the Corporation.
6. Dues. The annual dues for each class of Members of the Corporation shall be fixed at each annual general meeting by an ordinary resolution of the active Members in good standing.
7. Resignation from membership. A person shall cease to be a member of the Society.
 - (a) by delivering his resignation in writing to the secretary of the Society or by mailing or delivering it to the address of the Society, or
 - (b) on his death or in the case of a corporation on dissolution, or
 - (c) on being expelled, or
 - (d) on having been a member not in good standing for 12 consecutive months, or
 - (e) on missing three (3) consecutive meetings of the Society without good cause.
8. Termination of membership. Any member of the Corporation shall cease to be a member of the Corporation upon a resolution to that effect being passed by at least Seventy-Five (75%) percent of the votes cast at a special general meeting of members in respect of which notice specifying the intention to pass such a resolution has been given to all members provided that any such member shall be eligible to be readmitted to membership in the Corporation in accordance with clause 3 and clause 4.
9. The notice of special resolution for expulsion shall be accompanied by a brief statement of the reason or reasons for the proposed expulsion. The person who is the subject of the proposed resolution for expulsion shall be given an opportunity to be heard at the general meeting before the special resolution is put to a vote.

MEETINGS OF MEMBERS

10. Annual meetings. The annual meeting of the members required by section 102 of the Act shall be held at any place within Canada, on such day in each year and at such time as the directors may by resolution determine. At annual meetings there shall be presented a report of the directors of the affairs of the Corporation for the previous year, a financial statement of the Corporation and the auditor's report thereon as required by the Act, and such other information or reports relating to the Corporation's affairs as the directors may determine.
11. Special general meetings. Other meetings of the members (to be known as "special general meetings") may be convened by order of the Chairperson or a Vice-Chairperson or by the board of directors to be held at any date and time and at any place within Canada. The board of directors shall call a special general meeting of members on written requisition of not less than 5 percent of the members.
12. Notice. Notice stating the day, hour and place of meeting and the general nature of the business to be transacted thereat shall be given, in writing, to each member and to the auditors of the Corporation at least 21 days before the date of every meeting, provided always that a meeting of members may be held for any purpose at any date and time and at any place within Canada without notice if all the members are present in person, at the meeting or if all the absent members entitled to notice of such meeting shall have signified their assent in writing to such meeting being held and such assent may be

validly given either before or after the meeting to which such assent relates. Notice of any meeting where special business will be transacted shall contain sufficient information to permit the member to form a reasoned judgment on the decision to be taken.

13. Omission of notice. The accidental omission to give notice of any meeting or the non-receipt of any notice by any member or members or by the auditor of the Corporation shall not invalidate any resolution passed or any proceedings taken at any meeting of members.
14. Voting. Each member shall be entitled to one vote at any meeting of members. Unless the Act or these by-laws otherwise provide, every question submitted to any meeting of members shall be decided in the first instance by a majority of votes given on a show of hands and in case of any equality of votes the chairman shall, both on a show of hands and at a poll, have a second or casting vote in addition to the vote to which he is entitled as a member. At any meeting, unless a poll is demanded, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour of or against the motion.
15. Chairperson. In the absence of the Chairperson and every Vice-Chairperson, the members present shall choose another director as Chairperson and, if no director is present or if all the directors present decline to act as chairman, the members present shall choose one of the members present to be Chairperson.
16. Polls. If at any meeting a poll is taken on the election of a Chairperson or on the question of adjournment, it shall be taken forthwith without adjournment. If a poll is demanded on any other question or as to the election of directors, it shall be taken in such manner and either at once or after adjournment as the chairman directs. The result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. A demand for a poll may be withdrawn.
17. Adjournments. The Chairperson may, with the consent of any meeting, adjourn the same from time to time to a fixed time and place and no notice of the time and place for the holding of the adjourned meeting need be given to the members. Any business may be brought before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.
18. Quorum. Fifty percent (50%) plus one (1) of the members shall constitute a quorum of any meeting of members for all purposes. No business shall be transacted at any meeting unless the requisite quorum shall be present at the commencement of such business.

DIRECTORS

19. Number and powers. The affairs of the Corporation shall be managed by a board of directors consisting of not fewer than 3 directors and not more than 20 directors. One director may exercise all such powers and do all such acts and things as may be exercised or done by the Corporation and are not by the by-laws of the Corporation or by statute expressly directed or required to be done by the Corporation at a meeting of members.
20. First directors. The applicants for incorporation shall become the first directors of the Corporation, whose term of office as directors shall continue until their successors are elected. At the first meeting of members, a board of directors shall be elected to replace the first directors of the Corporation.
21. Election of directors and term of office. The directors' term of office shall be from the date of the meeting at which they are elected or appointed until the annual meeting of members next following or until their successors are elected or appointed.

Directors shall be elected by the members at a meeting on a show of hands unless a poll is demanded and, if a poll is demanded, such election shall be by ballot. Retiring directors shall be eligible for re-election to the board of directors if otherwise qualified and retiring directors shall continue in office until their successors have been duly elected or appointed.

From time to time in the event of any vacancy however caused occurring in the board of directors (except through an increase in the number of directors), such vacancy may, as long as there is a quorum of directors then in office, be filled by the directors of the Corporation if they shall see fit to do so; otherwise such vacancy shall be filled at the next annual meeting of members or at a special general meeting of members held prior to such annual meeting and any director appointed or elected to fill any such vacancy shall hold office for the unexpired term of the director who ceased to be a director and who caused such vacancy.

22. Vacation of office. The office of a director of the Corporation shall become vacated:
- (a) if he becomes bankrupt or a receiving order is made against him, or he makes an assignment under the Bankruptcy Act (Canada) or any statute that may be substituted therefor;
 - (b) if an order is made declaring him to be a mentally incompetent person or incapable of managing his own affairs,
 - (c) if by notice in writing to the Secretary of the Corporation he resigns his office and such resignation, if not effective immediately, becomes effective in accordance with its terms.
23. Removal of directors. The members of the Corporation may, by resolution passed by at least Sixty-Six (66%) percent of the votes cast at a special general meeting of members in respect of which notice specifying the intention to pass such a resolution has been given to all members remove any director before the expiration of his term of office and may, by a majority of the votes cast at such meeting, elect any person in his stead for the remainder of his term.
24. Remuneration of directors. The directors shall serve without remuneration and no director shall directly or indirectly receive any profit from his position as such, provided that a director may be paid reasonable expenses incurred by him in the performance of his duties.

MEETNG OF DIRECTORS

25. Place of meetings. Meetings of the board of directors may be held either at the head office of the Corporation or at any other place within Canada.
26. Notice. A meeting of directors may be convened at any time by the Chairperson or a Vice Chairperson or any 2 directors. Secretary, by direction of the Chairperson or a Vice Chairperson or any 2 directors, shall convene a meeting of directors. The directors may from time to time by resolution determine to hold regular meetings of the directors and shall by such resolution fix the dates or times of such regular meetings; so long as any such resolution is in effect the Secretary of the Corporation shall convene such regular meetings by notice given in the manner hereinafter referred to.

Notice of any meeting of directors stating the day, hour and place of meeting shall be given to each director at least 2 business days before the meeting is to take place, provided always that meetings of the board of directors may be held at any time without formal notice if all the directors are present or those absent have waived notice or have signified their consent in writing to the meeting being held in their absence. Notice of any meeting or any irregularity in any meeting or in the notice thereof may be waived by any director and such waiver may be validly given either before or after the meeting to which such waiver relates.

For the first meeting of the board of directors to be held immediately following the election of directors at an annual or special general meeting of the members or for a meeting of the board of directors at which a director is appointed to fill a vacancy in the board, no notice of such meeting shall be necessary to the newly elected or appointed director or directors in order for the meeting to be duly constituted, provided that a quorum of the directors is present.

27. Quorum and voting, Fifty percent (50%) plus one (1) of the directors shall constitute a quorum for the transaction of business. Questions arising at any meeting of directors shall be decided by a majority of votes. In case of an equality of votes, the Chairperson of the meeting in addition to his original vote, shall have a second or casting vote.
28. Telephone Participation. If all the directors of the Corporation consent, a meeting of directors may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to hear each other simultaneously and instantaneously, and a director participating in such meeting by such means is deemed present at that meeting.

SUBMISSION OF CONTRACTS OR TRANSACTIONS TO MEMBERS FOR APPROVAL

29. The board of directors in its discretion may submit any contract, act or transaction for approval or ratification at any annual meeting of the members or at any special general meeting of the members called for the purpose of considering the same and any contract, act or transaction that shall be approved or ratified by a resolution passed by a majority of the votes cast at any such meeting (unless any different or additional requirement is imposed by the Act) shall be as valid and as binding upon the Corporation and upon all the members as if it had been approved or ratified by every member of the Corporation.

INDEMNITIES TO DIRECTORS AND OTHERS

30. Every director or officer of the Corporation or other person who has undertaken or is about to undertake any liability on behalf of the Corporation and their heirs, executors and administrators, and estate and effects, respectively, shall, from time to time and at all times, be indemnified and saved harmless, out of the funds of the Corporation, from and against:
 - (a) all costs, charges and expenses whatsoever which such director, officer or other person sustains or incurs in or about any action, suit or proceeding which is brought, commenced or prosecuted against him for or in respect of any act, deed, matter or thing whatsoever made, done or permitted by him in or about the execution of the duties of his office or in respect of any such liability; and
 - (b) all other costs, charges and expenses which he sustains or incurs in or about or in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by his own wilful neglect or default.

FOR THE PROTECTION OF DIRECTOR'S AND OFFICERS

31. No director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity or for any loss, damage or expense suffered or incurred by the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy,

insolvency or tortious act of any person, firm or corporation, including any person, firm or corporation with whom or which any moneys, securities or effects shall be lodged or deposited, or any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office or trust or in relation thereto unless the same shall happen by or through his own wrongful and wilful act or through his own wrongful and willful neglect or default.

The directors for the time being of the Corporation shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name or on behalf of the Corporation, except such as shall have been submitted to and authorized or approved by the board of directors. If any director or officer of the Corporation shall be employed by or shall perform services for the Corporation otherwise than as director or officer or shall be a member of a firm or a shareholder, director or officer of a company which is employed by or performs services for the Corporation, the fact of his being a director or officer of the Corporation shall not disentitle such director or officer or such firm or company, as the case may be, from receiving proper remuneration for such services.

OFFICERS

32. Election and appointment. The board of directors shall annually or more often as may be required elect a Chairperson and appoint one or more Vice Chairpersons, a Secretary, and a Treasurer. Any person may, in the discretion of the directors, hold one or more offices. The directors may appoint such other officers and agents as they shall deem necessary, who shall have such authority and shall perform such duties as may from time to time be prescribed by the board of directors.
33. Remuneration and removal of officers. The directors may fix the remuneration (if any) to be paid to officers of the Corporation. All officers in the absence of agreement to the contrary shall be subject to removal by resolution of the board of directors at any time with or without cause.
34. Delegation of duties of officers. In case of the absence or inability to act of the Chairperson, a Vice-Chairperson, or any other officer of the Corporation or for any other reason that the directors may deem sufficient, the directors may delegate all or any of the powers of such officer to any other officer or to any director for the time being.
35. Chairperson. The Chairperson shall, when present, preside at all meetings of the board of directors and of members of the Corporation. The Chairperson shall be the chief executive officer of the Corporation. He shall possess and may exercise such powers and shall perform such other duties as may from time to time be assigned to him by the board of directors.
36. Vice-Chairperson. The Vice-Chairperson or, if more than one, the Vice-Chairpersons in order of seniority shall be vested with all the powers and shall perform all duties of the Chairperson in the absence or inability or refusal to act of the Chairperson. Vice-Chairperson or, if more than one, the Vice-Chairpersons shall possess and may exercise such other powers and duties as may from time to time be assigned to him or them by the board of directors.
37. Secretary. The Secretary shall, when present, act as secretary of all meetings of directors and members and shall have charge of the minute books of the Corporation and the documents and registers referred to in the Act. He shall perform all duties incident to his office or that are properly required of him by the board of directors.
38. Treasurer. The Treasurer shall collect all Corporation revenues and, subject to the provisions of any resolution of the board of directors, shall have the care and custody of all the funds and securities of the Corporation and shall deposit the same in the name of the Corporation in such bank or banks or

with such depository or depositories as the board of directors may direct. He shall keep or cause to be kept the books of account and accounting records required by the Act. He shall perform all duties incident to his office or that are properly required of him by the Board of Directors. He may be required to give such bonds for the faithful performance of his duties as the board of directors in their uncontrolled discretion may require but no director shall be liable for failure to require any bond or for the insufficiency of any bond or for any loss by reason of the failure of the Corporation to receive any indemnity thereby provided. .

39. Vacancies. If the office of the Chairperson, any Vice-Chairperson, the Treasurer, or the Secretary shall be or become vacant by reason of death, resignation, disqualification or otherwise, the directors may appoint an officer to fill such vacancy.

COMMITTEES

40. Executive Committee. The Board may establish an executive committee comprised of such individuals as the board may from time to time determine. The executive committee shall exercise such powers as are authorized by the Board. Subject to the By-laws and any resolution of the board, the executive committee may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit and may from time to time adopt, amend, repeal rules or procedures in this regard.
41. The Board of Directors may from time to time appoint any other committee or committees, as it deems necessary or appropriate for such purposes and with such powers as the Board shall see fit. Any such committee may formulate its' own rules of procedure, subject to regulations or directions as the Board may, from time to time, make. Any committee member may be removed by consensus of the Board.

CONFLICT OF INTEREST

42. Restricted Investment Fund Activities

(a) The Corporation shall not make a loan to, or guarantee the repayment of a loan made to, a director, officer, or employee of the Corporation or to a partnership in which a director, officer or employee is a partner.

(b) The Corporation shall not

- (i) make a loan to, (ii) guarantee the repayment of a loan to, or
- (iii) purchase shares in,

an incorporated business in which an officer or employee of the Corporation with decision making responsibilities in relation to investment fund applications, or a director of the Corporation, has a significant business interest.

(c) Where the Corporation is considering

- (i) an application for a loan or a loan guarantee by the spouse or child of a director of the Corporation or of an officer or employee of the Corporation with decision making responsibilities in relation to investment fund application, or
- (ii) an application for a loan, a loan guarantee, or an equity investment by an incorporated business in which a spouse or child of a director, officer or employee related to in paragraph (a) has a significant business interest,

The application shall be referred to for consideration by the full board of directors for decision and the conflict of interest on the part of the director, officer or employee shall be recorded in the minutes of the meeting. In addition, the director, or the officer or employee (if the officer or employee is present at the meeting), as the case may be, shall absent him/herself from any and all discussions and deliberations in respect of the application and refrain from attempting to influence, lobby or persuade the board in regard to the application.

43. Goods and Services Contracts.

(a) Goods and services contracts between the Corporation and a director or business in which a director, or the spouse or a child of a director, has a significant business interest are permitted provided that:

- (iii) the decision is made by the full board, irrespective of the existing contracting authorities;
- (iv) the conflict of interest is declared by the director and recorded in the minutes of the Board;
- (v) the director absents him/herself from the decision and refrains from trying to influence it;
- (vi) a minimum of three independent competitive bids are obtained; and
- (vii) The contract offering the lowest cost or best value be selected and extra care taken in doing so.

44. Significant Business Interest. For the purposes of this Section, "significant business interest" means the ownership, whether directly, indirectly or beneficially, of more than Ten (10%) percent of the capital stock of the incorporated body, or shares or debentures to which are attached more than Ten (10%) percent of the voting rights in the incorporated body.

45. The fact that a Board member or appointed Committee member is a member of a Band or a Native organization which has made application for financial assistance shall not constitute a conflict of interest for the purpose of this section.

46. The beneficial interest accruing to an employee, board members, or director in respect to a Band-owned project or a Native organization simply because they are a member of the Band is excluded from the meaning of "conflict of interest" in these by-laws.

NOTICES

47. Service. Any notice to be given to any member, director or auditor shall be served either personally or by sending it through the post in a prepaid envelope or wrapper or by telegram or cablegram to such member, director or auditor addressed to him at his address as the same appears in the books of the Corporation, or if no address be given therein, then addressed to the last address of such member, director or auditor known to the Secretary of the Corporation. With respect to every notice sent by post, it shall be sufficient to prove that the envelope or wrapper containing the notice was properly addressed and put into a post office or into a post office box.

48. Signature to notices. The signature to any notice may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed. Without derogating from any provision of the Act or this by-law requiring a longer period of notice, every notice sent by post shall be given at least 14 days in advance of the date of the meeting to which it relates.

49. Computation of time. Where a given number of days' notice or notice extending over any period is required to be given, the day of service or posting of the notice shall not be counted in such number of days or other period but the day for which notice is given shall be so counted. Where the term "business days" is used in this by-law, it shall mean Mondays, Tuesdays Wednesdays, Thursdays and Fridays except where such days fall on statutory holidays.

50. Proof of service. A certificate of the Chairperson, any Vice-Chairperson, Treasurer or the Secretary of the Corporation or of any other officer of the Corporation in office at the time of the making of the certificate as to facts in relation to the mailing or delivery of any notice to any member, director or auditor

or publication of any notice shall be conclusive evidence thereof and shall be binding on every member, director or auditor of the Corporation, as the case may be.

CHEQUES, DRAFTS, NOTES, ETC.

51. All cheques, drafts or orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by such officer or officers or person or persons, whether or not officers of the Corporation, and in such manner as the board of directors may from time-to-time decide by resolution.

HEAD OFFICE

52. The directors may from time to time by resolution fix the location of the head office of the Corporation within the place in Canada designated as such by the Corporation's letters patent.

SEAL

53. The seal, an impression whereof is stamped in the margin hereof, shall be the seal of the Corporation. The seal shall be retained in the custody of the Secretary of the Corporation.

ENACTMENT AND AMENDMENT OF BY-LAWS

54. By-laws of the Corporation may be enacted and such by-laws repealed or amended, by by-law enacted by a majority of the directors at a meeting of the board of directors and sanctioned by an affirmative vote of at least Sixty-Six (66%) percent of the members present at a meeting of members duly called for the purpose of considering the said by-law, provided that the enactment, repeal or amendment of such by-law shall not be enforced or acted upon until the approval of the Minister has been obtained.

AUDITORS

55. The members shall, at each annual meeting, appoint an auditor to audit the accounts of the Corporation to hold office until the next annual meeting of members provided that the directors may fill any casual vacancy in the office of auditor. The remuneration of the auditor shall be fixed by the board of directors. The auditors may not be, nor be associated with, a director, officer or employee of the Corporation or a corporation which is affiliated with the Corporation.

EXECUTION OF CONTRACTS, ETC.

56. Contracts, documents, or instruments in writing requiring the signature of the Corporation may be signed by any 2 of the directors and officers of the Corporation and all contracts, documents or instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The board of directors is authorized from time to time by resolution to appoint any officer or officers or any person or persons on behalf of the Corporation either to sign contracts, documents or instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The seal of the Corporation may, when required, be affixed to contracts, documents or instruments in writing signed as previously mentioned or by any officer or officers, person or persons appointed as aforesaid by resolution of the board of directors. Secretary of the Corporation shall certify all documents issued by the Corporation.

The term "contracts, documents or instruments in writing" as used herein shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property, real or personal, immovable or movable, powers of attorney, agreements, releases, receipts and discharges for the payment of money or

other obligations, conveyances, transfers and assignments of shares, bonds, debentures, or other securities and all paper writings.

In particular, without limiting the generality of the foregoing, any 2 of the directors and officers of the Corporation are authorized to sell, assign, transfer, exchange, convert or convey any and all shares, bonds, debentures, rights, warrants or other securities owned by or registered in the name of the Corporation and to sign and execute (under the corporate seal of the Corporation or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such shares, bonds, debentures, rights, warrants or other securities.

FISCAL YEAR

57. The first fiscal year period of the Corporation shall terminate on the 31st day of March 1996, and thereafter the fiscal year of the Corporation shall terminate on the 31st day of March in each year or on such other date as the directors may from time to time by resolution determine.

WRITTEN RESOLUTIONS

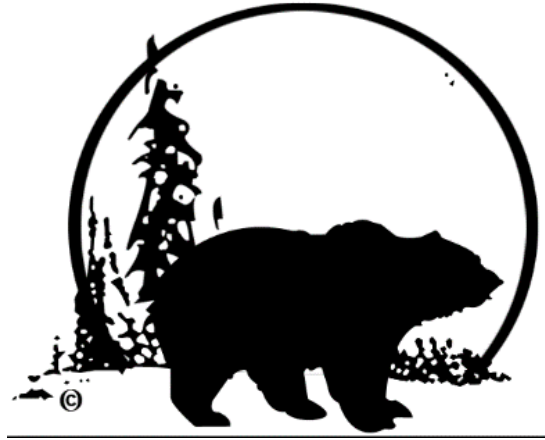
58. Subject to the Act, the letters patent or the by-law a resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of directors or a resolution in writing signed by all the members entitled to vote on that resolution at a meeting of members is as valid as if it had been passed at a meeting of directors or a meeting of members, respectively. Such resolutions in writing satisfy all the requirements of the letters patent and by-laws relating to meetings of directors or members.

PASSED the day of , 1995.

WITNESS the seal of the Corporation.

Chairperson C.S. Secretary

1.0 Board



Governance Policies

1.1 Policy: Board Governance Guidelines

Effective Date:



Board Governance Guidelines

The terms of reference for the CFDC of CIFN board define the role of the board. These board governance guidelines outline how the board will operate to carry out its duties of stewardship and accountability.

Best interests of CFDC of CIFN

The board oversees the conduct of business of the CFDC of CIFN and provides direction to the General Manager who is responsible for the day-to-day conduct of business. Although directors are appointed to the board to bring special expertise or a point of view to board deliberations, the best interests of CFDC of CIFN are always paramount.

STRATEGIC PLAN AND ANNUAL PLAN

Strategic Planning

Development and implementation of the strategy of the CFDC of CIFN is a continuous, iterative process and takes place within the context of the planning process for the strategic plan.

The General Manager is responsible for the development of the strategic plan for the CFDC of CIFN to be presented to the board. The board's role is to ensure there is a planning process, become engaged in the process, and review, question, validate, and ultimately endorse the strategic plan for CFDC of CIFN, including monitoring performance.

Board preparation and review of plans and policies.

The General Manager will prepare, review and seek approval from the board of the following:

- Strategic Plan – the five-year strategic plan describing the business strategy and performance targets of the CFDC of CIFN; and
- Annual Plan – the annual plan shall identify the actions that are required to achieve the strategic goals.

The board is responsible for oversight of the annual plan and for setting and monitoring compliance of CFDC of CIFN policy.

RISKS, CONTROLS AND MANAGEMENT INFORMATION SYSTEMS

Principal Risks

The board must have a continuing understanding of the risks in the operation of the Corporation. It is management's responsibility to ensure the board, and its committees are kept well informed of changing risks and that all financial policies are complied with.

The principal mechanisms through which the board reviews risks are:

- the strategic plan planning process,
- board committees, particularly the Audit committee, and
- ongoing reports from the General Manager and the auditor,

Internal controls and management information systems

Integral to the board's overall responsibilities is the existence of control systems that ensure the effective discharge of the board's responsibilities in a transparent and accountable manner. Through the General Manager, management will establish systems to ensure that a reasonable level of internal controls are in place for CFDC of CIFN.

COMMUNICATIONS

The board recognizes that the authority for major policy decisions rests with the board and the authority for operational matters rests with the General Manager. External communications by the board or by individual directors will respect this authority.

Chairperson and General Manager

The chairperson and the General Manager act as the primary spokespersons for CFDC of CIFN. Unless a director receives specific approval by the chairperson or the board, only the chairperson may speak on behalf of the board.

The board recognizes the need for the chairperson and the General Manager to have regular meetings and communications with stakeholders. The Chairperson and the General Manager are expected to keep the board informed on key matters through meetings and communications with these persons.

Director Communications

A director may be requested from time to time by the CFDC of CIFN Board to assist with communications or speak publicly about the Corporation. In all cases, a director must advise the chairperson, and the chairperson reserves the right to consent to or to reject the engagement of the particular director. The chairperson is responsible for ensuring that director communication activities are properly coordinated and that directors are provided with full assistance in preparing and making any public statements or presentations.

FINANCIAL AUTHORITY AND CONFLICT OF INTEREST GUIDELINES

Financial commitments and spending authority

Individual directors and the chairperson have no individual authority to make financial commitments for CFDC of CIFN. Levels of spending authority are set out in the financial policies.

BOARD COMMITTEES

Committees

The function of a committee is to help the board with a task that belongs to the board. The creation of a committee for a discrete task is a mechanism that permits deeper examination to be given to issues at stake

that could reasonably be given by the full board, considering the many items the board must deal with at any one point in time. The role of committees is to support, not supplant, board responsibility.

Standing committees

- The following standing committees are established to assist the board:
 - Executive; and
 - Audit

Terms of reference will be created or adopted for each standing committee and will describe the composition, operations and responsibilities of the committee.

Other standing committees may be established by board resolution.

Committee chair and committee members

The chairperson is responsible to the board for annually proposing the leadership and membership of each committee. In preparing recommendations the chairperson will consider the skills and experience of each director.

Committee chairs and members are appointed at the first board meeting after the annual general meeting of the members, or as needed to fill vacancies during the year. The board favors a periodic rotation in committee leadership and membership in a way that recognizes and balances the needs for new ideas, continuity and maintenance of functional expertise.

Committee chairs will develop the agenda for each committee meeting in consultation with the committee members. Each committee will report the results of its meetings to the board in a timely manner.

Ad hoc committees

Ad hoc committees are board committees but differ from standing committees in that each ad hoc committee is established for a specific period of time to undertake a specific task. An ad hoc committee is to be disbanded when, in the opinion of the board, the specific task assigned to it has been dealt with accordingly.

Each ad hoc committee operates according to a board approved mandate outlining its duties and responsibilities.

BOARD MEETINGS AND AGENDAS

Meetings

The board must meet a minimum **# of times each** year on dates determined by the board.

The date, time and place of a regular meeting of a board will be fixed and directors must be notified in writing not less than 10 business days in advance, but in special circumstances not less than 48 hours in advance, of the date when the meeting will occur.

The location of meetings will be as determined by the board from time to time. Special meetings may be held by teleconference or in locations as determined by the board and allowed under the bylaws.

Agenda

The chairperson and the General Manager will develop and circulate the agenda for each board meeting.

The agenda of a board meeting will generally be distributed not less than five business days in advance but in special circumstances not less than 24 hours in advance of the meeting to which it relates. All directors are free to suggest additions to the agenda prior to the meeting but the chairperson retains the discretion as to the priority of how such additions are to be considered at the meeting.

Quorum, decision-making and resolutions in writing

50% plus 1 of the directors holding office constitutes a quorum for the transaction of business at a meeting and a quorum of directors may exercise all the powers of directors at a meeting. The directors at a meeting will transact no business unless a quorum is present. A director may participate in a board meeting by telephone, electronic or other communication facilities that permit all people participating in the meeting to communicate adequately with each other. A member participating in a meeting by any such means is deemed to be present at the meeting.

Questions arising at any meeting of directors will be decided by a majority of votes of directors present at the meeting unless otherwise required.

A resolution in writing, signed by all the directors, will be as valid and effectual as if it had been passed at a meeting of the directors duly called and constituted.

Meeting minutes

The chairperson will be provided by the secretary with the draft minutes of each meeting of the board within 14 calendar days of its occurrence and the directors will be provided with the draft minutes of the previous meeting at least five days in advance of the next board meeting.

The approved minutes serve as the official record of the board meeting.

Board deliberations and confidentiality

The board and management recognize that certain materials for deliberation by the board must remain in confidence with the board. Directors and management must respect that the official record of the board's deliberations is provided through the approved minutes of board meetings. The views or opinions of individual directors or management will be treated with an appropriate level of respect and confidence.

Special meetings

Special meetings of the board may be held at any time at the call of the chairperson, the General Manager or any two directors of the board.

Notice of a special meeting of the board will be given to all directors of the board and must be sent at least 48 hours before the date fixed for the meeting. If all of the directors are present at such meeting, the notice requirement for the special meeting may be waived.

Materials and information for board meetings

Material distributed to the directors in advance of board meetings should be concise, complete and prepared in a way that focuses attention on critical issues to be considered and the decisions required from the board. Materials assembled in support of board meetings will be coordinated by the secretary or delegate who will distribute it with the board meeting agenda, not less than five business days prior to the meeting.

All materials submitted for consideration by the board or by a committee become part of the record of the board and will be deposited with the secretary for maintenance, safekeeping and access. Reports may be presented during board meetings by directors, management or staff, or by invited outside advisors. Presentations on specific subjects at board meetings should briefly summarize the material sent to directors, identifying the principal decision items and impacts arising from the issue or matter so as to maximize the time available for discussion on questions regarding the material.

Matters that are brought to the board, particularly those of a strategic or financial matter, will be presented in a format and manner of information that facilitates the board's ability to make a decision. The board and management will agree on the format and the checklist of information items required for the board to make a decision.

It is recognized that under some circumstances, due to the confidential nature of matters to be discussed at a board meeting, it would not be prudent or appropriate to distribute written material in advance of the meeting. Certain materials, due to their sensitivity, may be considered by the chairperson or General Manager to be strictly confidential and not for distribution or discussion outside of the board but will be made available to the secretary for inclusion as part of the official record of the board.

Non-directors at board meetings

The board, through the chairperson and the General Manager, will determine non-director attendees at board meetings. For issues that fall within the terms of reference of a committee, a committee chair may also recommend non-director attendees to the chairperson.

No non-directors will attend or table material at the board without prior approval of the chairperson and, in the case of committee meetings, the committee chair.

BOARD RELATIONS AND APPOINTMENTS

Board relations with management

Board policies and guidelines will be made available to management. Directors may direct questions or concerns regarding management performance to the chairperson or through the board and committee meetings.

The board and management must work at developing a sense of trust and confidence in each other's abilities and performance and there must be a clear understanding of and respect for the roles, responsibilities and expectations of both the board and management.

Directors must respect the organizational structure of management. As a rule, a director has no authority to direct staff. An exception to this would involve the unique roles of members of the Audit Committee, who may

have occasion to provide direction to the auditor. A director's requests for information must be coordinated through the chairperson.

Information flow to the board

The board requires clear, consistent and reliable information and analysis that is focused on the key strategies and critical issues facing CFDC of CIFN. The type, quality, timing and delivery of information are critical to achieving good governance of the Corporation and the board will receive regular reports from management that provide information on the measured performance against the annual plan of CFDC of CIFN.

Information that enables the board to fulfill its decision-making and oversight responsibilities will be based on certain key performance measures that are directly linked to the objectives of CFDC of CIFN. The board and management will agree on the type, the form, the extent and the regularity of information that will allow directors to assess the performance of the Corporation.

Board appointments

Individuals appointed as directors must bring particular expertise or other considerations to the board which relate to the business mandate of the board or to CFDC of CIFN.

The board has a responsibility to provide advice and recommendations regarding the needs of CFDC of CIFN and the criteria that should be considered when appointments are made to the board.

The board must annually review the annual plan of CFDC of CIFN and the skills, experience, background and diversity of the board relative to the strategic direction of the Corporation contained in the relevant plan. Based upon the review, the board may identify different skills or experience that would assist the board. Using its own criteria, the board may develop and review a list of suitable candidates to be considered for appointment using a skills matrix. Any recommendations, which result from the review, will be discussed with the full board before seeking new Board members.

Director orientation and development

The chairperson and the General Manager share the responsibility to ensure that there is a new director orientation program and that directors receive continuing education and development as required.

New directors will be provided with an orientation and education program that will include written information about the duties and obligations of directors, the business and operations of the CFDC of CIFN, documents from recent board meetings, as well as be provided with opportunities for meetings and discussion with the General Manager and other directors. The orientation program for each new director will be tailored to that director's needs and areas of interest. As well, there may be occasion for all directors to participate in special orientation sessions that are to educate and inform the directors on issues of strategic importance to the CFDC of CIFN.



1.2 Policy: Amendment of Board Policies

Effective Date:

Amendment of Board Policies

The policies of CFDC of Central Interior First Nations may be amended, repealed, or added to upon motion made in writing for that purpose by any member of the Board. Any such motion shall not be voted upon until the next regularly scheduled meeting after it has been formally presented to the Board in writing.

New policies and revision of policies may be initiated by submitting a request to the Chair of the Board and the General Manager. When a request for change is received, the General Manager will identify which of the following three categories applies to the request. Each category is described below along with the approvals required.

Clerical change: A clerical change is defined as a change which does not change policy or procedures related to policy but updates job titles, phone numbers, office locations, or other clerical adjustments necessary for correctness and clarity. Clerical changes will be drafted by the General Manager and approved by the Chair of the Board. Once approved, the General Manager will update the Board Policy.

Procedure change: A procedure change is defined as a change which adds, further defines, or changes procedure, but does not change policy sections of the policy nor affect the substance of the policy. The General Manager will review the policy, draft the changes required via tracked changes of the original policy in Microsoft Word, and draft a complete summary to describe the proposed changes. The policy draft is then placed on the agenda for approval by either the Board or the Board Executive. Once approved, the General Manager will update the Board Policy.

Policy change: A policy change is defined as a change which creates new policy or alters existing policy. Policy changes will follow the same course as Procedure changes described above, however the policy change must be presented to the entire Board for approval. The Board may approve, decline, make further changes to the proposed policy, or request additional research. Once approved, the General Manager will update the Board Policy.

1.3 Policy: Board Nomination Process

Effective Date:



A. BOARD NOMINATION

In accordance with the CFDC of CIFN bylaws and Board Governance guidelines, the Board will consist of no fewer than three (3) and no more than twenty (20) directors. The director's term of office shall be from the date of the meeting in which they are elected or appointed until the annual meeting of members next following or until their successors are elected or appointed.

The board of CFDC of CIFN will seek out and recommend individuals with the competencies and personal attributes required for effective governance of the Corporation and for the support of its mission.

Although the Board bylaws allow between 3 and 20 Board members, the CFDC of CIFN Board will normally operate with a Board of between 8-12 Board members.

B. NOMINATION PROCESS

1. When a vacancy occurs or the Board identifies a specific competency that is lacking on the existing Board, the Board Chair will facilitate the identification of board competency "gaps" to direct the search for new nominees.

2. As per the membership bylaw, Board members must be a member of one of the Central Interior Native Bands, Tribal Councils or organizations and must reside in the Thompson-Nicola-Fraser Canyon-Lillooet area. All Board members must be of Indigenous ancestry.

3. The Board Chair guides the recruitment process for candidates to be considered for nomination.

4. The board or its executive committee will evaluate candidates and prepare a ranked list of Indigenous nominees for consideration. Only those candidates the board assesses against its competency matrix and subsequently selects for its ranked list of nominees will be considered.

5. The board normally will not select for nomination elected officials or public servants. CFDC of CIFN includes in these categories' roles related to Indigenous governments, such as First Nations chiefs, elected tribal leaders, and leaders of regional, provincial, or national Indigenous political/advocacy organizations.

6. Nomination of Executive

The board of directors shall annually or more often as may be required elect a Chairperson and appoint one or more Vice Chairpersons, a Secretary and a Treasurer. Any person may, in the discretion of the directors, hold one or more offices. The directors may appoint such other officers and agents as they shall deem necessary who shall have such authority and shall perform such duties as may from time to time be prescribed by the board of directors.

7. The Executive Chairperson

The Chairperson shall, when present, preside at all meetings of the board of directors and of members of the Corporation. "The Chairperson shall be the chief executive officer of the Corporation. He shall possess and may exercise such powers and shall perform such other duties as may from time to time be assigned to him by the board of directors.

Vice-Chairperson. The Vice-Chairperson or, if more than one, the Vice-Chairpersons in order of seniority shall be vested with all the powers and shall perform all duties of the Chairperson in the absence or inability or refusal to act of the Chairperson. Vice-Chairperson or, if more than one, the Vice-Chairpersons shall possess and may exercise such other powers and duties as may from time to time be assigned to him or them by the board of directors.

Secretary. The Secretary shall, when present, act as secretary of all meetings of directors and members and shall have charge of the minute books of the Corporation and the documents and registers referred to in the Act. He shall perform all duties incident to his office or that are properly required of him by the board of directors.

Treasurer. The Treasurer shall collect all Corporation revenues and, subject to the provisions of any resolution of the board of directors, shall have the care and custody of all the funds and securities of the Corporation and shall deposit the same in the name of the Corporation in such bank or banks or with such depository or depositories as the board of directors may direct. He shall keep or cause to be kept the books of account and accounting records required by the Act. He shall perform all duties incident to his office or that are properly required of him by the board

1.4 Policy: Resignation of Board Members

Effective Date:



RESIGNATION OF BOARD MEMBERS

- A. The resignation of a member of the Board shall be made by a notice in writing, addressed and delivered to the General Manager or Board Chair.
- B. If a member of the Board has not attended 3 consecutive regular meetings of the Board, the member is no longer a member of the Board unless excused by a resolution of the Board.
- C. On a resolution passed by the vote of at least a 2/3 majority of the members of the Board, the Board may remove a Board member for cause.



1.5 Policy: Terms of Reference for the Board Committees

Effective Date:

A. BOARD COMMITTEES - TERMS OF REFERENCE

The CFDC of CIFN Board requires Terms of Reference, when creating standing or ad hoc Board committees. The Terms of Reference may be subject to changes upon review of the entity being created. All Board committees will be ad hoc unless specifically identified below as a standing committee or is added to this policy by Board resolution.

Board committees enable more in-depth reviews of issues that may not be possible within the framework of regular Board meetings. Board committees may not interfere with delegation from the Board to the General Manager or with the General Manager's accountability to the Board as a whole.

1. Committees report to the Board and are formed and operated at the discretion of the Board.
2. The CFDC of CIFN Board authorizes the following standing committees:
 - a) Executive Committee
 - b) Audit Committee
3. An ad hoc committee ceases to exist as soon as its task is complete.
4. Board committees will assist the Board in its role by preparing decision-making recommendations and options for Board deliberation.
5. Board committees do not speak or act for the Board except when formally given such authority by the Board for specific and time limited purposes. Such authority will be carefully stated in order not to conflict with the authority of the Board Chair, or with the authority delegated to the General Manager.
6. Board committees do not have authority over CFDC of CIFN employees. Because the General Manager reports to the Board as a whole, he or she will not be required to obtain approval of a Board committee before an executive action. In keeping with the Board's broader focus, Board committees will not interfere with CFDC of CIFN operations.
7. In addition to bringing to a Board committee the relevant expertise held by a specific Board member(s), utilization of other Board members is encouraged, thereby supporting Board development. However, regardless of expertise, Board members may not be appointed to Board committees if a conflict of interest is created by doing so.
8. Board committees will consist of Board members only; no external members shall be appointed. The term of appointment to standing committees is one year; reappointments may be made.
9. Board members appointed to a Board committee must not lose sight of their individual responsibilities to the organization as a whole, i.e., those appointed to a committee must continue to focus on the whole corporation and not solely on that part of the organization reflected in the committee's terms of reference.

1.6 Policy: Terms of Reference for the Executive Committee

Effective Date:



TERMS OF REFERENCE - EXECUTIVE COMMITTEE

MANDATE

- (1) The Executive Committee will act on behalf of the Board in emergency or urgent situations.
- (2) The Executive Committee will hold regularly scheduled meetings between Board meetings to provide guidance and advice to the General Manager.
- (3) The Executive Committee will speak publicly on behalf of the Board when required by the Board Chair.
- (4) From time to time, as may be required, address and report on matters not assigned to another Board committee.
- (5) The Executive Committee will hear appeals under the Appeals to the Board policy.

MEMBERSHIP

The Executive Committee comprises of

- The Board Chair;
- The Board Vice-Chair;
- The Treasurer;
- The Secretary

CHAIR

The Executive Committee will be chaired by the Board Chair.

AUTHORITY

The Executive Committee is empowered to act on behalf of the Board. Executive Committee decisions will be reported to the Board at its next regular meeting or in-camera meeting, as appropriate.

MEETINGS

The Executive Committee will meet on a regular basis between Board meetings. Executive meetings for the year will be scheduled in June of each year. Additional meetings may be called on an "as needed" basis at the call of the Board Chair.

ADMINISTRATIVE SUPPORT

The General Manager will provide support to the Executive Committee



1.7 Policy: Terms of Reference for the Audit Committee

Effective Date:

TERMS OF REFERENCE - AUDIT COMMITTEE

Purpose

The purpose of the Audit Committee is to assist the Board in fulfilling its financial, fiduciary and statutory responsibilities related to:

1. Financial Policies;
2. Financial reporting to government and funders;
3. Operating and Capital Budgets;
4. Internal Controls;
5. External Audit;
6. Identification and management of risk;

Committee Membership

The Committee shall be appointed by the Board on an annual basis at the same time of the annual Board elections, for a one-year term. Members may serve any number of consecutive terms.

The Committee shall be comprised of no more than five (5) Board members with a quorum being three members. The Chair and Vice Chair shall be selected annually by the Board from within the Committee. The Chair of the ARM committee, may to the same extent as any other committee member, make motions, engage in debate, or vote on any matter to be decided.

The General Manager shall be an ex-officio non-voting member of the Committee and shall assign an employee to provide administrative support to the Committee.

CFDC of CIFN's finance department shall provide the necessary support to the Committee.

Guiding Principles

The Committee shall be guided by the values of financial integrity and accountability and will conduct itself within the framework of the mission and values of the Corporation. Committee members will at all times strive to maintain direct, open and respectful communications with management, the Board, the Auditor and other parties as appropriate.

Committee Meetings

The Committee will meet 4 times per year with additional meetings at the call of the Chair.

Responsibilities

1. *Financial Policies*

The Committee will review and recommend for approval to the Board policies related to financial matters of the Corporation.

2. *Financial Reporting to Government and Funders*

The Committee will review and recommend to the Board:

- a) Acceptance of the quarterly financial statements and the accompanying management analysis;
- b) Those financial reports requiring Board approval by the Government and Funders;
- d) Responding to Audit and controls request related to CFDC of CIFN operations from the auditor.

3. *Operating and Capital Budgets*

The Committee will review and recommend to the Board Annual Budgets.

4. *Internal controls*

The Committee will review internal control procedures and shall review and recommend to the CFDC of CIFN Board acceptance of correspondence related to internal control, from the external auditor.

5. *External Audit*

The Committee shall be involved and approve the external audit activities including:

- a) Assessing the performance of and recommending the annual appointment of the external auditor;
- b) Meet with CFDC of CIFN's auditor to discuss the annual audited financial statements and auditors report and recommend approval to the Board;
- c) Review of the auditor management letter and management's response.

6. *Identification and Management of Risk*

The Committee will review and assess, in coordination with management, any significant risk with respect to CFDC of CIFN's business including financial and accounting policies or practices.

1.8 Policy: Role of the Board Chair

Effective Date:



Role of the Board Chair

The role of the Chair is, primarily, the integrity of the Board's process and, secondarily, representation of the Board when required to outside parties. The Chair is the only Board member authorized to speak for the Board (beyond simply reporting Board decisions), other than in rare and specifically authorized instances.

1. The Board behaves consistent with its own rules, governance policies, and Bylaws, and those requirements imposed upon it by legislation.

- i) Meeting discussion content will only be those issues which, according to Board policy, clearly belong to the Board to decide, to monitor, or (for the Board's development) to learn about.
- ii) Deliberation will be fair, open and thorough, but also efficient, timely, orderly and kept to the point.
- iii) The Board Chair is responsible for ensuring the above is adhered to.

2. The authority of the Chair consists in making decisions that fall within the topics covered by Board Governance policies and the Board – General Manager Relationship policy, except where the Board specifically delegates portions of this authority to others. The Chair is authorized to use any reasonable interpretation of the provisions in these policies.

- i) The Chair is empowered to chair Board and Executive Committee meetings with all the commonly accepted power of that position (e.g. ruling, recognizing) consistent with the Board's Bylaws and governance policies.
- ii) The Chair is responsible for determining, in collaboration with the General Manager, the Board agenda.
- iii) The Chair, Vice Chair, or delegate has responsibility for signing such contracts, documents or instruments that require his or her signature.
- iv) The Chair will ensure periodic review of the Board's performance based on self-evaluation of Board functioning and effectiveness.
- v) The Chair has no authority to make decisions about policies created by the Board within Ends and Executive Limitations policy areas. Therefore, the Chair has no authority to supervise or direct the General Manager.
- vi) From time to time, the Chair may also serve as a nonpartisan colleague with whom the General Manager can discuss issues, problems, concerns which may be sensitive or confidential in nature.
- vii) The Chair may represent the Board to outside parties in announcing Board - stated positions and in stating Chair decisions and interpretations within the area delegated to him or her.
- viii) The Chair has a distinct role in addressing the ethical conduct of Board members (see Code of Conduct and Ethical Conduct Board policy).

3. In the absence of the Chair, the Vice-Chair will assume these responsibilities.

1.9 Policy: Code of Conduct & Ethical Conduct

Effective Date:



A. Code of Conduct

Effective governance of Community Futures Development Corporation of Central Interior First Nations is contingent on its Board members fulfilling their roles and responsibilities with the highest standards of conduct. The following outlines the minimum standard of conduct demanded of all CFDC of CIFN Board members:

- (a) Duty of Integrity - to comply with the fiduciary duties of a Board member, to act honestly and in good faith in this position of trust.
- (b) Duty of Loyalty - to give his or her loyalty to the Corporation when acting as a member of the Board, responsible primarily to the welfare of Community Futures Development Corporation of Central Interior first Nations.
- (c) Duty of Care - to act in a prudent and diligent manner, keeping himself or herself informed as to the policies, business, and affairs of CFDC of CIFN, and to regularly attend meetings, adequately prepared for the duties expected.
- (d) Duty of Confidentiality - notwithstanding the need of members to make an informed decision on an issue before the Board by obtaining input from internal and external communities, members are to ensure that information, which is normally considered confidential, (i.e., financial, legal and personnel issues) remains so.
- (e) Duty of Skill - to use one's level of knowledge and one's expertise effectively in dealing with the affairs of CFDC of CIFN.
- (f) Duty of Respect - Board member conduct should reflect social standards of courtesy, respect, and dignity.
- (g) Duty to Comply with the Law
- (i) Board members should always act in full compliance with both the letter and the spirit of all applicable laws.
- (ii) In his/her relationship with the organization, no Board member should commit or condone an unethical or illegal act or instruct another Board member, employee, or client to do so.
- (iii) Board members are expected to be sufficiently familiar with any legislation that applies to their work to recognize potential liabilities and to know when to seek legal advice. If in doubt, Board members are expected to ask for clarification.
- (iv) Falsifying any record of transactions is unacceptable.
- (v) Board members should not only comply fully with the law but should also avoid any situation which could be perceived as improper or indicate a casual attitude towards compliance.

(h) Duty to Inform – Board members must inform the Board Chair of any circumstance that may have a negative or harmful effect on their respective abilities to perform the duties required of their membership on the Board.

Conduct of members contrary to the above duties may be subject to review by the Board and subsequent punitive action as per B.10 Breach in the Ethical Conduct section below.

B Ethical Conduct

B.1 Conflict of Interest

(i) In general, a conflict of interest exists for Board members who use their position at the organization to benefit themselves, friends or families.

(ii) A Board member should not use his or her position with the organization to pursue or advance the Board member's personal interests, the interests of a related person ("related" person means a spouse, child, parent or sibling of a Board member), the Board member's business associate, corporation, union or partnership, or the interests of a person to whom the Board member owes an obligation.

(iii) A Board member should not directly or indirectly benefit from a transaction with the organization over which a Board member can influence decisions made by the organization.

(iv) A Board member should not take personal advantage of an opportunity available to the organization unless the organization has clearly and irrevocably decided against pursuing the opportunity, and the opportunity is also available to the public.

(v) A Board member should not use his or her position with the organization to solicit clients for the Board member's business, or a business operated by a close friend, family Board member, business associate, corporation, union or partnership of the Board member, or a person to whom the Board member owes an obligation.

(vi) Every Board member should avoid any situation in which there is, or may appear to be, potential conflict which could appear to interfere with the Board member's judgment in making decisions in the organization's best interest. "Conflict" means a conflict of interest or apparent conflict of interest; "apparent" conflict of interest means any situation where it would appear to a reasonable person that the Board member is in a conflict-of-interest situation.

(vii) There are several situations that could give rise to a conflict of interest. The most common are accepting gifts, favours, or kickbacks from suppliers and/or clients, close or family relationships with outside suppliers, passing confidential information to competitors or other interested parties or using privileged information inappropriately. The following are examples of the types of conduct and situations that can lead to a conflict of interest:

- influencing the organization to lease equipment from a business owned by the Board member's spouse;
- influencing the organization to allocate funds to an institution where the Board member or his or her relative works or is involved;
- participating in a decision by the organization to hire or promote a relative of the Board member;

- influencing the organization to make all its travel arrangements through a travel agency owned by a relative of the Board member;

- influencing or participating in a decision of the organization that will directly or indirectly result in the Board member's own financial gain.

(viii) A Board member should fully disclose all circumstances that could conceivably be construed as conflict of interest.

(ix) The fact that a Board member is a member of a Band or a Native organization which has made an application for financial assistance shall not constitute a conflict of interest.

The beneficial interest accruing to an employee or Board member in respect to a Band Owned project or an Indian organization simply because they are a member of the band does not constitute a conflict of interest.

B.2 Disclosure

(i) Full disclosure enables Board members to resolve unclear situations and gives an opportunity to dispose of conflicting interests before any difficulty can arise.

(ii) A Board member should, immediately upon becoming aware of a potential conflict of interest situation, disclose the conflict (preferably in writing) to the Board Chair. This requirement exists even if the Board member does not become aware of the conflict until after a transaction is complete.

(iii) If a Board member is in doubt whether a situation involves a conflict, the Board member should immediately seek the advice of the Board Chair. If appropriate, the Board may wish to seek legal advice.

(iv) Unless a Board member is otherwise directed, a Board member should immediately take steps to resolve the conflict or remove the suspicion that it exists.

(v) If a Board member is concerned that another Board member is in a conflict-of-interest situation, the Board member should immediately bring his or her concern to the other Board member's attention and request that the conflict be declared. If the other Board member refuses to declare the conflict, the Board member should immediately bring his or her concern to the attention of the Board Chair. If there is a concern with the Board Chair, the issue should be referred to the Executive Committee of the Board.

(vi) A Board member should disclose the nature and extent of any conflict at the first meeting of the Board after which the facts leading to the conflict have come to that Board member's attention. After disclosing the conflict, the Board member:

- should not take part in the discussion of the matter or vote on any questions in respect of the matter (although the Board member may be counted in the quorum present at the Board meeting);

- should immediately leave the meeting and not return until all discussion and voting with respect to the matter giving rise to the conflict is completed; and

- should not attempt, in any way or at any time, to influence the discussion or the voting of the Board on any question relating to the matter giving rise to the conflict.

(vii) If a Board member is ruled by the Board Chair to be in a conflict of interest but does not voluntarily comply with the relevant conflict of interest actions in B.2(vi) above, then the Board Chair may require that

Board member to either comply or be considered in breach of Board bylaws and subject to immediate Board action under B.10 below.

B.3 Outside Business Interests

- (i) Board members should declare possible conflicting outside business activities at the time of appointment. Notwithstanding any outside activities, Board members are required to act in the best interest of the organization.
- (ii) No Board member should hold a significant financial interest, either directly or through a relative or associate, or hold or accept a position as an officer or Board member in an organization in a material relationship with the organization, where by virtue of his or her position in the organization, the Board member could in any way benefit the other organization by influencing the purchasing, selling or other decisions of the organization, unless that interest has been fully disclosed in writing to the organization.
- (iii) A “significant financial interest” in this context is any interest substantial enough that decisions of the organization could result in a personal gain for the Board member.
- (iv) These restrictions apply equally to interests in companies that may compete with the organization in all its areas of activity.

B.4 Confidential Information

- (i) Confidential information includes proprietary technical, business, financial, legal, or any other information which the Corporation treats as confidential.
- (ii) Board members should not, either during or following the termination of an appointment, disclose such information to any outside person unless authorized.
- (iii) Similarly, Board members should never disclose or use confidential information gained by virtue of their association with the Corporation for personal gain, or to benefit friends, relatives or associates.
- (iv) If in doubt about what is considered confidential, a Board member should seek guidance from the Board Chair or the General Manager.

B.5 Investment Activity

- (i) Board members should not, either directly or through relatives or associates, acquire or dispose of any interest, including publicly traded shares, in any company while having undisclosed confidential information obtained in the course of work at the organization which could reasonably affect the value of such securities.

B.6 Outside Employment or Association

- (i) A Board member who accepts a position with any organization that could lead to a conflict of interest or situation prejudicial to the organization interests, should discuss the implications of accepting such a position with the Board Chair recognizing that acceptance of such a position might require the Board member’s resignation from the Corporations Board.

B.7 Entertainment, Gifts and Favours

- (i) It is essential to fair business practices that all those who associate with the organization, as suppliers, contractors or Board members, have access to the organization on equal terms.
- (ii) Board members and members of their immediate families should not accept entertainment, gifts or favours that create or appear to create a favoured position for doing business with the organization. Any firm offering such inducement should be asked to cease.
- (iii) Similarly, no Board member should offer or solicit gifts or favours to secure preferential treatment for themselves or the organization.
- (iv) Under no circumstances should Board members offer or receive cash, preferred loans, securities, or secret commissions in exchange for preferential treatment. Any Board member experiencing or witnessing such an offer should report the incident to the Board Chair immediately.
- (v) Gifts and entertainment should only be accepted or offered by a Board member in the normal exchanges common to established business relationships for the organization. An exchange of such gifts should create no sense of obligation on the part of the Board member.
- (vi) Inappropriate gifts received by a Board member should be returned to the donor.
- (vii) Full and immediate disclosure to the Board Chair of borderline cases will always be taken as good-faith compliance with these standards.

B.8 Use of The Organization's Property

- (i) A Board member should require the Corporation's approval to use property owned by the organization for personal purposes, or to purchase property from the Corporation unless the purchase is made through the usual channels also available to the public.
- (ii) Even then, a Board member should not purchase property owned by the organization if that Board member is involved in an official capacity in some aspect of the sale or purchase.

B.9 Responsibility

- (i) The Corporation should behave, and be perceived, as an ethical organization.
- (ii) Each Board member should adhere to the minimum standards described herein and in the Corporation's code of conduct, and to the standards set out in applicable policies, guidelines, or legislation.
- (iii) Integrity, honesty, and trust are essential elements of the organization's success. Any Board member who knows or suspects a breach of the Corporation's code of conduct and ethics has a responsibility to report it to the Board Chair.
- (iv) To demonstrate determination and commitment, each Board member should review and declare compliance with the organization's code of conduct and ethics annually.

B.10 Breach

- (i) If a Board member is found to have breached his/her duty by violating the minimum standards set out in these policies, the Board may, in respect of that member, take any action permitted by law, including:

a) By resolution of the Board, request that member to resign from the Board;

(ii) Within 7 days, a Board member may appeal a sanction to the full Board, in writing, and the decision of the Board shall be final.

B.11 Where to Seek Clarification

(i) The Board Chair is responsible for providing guidance on any item concerning the code of conduct and standards of ethical behaviour, consulting professional expertise as necessary in order to do so.

1.10 Policy: Board Performance Evaluation

Effective Date:



Board Evaluation Policy

The community Futures Development Corporation of Central Interior First Nations is committed to following “best practices” in board governance. An essential part of sound governance is the practice of undertaking a board self-evaluation on a consistent basis.

The purpose of the Board self-evaluation is to give all Board members an opportunity to evaluate and discuss the Board’s performance with candor and from multiple perspectives. The evaluation is particularly helpful when the Board is not functioning at an optimal level but may also be useful when the Board is functioning well as a way to ensure continuous improvement in the way the Board conducts its business.

The Board believes the evaluation will lead to a closer working relationship among Board members, greater efficiency in the use of the Board’s time, and increased effectiveness of the Board as a governing body.

Procedures

The Board Self-Evaluation will be initiated no less than every three years or at the discretion of the Board Chair. Copies of the evaluation form will be distributed to each Board Member approximately four weeks before the scheduled self-evaluation. Board members shall complete the forms and return them to the Board Chair or board designee within two weeks of receipt of the forms.

Results will be tabulated and analyzed and will be presented to the Board at the next Board meeting. The Board may also receive input from the General Manager and other senior staff.

The Board will discuss areas that are working well, and those that need attention. The Board will then decide if changes in its governance practices and policies need to be made going forward. The General Manager together with the Board Chair will implement the necessary changes.



1.11 Policy: General Manager Performance Evaluation

Effective Date:

GENERAL MANAGER EVALUATION

The CFDC of Central Interior First Nation's Board will evaluate the performance of the General Manager annually based on goals and objectives and other appropriate criteria agreed to by the General Manager and the Board of Directors. The primary purpose of the evaluation will be to maintain high quality administrative leadership.

The evaluation should also:

1. Clarify to the General Manager his or her role, as seen by the Board.
2. Clarify to Board members the General Manager's role, according to the Board's written criteria, as expressed in the Corporation's goals and objectives.
3. Foster an understanding among Board members of the evaluation process and the General Manager's current performance objectives and priorities.
4. Develop and sustain a harmonious working relationship between the Board and the General Manager.

Procedure

The Board Chair will be responsible to evaluate the performance of the General Manager each year. The Chair will seek input from the Board and may seek input from employees and clients.

While the Board Chair may request input from others, only one evaluation form will be discussed with the General Manager and then retained in a sealed envelope in the General Manager's personnel file.



1.12 Policy: Director Reimbursement & Expense

Effective Date:

Remuneration and expenses of Board Members

A. No remuneration will be paid to Board members of Community Futures Development Corporation of Central Interior First Nations.

B. Each member of the Board shall be reimbursed by CFDC of CIFN for any reasonable travelling and other out-of-pocket expenses necessarily incurred by him/her in discharging duties as a Board member.



1.13 Policy: Indemnification

Effective Date:

INDEMNIFICATION

A. Every Board Member, Officer of the Board, and Officer of CFDC of CIFN, including their heirs, executors and administrators, and estate and effects, respectively, shall from time-to-time, and at all times, be indemnified and saved harmless, out of funds of the Corporation, from and against:

(1) All costs, charges and expenses whatsoever sustained or incurred by a member or officer in or about any action, suit or proceeding which is brought, commenced or prosecuted against such member or officer, for or in respect of any act, deed, matter or thing whatsoever, made, done, permitted, or omitted by that member or officer, in or about the execution of the duties performed by that individual as a Board member or officer or officer of the Corporation.

(2) All other costs, charges and expenses sustained or incurred in or about or in relation to the affairs of the Corporation; except such costs, charges or expenses as are occasioned by the Board member's/officer's or Corporation's officer's own wilful neglect or default.

(3) The Board Chair and Vice Chair are Officers of the Board.

(4) The Officers of the Corporation are the General Manager, and others so designated by the Board from time to time.



1.14 Policy: Ends – Mission, Vision, Values

Effective Date:

ENDS

1.0 MISSION STATEMENT

Promoting regional economic growth through business development services and training by supporting Indigenous communities and entrepreneurs to become financially independent.

2.0 VISION STATEMENT

To be recognized as a regional leader in community economic development

3.0 VALUES

- Transparency
- Accountability
- Empowerment
- Diversity
- Respect
- Teamwork



1.15 Policy: Board – General Manger Relationship

Effective Date:

BOARD-GENERAL MANAGER RELATIONSHIP

In addition to providing CFDC of CIFN with a vision and defining what constitutes inappropriate staff practices, the Board must set policies and guidelines about how it relates to the General Manager.

These policies and guidelines include but are not limited to:

- the Board's approach to delegation
- its views of the General Managers role
- How it will conduct and assess the General Manager's performance.

The General Manager is the link between the Board and the CFDC of CIFN staff. In essence, the General Manager is the board's sole employee.

The only specified duty of the General Manager is to be accountable to the entire Board for the performance of the Corporation and how well it is meeting the Mission and Strategic Goals.

This maintains accountability while allowing the General Manager a great deal of latitude to act and to empower others to act. This includes the authority to develop and implement policies for the Corporation.



1.16 Policy: Executive Limitations

Effective Date:

EXECUTIVE LIMITATIONS

While the Board prescribes the mission/ vision/values and strategic goals it wants CFDC of CIFN to achieve, it only sets limits on the means with which the General Manager operates.

These limits are principles of prudence and ethics that form a boundary on the General Manager's practices, activities, circumstances and methods.

In Executive Limitations policies, the Board states clearly what the Board will not allow, but it is otherwise silent regarding the General Manager's actions. This empowers the General Manager to use his/her full creative powers while at the same time safeguarding against potential abuses, enabling the Board to concentrate its energies on strategic governance issues.

Notwithstanding the above, included under the Executive Limitations umbrella are those policies the Board must or should reserve for itself due to legal or legislative requirements, as well as those that will have a high impact either legally, financially, or on the reputation of the Institute.

The Executive Limitations imposed on the General Manager of CFDC of CIFN include:

GENERAL EXECUTIVE CONSTRAINT

The General Manager shall not cause or allow any practice, activity, decision or organizational circumstance which is either illegal, imprudent or in violation of commonly accepted business and professional ethics.

Accordingly, the General Manager shall not:

1. Deal with employees, clients and the community unfairly.
2. Discourage an open climate in the decision-making process.
3. Deviate materially from the Board's Strategic goals, risk fiscal jeopardy or fail to show a generally acceptable level of foresight in budgeting any fiscal period or the remaining part of any fiscal period.
4. Provide information and advice to the Board that has significant gaps in either timeliness, completeness or accuracy.
5. Fail to adequately maintain, or unnecessarily risk, assets.
6. Provide compensation and benefits for staff that deviate materially from the market.
7. Award purchases or other contracts that create a conflict of interest.
8. Impede the mission, values, vision, or prohibit the achievement of CFDC of CIFN's strategic goals.
9. Allow employees to conduct themselves in such a manner that they enter into a conflict of interest with the employer.

PEOPLE TREATMENT

The General Manager shall not:

1. Operate without personnel policies and procedures which clarify employment rules, provide for effective handling of grievances and protect against wrongful working conditions.
2. Discriminate against anyone for expressing a dissenting opinion.
3. Fail to acquaint employees with their responsibilities and rights.
4. Fail to operate in a manner consistent with the CFDC of CIFN's values.

5. Fail to provide a mechanism for reducing stress and uncertainty during organizational change.

BUDGETING/FORECASTING

The General Manager shall not fail to present to the Board for approval a proposed Annual Budget. Furthermore, the development of the proposed budget shall not have:

1. Included too little information to enable accurate projection of revenues and expenses, separation of capital and operational items, and disclosure of planning assumptions.
2. Planned the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period.
3. Fail to provide the opportunity for a broad base of input.

FINANCIAL CONDITION

Unless direction has been given by the Board through the approval of the annual budget or through a specific Board resolution, the General Manager shall not:

1. Expend more funds than have been received in the fiscal year.
2. Enter into any contracts, expenditures, or outlays that would result in projected deficits, impair long term fiscal viability, or jeopardize normal fiscal flexibility in the future, or otherwise act in ways inconsistent with normal business practices.
3. Make or allow to be made:
 - i) any purchase where prudent steps have not been taken to avoid conflict of interest.
 - ii) any purchases without following prudent purchasing processes.
4. Allow any statutory requirements, payments or filings to be overdue or inaccurately filed.
5. Allow tax receipts to be issued for donations acceptable to the Corporation that do not reflect the fair market value of the gift.
6. Use any long-term reserves/investments of the Corporation.
7. Use any of the financial resources of CFDC of CIFN to contribute to or pay for fund raising events for any political party or candidate for public office.
8. Engage in entrepreneurial activity that is inconsistent with contribution to the overall mission, vision, values and strategic directions of the Corporation in order to generate income.
9. Acquire, encumber or dispose of land or buildings.
10. Settle legal claims exceeding anticipated liability or benefit to the Corporation for amounts in excess of \$50,000 without first consulting with the Board and receiving its direction.

COMMUNICATON AND COUNSEL TO THE BOARD

The General Manager shall not:

1. Neglect to submit monitoring data required by the Board in a timely, accurate and understandable fashion, directly addressing provisions of the Board policies being monitored.
2. Let the Board be unaware of: changes in the assumptions upon which any Board policy has previously been established and relevant trends, anticipated adverse media coverage, actual or anticipated legal actions, and material external and internal changes.
3. Fail to advise the Board if the General Manager is aware of concerns that the Board is not in compliance with its own policies on Governance Guidelines and Board-General Manager Relationship, particularly in the case of Board behaviour which is detrimental to the work relationship between the Board and the General Manager.
4. Present information in unnecessarily complex or lengthy form.
5. Fail to provide necessary support for official Board or committee communications.

6. Fail to report in a timely manner an actual or anticipated noncompliance with any policy of the Board.

ASSET PROTECTION

The General Manager shall not:

1. Fail to maintain adequate insurance to protect CFDC of CIFN's assets.
2. Subject equipment to unsafe use, improper wear and tear, or inadequate maintenance within the standard permitted by available funds.
3. Unnecessarily expose the organization, its Board or employees to claims of liability.
4. Receive, process or disburse funds under controls which are insufficient to meet the test of prudent fiscal management.
5. Fail to ensure that assets are protected in a cost-effective manner against misappropriation.
6. Fail to ensure that assets are disposed of in an appropriate manner.
7. Fail to ensure that adequate records are kept to comply with the internal control needs identified by the Corporation's auditor.
8. Fail to ensure that the Board authorizes from time to time by resolution signatories for the Institute's bank accounts, such signatories to reflect the segregation of duties appropriate to CFDC of CIFN's context and ability.

COMPENSATION AND BENEFITS

The General Manager shall not:

1. Change his or her own compensation and benefits.
2. Establish current compensation and benefits which deviate materially from those in comparable Community Futures organizations.
3. Allow employees to be hired without being made aware of appropriate benefits available to them, and of CFDC of CIFN's expectations of them.

EMERGENCY OR TEMPORARY EXECUTIVE SUCCESSION

In order to protect the Board from sudden loss of the General Manager, the General Manager may not have fewer than one other supervisor familiar with Board and General Manager issues and processes.

Furthermore:

- a) When the General Manager has planned absences longer than the normal vacation, the General Manager will make a recommendation to the Board concerning who should act for the General Manager. Normally, the General Manager and the Board will agree on the selection for Acting General Manager.
- b) If the Board determines that the General Manager is unable to perform his/her duties and responsibilities, the Board may appoint an Acting General Manager. Any "interim General Manager" appointed by the Board will be referred to as the Acting General Manager.
- c) If it becomes necessary for the Board to appoint an Acting General Manager, the Board is not limited to the candidates identified by the General Manager.

ADDITIONAL POLICY AREAS REQUIRING BOARD APPROVAL

In addition to the policy areas of Board-General Manager Relationship, Executive Limitations, and Governance Guidelines, the Board may be required by legal or legislative circumstances to reserve for itself certain other policies. The Board may also desire to reserve policy approval for itself in areas of high impact either legally, financially, or on the reputation of the Institute.

Accordingly, the General Manager may not independently approve policies in areas the Board from time-to-time may stipulate it reserves for itself, or where there is a legal or legislative requirement for a specific policy to receive approval by the Board. This executive limitation does not prevent the General Manager from recommending to the Board that it address the approval of a particular policy.



1.17 Policy: Policy Development & Approval

Effective Date:

POLICY DEVELOPMENT AND RESPONSIBILITY

CFDC of CIFN policies assist the corporation in fulfilling its mission, vision, values and strategic goals. They provide uniform guidelines and interpretation across the corporation for governance and decision making, and for regulating individual and organizational actions and conduct.

All policies will fall within one of the following two development/approval categories:

- a) Board of Governors
- b) General Manager

Reasonable and appropriate opportunities for feedback from those directly affected by a proposed policy will be provided in the development of new policies and when undertaking substantive amendments (as opposed to “housekeeping” updates).

Internal departments may develop procedures relevant to their areas, but these procedures will not be called policies and must be consistent with and support corporation policies. In case of a conflict between a department’s procedures and a CFDC of CIFN policy the Corporation’s policy will take priority.

CFDC of CIFN’s policies will be maintained by the General Manager.



1.18 Policy: Employment of Board Members

Effective Date:

EMPLOYMENT OF BOARD MEMBERS

CFDC of CIFN recognizes that from time to time there may be a need, or it may be in the Corporation's interest, to employ or contract an individual who is serving on the Board of Directors. While such an event is infrequent, it is important that conflict of interest and other issues, real or perceived, of potential concern be addressed. Therefore, the following policy guidelines will apply to the employment, by CFDC of CIFN Board members.

Employment for Less than Four Months (or equivalent in a fiscal year)

In the case of employment for less than four months the following shall apply:

1. Where the General Manager deems a Board member to be the best suited individual for the employment in question, CFDC of CIFN may employ a Board member.
2. Preferential treatment will not be given to a Board member in the recruitment/selection process. CFDC of CIFN will appoint the most relevantly qualified and available applicant who meets the needs of the position.
3. A Board member who is considering employment will not place himself/herself in a conflict of interest by being party to discussion about any aspect of the position, including creation of the position, the position description, the hiring process, etc.
4. The General Manager and the Board member must inform the Board Chair in advance of the appointment. In the case of the Board Chair, the vice chair will be informed.

Employment Greater Than Four Months (or equivalent in a fiscal year)

In the case of a continuing position, or a part time or contract position with duration longer than four months, the following shall apply:

1. The Board member must inform the Board Chair of his/her intention to apply or that he/she is interested in the position at the earliest possible opportunity. Where the Board member is the Chair, he/she must inform the Vice Chair.
2. Where the General Manager deems a Board member to be the best suited individual for the employment in question, CFDC of CIFN may employ a Board member.
3. Preferential treatment will not be given to a Board member in the recruitment/selection process. CFDC of CIFN will appoint the most relevantly qualified and available applicant who meets the needs of the position.
4. A Board member who is considering employment will not place himself/herself in a conflict of interest by being party to discussion about any aspect of the position, including creation of the position, the position description, the hiring process, etc.

5. If the General Manager intends to hire a Board member, the appointment offer to that Board member must be conditional upon the member resigning his/her Board appointment. The General Manager must inform the Board Chair of the Corporation's intent.

6. If a Board member accepts a position of greater than four months duration, the member must immediately resign from the Board. In no circumstance will a Board member be an employee and remain a Board member at CFDC of CIFN.

1.19 Policy: Appeals to the Board

Effective Date:

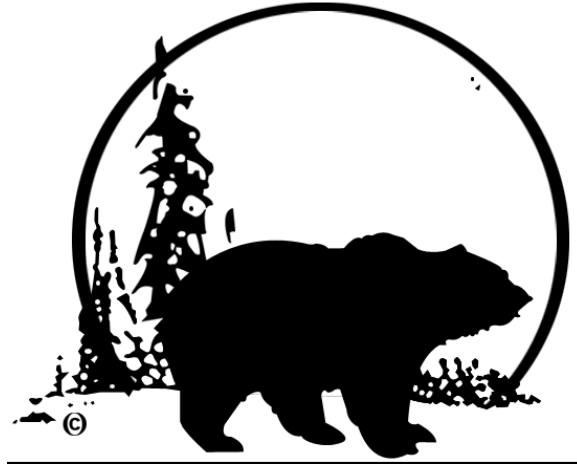


APPEALS TO THE BOARD

This policy applies to the Board when dealing with appeals as permitted under CFDC of CIFN policies, procedures and bylaws.

1. The General Manager shall provide written notification of any and all decisions that may be permitted to be appealed. Such notification shall clearly indicate the rationale for the decision that was made.
2. Any person who wishes to appeal a decision to the Board must do so in writing within 10 working days of the decision.
3. The only grounds for appeal are:
 - a. Due process was not followed, i.e., a flaw occurred in due process or procedures.
 - b. Important new evidence, missing or not available at the time of the General Manager's decision, that may have affected the decision,
 - c. The decision was inconsistent with the principles of natural justice.
4. The Board Executive Committee will hear the appeal, and the appellant will attend the hearing. The hearing will be held in camera and the principles of natural justice will apply.
5. All submissions and decisions must be presented in writing.
6. The Board Executive Committee will issue its decision on behalf of the Board.

Community Futures of Central Interior First Nations



2.0 Human Resources Policies

2.1 Policy: Policy Framework

Effective Date:



CONTEXT

The HR Policy framework reflects the personnel policies of the Community Futures Development Corporation of Central Interior First Nations (CFDC of CIFN). The policies contained herein are intended to provide information and guidance for employees and management.

The general purpose of this policy and procedures manual is to provide a basis for fair and impartial relations between the Board of Directors, General Manager and Employees of CFDC of Central Interior First Nations. The Board of Directors and General Manager will maintain an environment that recognizes the dignity of each individual employee, ensures full utilization of employees' potential and adequately reward employee's efforts, achievements and co-operation.

All employees will have access to a current copy of this manual upon commencement of employment. Employees are expected to have a good understanding of, and adhere to, the policies outlined. The General Manager of CFDC of CIFN will ensure any questions or concerns about this manual or any of its contents are addressed.

CFDC of Central Interior First Nations' Board of Director's reserves the right to make additions to, make deletions from, or otherwise modify this manual at any time, with or without notice. However, reasonable effort will be made to provide timely notice of change to this manual. Employee's suggestions for modifications to this manual are welcome and where appropriate, the CFDC of Central Interior First Nations Board of Directors may approve new or revised policies as per the employee suggestion.

Efforts have been made to ensure that the HR policy manual does not violate any relevant employment legislation or regulatory body i.e.: WCB. Should this manual inadvertently outline any procedural contrary to the requirements of employment law or regulation, the requirements of the legislation or regulation shall override the policy or policies in question. Any policies found to be contrary to employment law shall be adjusted accordingly.

These policies are subject to an annual review and may be adjusted to conform to legislation or operating changes within CFDC of CIFN.



2.2 Policy: Hiring Policy

Effective Date:

HIRING POLICY

Posting:

Vacant positions must be publicly posted for a minimum of ten days. The job posting will contain the title for the position and a brief description of the duties, qualifications, skills, ability and experience required, as well as the salary/ rates of pay. The posting will also indicate whether the position is continuing, or term, the resume review date, the expected start date, and any other pertinent information.

All existing CFDC of Central Interior First Nations staff who are qualified for the vacant position are invited to apply. CFDC of CIFN will offer the position to the most suitable candidate so long as that person meets the qualifications required.

- When a current staff member is hired for another position, the employee may request a short-term leave of absence from their existing position to try the new position. Depending on operational requirements, the General Manager may choose to approve the leave request. The short-term leave will not be longer than three months. Where the leave is approved, and after three months, the employee wishes to return to their previous position, the General Manager may approve the return to the previous position, at the previous rate of pay, should that position still exist.

Hiring Committee

A hiring committee will be struck during the 10-day posting period. The hiring committee will meet to set the agenda, review applications and shortlist, determine questions to be asked during interviews, identify presentations to be made, and skills or features to be identified. Interviews will be conducted in a uniform manner and will be graded using the same evaluation method for each applicant for the same position.

All staff of CFDC of Central Interior First Nations must be bondable and may be required to complete a criminal records check as determined by legislation. Any applicant with a criminal record must be subject to the approval of the Board prior to an offer of employment. Failure to disclose by the employee shall be considered cause for immediate dismissal without notice for severance pay.

The selection process may, at the discretion of the hiring and selection committee, and in consultation with the General Manager, include notification to the second-choice applicant that, should the successful candidate vacate the position within six (6) months, they may be offered the position, and it will not be re-posted.

All members of the Hiring committee must adhere to the Conflict of Interest and Nepotism policies.

The Community Futures Development Corporation of Central Interior First Nations is a “First Nations helping First Nations” organization and as such preference should be given to qualified Indigenous applicants during the hiring process. This is permitted under Section 41 (Exemptions) of the BC Human Rights Code to favor persons of Indigenous ancestry in hiring and promotion.

Subject to this exemption and where applicable, all appointments to positions will be based on merit.

All relevant selection and hiring information including advertising, applications, and interview procedures shall be maintained by CFDC of Central Interior First Nations for a minimum of one full year.

General Manager:

The Board of Directors is responsible for the recruitment and selection of the General Manager. The Board may engage the CFDC of Central Interior First Nations office to assist in the recruitment process. The Board will determine the hiring process and will have final approval of employment of the General Manager.

2.3 Policy: Conflict of Interest/Nepotism

Effective Date:



CONFLICT OF INTEREST

CFDC of Central Interior First Nations affirms that all employees shall conduct themselves in such a manner that they will not enter into a conflict of interest with their employer.

GUIDELINES:

1. In this policy, "conflict of interest" means any situation where the personal interests of a CFDC of C1FN employee may conflict with the interests of the Corporation. Conflict of interest situations may include, but are not limited to:

- a. An employee of CFDC of C1FN has a direct or indirect financial interest in a proposed contract or transaction with the Corporation. This includes any employee who stands to personally gain through a CFDC of C1FN loan to themselves or that of a business associate, immediate family member, or related or affiliated organization or group or company or entity will disclose the details of the conflict of interest, will not participate in any part of the approval, negotiations or processing of the loan, and will absent him/herself from any committee or Board meetings.

The fact that an employee is a member of a Band or a Native organization which has made an application for financial assistance shall not constitute a conflict of interest.

The beneficial interest accruing to an employee in respect to a Band Owned project or an Indian organization simply because they are a member of the band does not constitute a conflict of interest.

- B. An employee allows a relationship between an applicant or other employee (based on business, kinship, marriage or a close personal relationship) to influence the employee's work, work situation or status to the advantage or disadvantage of any of the persons involved in such a relationship.
- C. An employee initiates or permits the initiation of a sexual liaison with a client while they are in an employee/client relationship or where it is reasonable to assume they may, in the immediate future, be in such a relationship.
- D. An employee initiates or permits the initiation of a sexual liaison with a fellow employee whom they supervise.
- E. An employee uses confidential Corporation records in an unauthorized manner or for unauthorized purposes for personal or private gain, advantage or benefit.
- F. An employee uses his/her status for the employee's private advantage, whether personal or professional.
- G. An employee is directly involved in the hiring or supervising of a person with whom they are in a relationship (based on business, kinship, marriage or a close personal relationship).

H. An employee uses his/her position at CFDC of CIFN in a way that provides a benefit or withholds a benefit to someone else who has a relationship with the employee (based on business, kinship, marriage or a close personal relationship).

2. If an employee becomes involved or will become involved in a situation that is, or may be perceived to be, a conflict of interest, the employee must immediately disclose the matter to the General Manager. The General Manager will determine if a conflict of interest exists, will exist, or may be perceived to exist, and initiate steps to remedy the situation. If the employee fails to disclose the conflict of interest immediately or fails to abide by the General Manager's decisions to address the conflict of interest, the employer maintains the right to take action including disciplinary action up to and including suspension and dismissal, as appropriate.

Employees who declare to the General Manager they are in, will be, or may be perceived to be in a conflict of interest situation will not be disciplined if such communication is provided in a timely manner as described above and the employee takes steps to abide by the General Manager's remedies. In the case of an unavoidable after the fact notification of conflict of interest, the employee may still avoid disciplinary action by having taken specific steps to avoid acting in conflict of interest.

3. CFDC of CIFN recognizes the right of employees to be involved in activities as citizens of the community but employees must keep their role as private citizens separate and distinct from their responsibilities as employees of CFDC of CIFN.

4. All employees of CFDC of CIFN will sign an oath of confidentiality agreement.

2.4 Policy: Terms of Employment

Effective Date:



TERMS OF EMPLOYMENT

Upon commencement of employment, The General Manager or supervisor will meet with the new employee to provide an orientation to the CFDC of CIFN. This orientation will include the role and responsibilities, the tasks, job duties, and expectations of the position, and a review of the policies and procedures manual. The new employee will be provided with a copy of the policy manual, the Oath of Confidentiality for review and signing, introduction to payroll procedures, health and safety policies, and confidentiality and conflict of interest policies. The employee will be provided with the relevant job description, as well as the CFDC of CIFN Strategic Plan including the mission, vision, values and strategic goals of the Corporation. This orientation must occur within the first five days of employment.

Each new employee shall be given a letter of offer outlining:

- a. the job title,
- b. department & direct supervisor
- c. start date,
- d. salary and benefits,
- e. duties/tasks

Employees may, at the discretion of the General Manager, be requested to fulfill additional job functions relevant to their duties and the best interests of CFDC of CIFN. This requirement shall be included in all job descriptions.

All offers of employment shall be subject to the applicant successfully clearing a criminal record check and/or credit check as required by legislation for certain positions.

Hours of Work

The normal weekly hours of work for a full-time employee, exclusive of meal periods, is thirty-seven and one-half (37.5) hours. The regular workday for all full-time employees shall be seven and one-half (7-1/2) hours per day, exclusive of the meal period. The regular workday shall be scheduled between the hours of 8:30 a.m. and 4:30 p.m. The General Manager may, at their discretion, adjust the start time and the quitting time for individual employees.

Absent from Work

An employee who is absent from work without explanation for an extended period (3 days) without contact will be considered absent without leave which constitutes just cause for dismissal.

Rest periods

All employees are granted two (2) fifteen (15) minutes rest periods away from their workstations. Rest periods shall not begin until one (1) hour after commencement of work or not later than one (1) hour before a meal period or end of a shift. Rest periods shall be taken without the loss of pay.

2.5 Policy: Personnel Records

Effective Date:



PERSONNEL RECORDS

CFDC of CIFN shall maintain a personnel file for each employee that shall contain documents pertaining to the employee. An employee may review their personnel file upon written request to the General Manager with five (5) days' notice.

Personnel records are highly confidential and, as such, shall be kept in locked storage. Personnel records shall only be made available to the General Manager or Employee Supervisor.

The file for each employee shall be established at the commencement of employment and be retained by CFDC of CIFN for three (3) years after termination. Each employee's individual personnel file shall contain all pertinent documents relating to the employee's status and job performance.

Employees shall receive a copy of any document that is to be placed in the personnel file which may be the basis of disciplinary action, and may respond in writing to any document and such reply shall become part of the personnel file for the life of the documents. Upon written request, and with approval of the General Manager, an employee may request to have their personnel file purged of some information once every 3 years.

All employees are expected to promptly inform the General Manager of any changes to the following information on file in their personnel records:

- Address and telephone number.
- Who to notify in case of emergency and how to reach them.
- Number of dependents to be used for benefits and withholding tax.
- Social Insurance number.
- Designated beneficiary for survivor's benefits.
- Change of name.

Any breach of confidentiality of personnel files shall be considered an extremely serious offence and shall constitute just cause for immediate dismissal.

2.6 Policy: Code of Conduct

Effective Date:



CODE OF CONDUCT

CFDC of Central Interior First Nations is committed to providing an Indigenous working environment characterized by Indigenous culture and values.

The Corporation is committed to the highest standards of ethics and integrity. Employees are accountable to themselves, the Elders, the First Nations communities, and our clients. As an organization, CFDC of CIFN values collaboration and relationship building. Relationships cannot be successful without trust. Trust requires integrity at all levels, at all times.

This Code of Conduct (the “Code”) provides guidance to employees on standards of conduct. The Code is not intended to override or derogate from, but to complement Corporation policies, procedures, regulations, and our terms and conditions of employment. Employees must, at all times, uphold the aims and objectives of CFDC of Central Interior First Nations and work in CFDC of Central Interior First Nations’ best interests. Employees must be able to work effectively and efficiently both independently and as part of the dedicated CFDC of CIFN Team. It is each employee’s responsibility to assist in maintaining a safe, supportive, encouraging work environment. Failure to do so will result in implementation of disciplinary procedures.

Employees are expected to be familiar with all policies and procedures relevant to their responsibilities and to conduct themselves in a manner consistent with those policies and procedures. Upholding the Code is the responsibility of every employee and compliance is a condition of employment for all employees. Employees are required to acknowledge that they have read and understand the Code.

Employees are expected to be aware of and comply with provincial and federal legislation and regulations and other contractual or legal obligations that affect how they carry out their duties and how CFDC of CIFN conducts business.

All staff must uphold strict confidentiality and are not permitted to disclose information respecting the operations or activities of the organization unless authorized to do so by the CFDC of Central Interior First Nations General Manager or Board of directors.

All work carried out by employees, full-time, part-time or casual staff, contractors, consultants, volunteers or others, in the course of their duties with, or for CFDC of Central Interior First Nations, is considered to be the property of CFDC of Central Interior First Nations and may not be used for any other purpose unless otherwise authorized by the General Manager or Board of Directors.

Staff will conduct themselves in a professional, respectful and courteous manner at all times. Employees are expected to be positive Role Models to clients and community. Employees shall maintain a neat, professional appearance appropriate to the occasion.

Employees are encouraged to seek guidance where there is a question about compliance with this Code, Corporation policies, procedures and/or applicable laws.

2.7 Policy: Probation

Effective Date:



PROBATIONARY PERIOD

All employees appointed to a continuing position must satisfactorily complete a probationary period. The standard probationary period is three (3) months for non-management positions and six (6) months for management positions from the commencement of employment, based on full time work. Any leave from the position for a period greater than twenty (20) days may, at the General Manager's discretion, extend the probationary period by the equivalent length of that leave.

Employee performance shall be monitored during the course of the probationary period. Employees may be terminated for unsuitability where the employee's performance has been measured against reasonable standards and the employee has been advised of these standards and the performance expectations. No severance or notice period will be provided for employees terminated during their probationary period.

At the discretion of the General Manager, an interim performance review may be conducted to assist the employee in the effective performance of their duties.

Upon completion of the probationary period a full performance review evaluation shall be completed. This evaluation may result in permanent employee status or may result in an additional three (3) month probation or termination.

Term employees may be subject to assessment during the course of their term and may be terminated if their performance is deemed unsuitable. Term employees' performance will be measured against the same standards of performance as continuing employees.

2.8 Policy: Trial Period

Effective Date:



TRIAL PERIOD

At any time during a continuing appointment, if there is cause for concern about an employee's performance as a result of unfavourable evaluation reports or other just cause, the employee may be placed on a trial period not exceeding six months.

At the time of notification of placement on a trial period, the Employer shall provide written notice to the employee of the performance issues, the length of the trial period, the trial period interim evaluation date and identify the performance expectations.

The employee and General Manager or supervisor shall develop a written plan of action outlining the steps needed to address the area(s) of concern and/or actions needed to remedy the situation. Such a plan must be in writing, signed by both the employee and CFDC of CIFN.

Halfway through the trial period, the General Manager or supervisor shall conduct an evaluation with the employee to provide feedback on progress and an interim assessment.

Upon successful completion of the trial period, the employee shall return to a continuing appointment without term.

If the trial period is not completed successfully termination will occur as per the discipline policy.

By agreement between the employee and CFDC of CIFN, a second trial period (not exceeding the time allowed in the first trial period) is considered an appropriate alternative to termination.

There shall be no more than two (2) trial periods within any two (2) year period.

2.9 Policy: Salary & Wages

Effective Date:



WAGE AND SALARY

All job postings will provide the salary and wage rates for the position. Minimum qualifications are defined for each position as per the job posting. The General Manager will approve the salary placement and wage rates for all employees.

The General Manager will maintain a Board-approved wage/salary classification grid, which will be revealed to the corresponding employee.

Wage and salary increases are subject to;

- Performance review and evaluation.
- Availability of financial resources for the position.
- Significant increase in job function responsibilities as a result of change in position.

All salary payments to employees shall be paid by direct bank deposit. An itemized statement of all deductions made from the employee's wages shall accompany the cheque. Payments will be made bi-weekly.

2.10 Policy: Overtime

Effective Date:



OVERTIME

Authorization and Application of Overtime (time off in lieu)

Management Staff are expected to complete their tasks and manage their time; therefore, overtime is not normally applicable to the General Manager or management staff. In the event that these staff cannot complete their job functions in reasonable time frames a performance review of job description, job function and employee performance will be conducted by the General Manager.

In exceptional circumstances, overtime may be granted to Management staff. This overtime must be approved in advance by the General Manager. In the case of the General Manager, this will be approved by the Chair of the Board. Overtime will not be granted to management staff in the normal performance of their duties. The exceptional circumstances must be rare, a one-time occurrence, with a defined end date.

Overtime for non-management staff must be approved in advance by the General Manager or supervisor. Normally where an employee is required to work outside of the regular work hours, they will adjust their schedule accordingly to avoid the accumulation of overtime. An employee who is required to work overtime shall be entitled to compensatory time off. An employee is entitled to one and one-half (1-1/2) hours compensatory time off for each authorized hour of overtime.

CFDC of CIFN recognizes that the nature of the work carried out by persons in some classifications is such that it may not be possible for the employee to obtain prior authorization for the necessary overtime work. In such cases the employee shall use his/her discretion in working the overtime and the employer shall be considered to have authorized the overtime in advance, however, the employer, or appointed delegate, reserve the right to determine the legitimacy of the overtime period.

The employee has to have written consent from his/her manager if the time goes for more than three (3) days. No overtime shall accumulate or be recognized by the employer in excess of 10 hours without written authorization of the General Manager.

Use of Compensatory Time

Compensatory time shall be used up before December 31st of the same year that the overtime was worked and cannot be accumulated in excess of 5 days for the following year. Time off will be taken at the discretion of the employer's Manager to ensure that there is a minimum of interference with office routine.

Any overtime that is worked and not approved through this policy will not be honoured.

2.11 Policy: Benefits

Effective Date:



BENEFITS

Benefits are provided as per the agreement with the benefits provided. The information below should be considered as a guideline. The benefits contract will act as the policy for benefits for CFDC of CIFN employees.

Eligibility

Employees, regardless of classification, are not eligible for Staff Benefits until they have completed three (3) months of continuous employment. It is a requirement of employment that employees eligible for benefits are enrolled and the employee portion of benefits will be automatically deducted from their pay cheques.

This will be effective on the first day of the first month following the first three (3) months of employment.

Classifications

Permanent and Term fulltime. Represents staff working a minimum of 37.5 hours per week year-round. These staff members are required to have the full benefit package following their probationary period. Unless otherwise stipulated at the time of hire, these positions are paid a pre-determined weekly salary.

Permanent part-time. Staff members who work on a regular year-round basis for more than 25 hours per week, but less than the full time 37.5 hours per week. These staff members qualify for the benefit package in accordance with the agreement of the benefits criteria and carrier.

Temporary full-time. Project staff that work a minimum of 37.5 hours weekly until the conclusion of a project, which generally lasts less than one (1) year. These staff members are eligible for benefits upon completion of three (3) months continuous employment. They can be remunerated on an hourly basis or on a salary basis for the duration of a project.

Temporary part-time. Staff assisting with project work for less than 37.5 hours per week are not eligible for benefits.

Casual full/part time. Students hired through various private/public sector programs or Staff employed for specific short-term projects not extending beyond three (3) months continuous employment. Benefits do not apply. These staff members are normally remunerated on an hourly basis.

Contractors. Individuals retained for specific purposes under a formal contract/retainer. These individuals are not employees, they are responsible for their own source deductions and taxes. Benefits do not apply.

2.12 Policy: Travel Approval & Reimbursement

Effective Date:



TRAVEL APPROVAL AND REIMBURSEMENT

In support of CFDC of CIFN's mission, employees are, at times, required to travel. This policy outlines the requirements for reimbursement of travel expenses, including the approval process, types of expenses reimbursable, requirement for documentation, and expectation that all travel will be conducted in a cost-effective manner.

The values and expectations outlined in the Employee Code of Conduct are foundational to the travel policy. In addition to efficient travel, employees should consider alternatives to travel wherever practical.

PROCEDURE

1. *Confirm Approval:*

- All travel must be pre-approved by the Supervisor or General Manager.
- All travel outside of BC must be pre-approved by the General Manager.
- In some circumstances, advances may be requested by the employee and approved by the supervisor/General Manager (refer to Advance Request form). Travel advances will generally not be made more than ten (10) business days prior to travel. A subsequent travel advance will not normally be made if an advance remains outstanding.
- If employment travel is altered to accommodate personal travel, pre-approval and agreement on appropriate cost allocation is required. The supervisor/General Manager and the traveler will agree on a fair allocation of expenses for the travel, accommodation, food and other expenses in line with the amount which would have been charged had the interruption not occurred.

2. *Retain receipts.*

Original receipts (e.g. hotel bills, parking, airport improvement fees, etc.) are required to support a claim. Credit card vouchers for gasoline and meals must be accompanied by an itemized receipt. Travel agency invoices, cancelled cheques, credit card statements, "paid" notices, photocopies and carbon copies are not reimbursable. If a receipt is lost and a duplicate cannot be obtained, the traveler should submit a signed memorandum to the General Manager for approval.

3. *Complete the Travel Claim Form or Cheque Requisition within 30 days of travel completion, itemizing expenses and attaching original receipts.*

The traveler is to complete the Travel Claim Form by providing a clear statement of the purpose of the travel, and an itemized list of all expenses relating to the trip in the appropriate areas of the form. Each expense is to be supported by an original, dated expense voucher or receipt.

By signing the expense claim form, the traveler is certifying that the information contained on the form is accurate to the best of his/her knowledge. The original signature of the claimant is required.

4. Submit with supervisor's signature to Finance.

The traveler and the individual who approves payment are responsible for ensuring that claims for expenses are in accordance with these procedures and are for CFDC of CIFN purposes only.

Expenses will be reimbursed in Canadian funds. Reimbursement for expenses incurred in US funds will be converted to Canadian funds at the applicable rate for the period the expenses were incurred.

TRAVEL GUIDELINES

General

Booking of travel should be completed sufficiently in advance to minimize cost of travel. Individuals may be held responsible for travel expense incurred, but not utilized, due to decision of the traveler (i.e. cancelled booking).

Accommodation

When booking accommodations, the most reasonable rate for suitable accommodations should be booked. Reimbursement will be limited to reasonable amounts to the circumstance and normally will not exceed the standard single occupancy rate.

Employees may claim private accommodation without receipts (refer to Travel Claim form).

Air

Air travel will normally be at the standard economy passenger rate.

Meals

Meals will be reimbursed at the standard per diem rates (refer to the Travel Claim form). Meals included in a convention or seminar fee, or otherwise provided, are not to be claimed. Alcoholic beverages are not to be claimed. Where travel is for a partial day, only meals that are applicable to the portion of the day spent on travel status are claimed.

Land

Where multiple parties are travelling to a common event, ridesharing should be utilized to minimize cost and greenhouse gas emissions.

Personal Vehicle

Employees using personal vehicles for travel will be reimbursed at the standard per kilometer rate (refer to the Travel Claim form). Maximum reimbursement may not exceed the cost of a standard economy air flight.

When a private automobile is used on approved CFDC of CIFN business, the owner is responsible to ensure adequate insurance coverage. I.C.B.C. regulations require that any vehicle driven in excess of 6 days per calendar month (a partial day is considered a day) for business purposes must have business coverage (Rate Class 007). Failure to have appropriate business insurance could invalidate the employee's coverage for certain claims.

Rental Vehicle

Rental will be approved when it is the most effective means of transportation. Reimbursement will be limited to amounts reasonable to the circumstance and normally will not exceed the rate for a standard compact vehicle. Insurance must be purchased at the time of rental and is reimbursable.

Other

Reasonable expenditures for taxis and public transportation to and from airports, railway stations, appointments, hotel locations and meeting places, including reasonable gratuities, will be reimbursed with receipts.

2.13 Policy: Holidays & Vacation

Effective Date:



VACATION/ANNUAL LEAVE

Definitions:

“Vacation Year” – For the purposes of this article a vacation year is the period beginning on the date an employee is hired, or on any anniversary of that date, and ending 12 consecutive months later.

“First Vacation Year” – The first vacation year is the calendar year in which the employee’s first anniversary falls.

A regular full-time employee will have an annual vacation entitlement as follows:

<u>Vacation Year</u>	<u>Workdays</u>	<u>Percent of Earnings</u>
Years 1 to 3	10	4%
Years 4 to 8	15	6%
Years 9 to 12	20	8%
Years 13+	25	10%

Employees who do not work full time shall have their vacation leave pro-rated according to hours worked.

Vacation Earnings for Partial Years

During the first partial year of service a new employee will earn vacation at the rate of one and one quarter (1-1/4) days for each month. Employees are encouraged to take their full allocation of vacation. Any unused vacation earned during the first partial year will be paid to the employee prior to the end of the fiscal year.

During the first and subsequent vacation years an employee will earn one-twelfth (1/12) of the annual entitlement for each month worked. Where an employee has requested and been approved to take more vacation than earned, the unearned portion taken shall be charged against future earned credits or recovered upon termination whichever occurs first.

Vacation Carry Over

An employee may, with the consent of the General Manager, carry over up to five (5) days’ vacation leave per vacation year for two (2) consecutive vacation years, to a maximum of ten (10) days which must be taken not later than the third consecutive vacation year.

Employees in their first partial year of service, who commenced prior to July 1st of that year, may carry over up to five (5) days vacation leave into their first vacation year. Unless otherwise specifically approved by the General Manager, an employee shall not receive cash in lieu of vacation time except upon termination, resignation or retirement.

Vacation Approval and Scheduling

All vacation requests must be approved by the supervisor/General Manager. The scheduling and completion of vacations shall be on a calendar year basis. The calendar year in which an employee’s first anniversary

falls shall be the first vacation year. For the purpose of additional leave entitlement, vacation shall be calculated at the start of the employee's anniversary in the year of employment.

An employee earns but is not entitled to receive vacation leave during the first three (3) months of continuous employment except as authorized by the General Manager.

Vacation schedules once approved shall not be changed, other than in cases of emergency. Preference in the selection and allocation of vacation time shall be determined on the basis of service seniority within each work unit. Where an employee chooses to split his/her vacation, his/her second choice of vacation time shall be made only after all other employees concerned have made their initial selection.

Vacation schedules will be circulated and posted by May 1st of each year and arranged by mutual decision of staff and subject to the approval of the General Manager. Office workload will be considered before giving approval.

Approved Leave of Absence with Pay During Vacation

When an employee qualifies for sick leave, bereavement, or any other approved leave with pay during his/her vacation period, there shall be no deduction from the vacation credits for such leave. The period of vacation so displaced shall be taken at a mutually agreed time.

Call back on Vacation

Employees who have commenced their annual vacation shall not be called back to work except in cases of extreme emergency and at the expense of the employer.

Term Employees

Term and casual employees shall receive vacation pay of 4% calculated on each paycheque.

Statutory Holidays

CFDC of CIFN recognizes these days as Statutory Holidays:

- New Year's Day
- Good Friday
- Easter Monday
- Victoria Day
- Indigenous Day
- Canada Day
- August Civic Holiday
- Labour Day
- Thanksgiving Day
- Remembrance Day
- Christmas Day
- Boxing Day

2.14 Policy: Leaves of Absence Effective Date:



LEAVES OF ABSENCE

General Leave - Unpaid

A full-time on-going employee may apply for and be granted general leave for good and sufficient reasons acceptable to CFDC of CIFN. Employees requesting such leave will file written application to the General Manager who will determine, on the basis of the merits of the application and the Corporation's operating situation, whether such leave will be granted.

An employee applying for such leave shall apply in writing to the General Manager at least one (1) month prior to the date the leave is desired to commence.

An employee who is granted a leave may not return to work prior to her/his scheduled return date, unless it agreed upon with CFDC of CIFN.

Sick Leave

All employees are entitled to a one and one-half (1-1/2) days per month paid sick leave. Sick leave may be accrued to a maximum of 36 days. Sick leave is for the sole purpose and benefit for an employee who is unable to perform his/her duties due to illness or injury of him/herself.

The General Manager may approve the use of employee sick leave in the case of sickness or injury to a member of his/her family. The General Manager, or designate, must certify that sick leave is justified, and that the employee has the necessary sick leave credits. Staff members will provide a doctor's note/medical certificate when they have been absent for three days or more.

Sick leave days taken in excess of sick leave credits accumulated will be considered days without pay. Accrued sick leave will not be paid out upon termination of employment.

Staff who are sick must ensure that the employer is notified as soon as possible. Failure to provide proper notice may result in disciplinary procedures being enacted. If, in the opinion of the General Manager, sick day entitlement is being abused, an employee performance evaluation may be conducted.

Maternity/Parental/Adoption Leave

Maternity and parental leave will be granted to employees in accordance with BC Labour Standards. Expectant employees must inform their supervisor at least 5 months prior to the due date accompanied by a medical certificate verifying pregnancy and due date.

Spouses or partners of pregnant employees will be entitled to leave in accordance with BC Labour Standards. In the case of adoption, employees are entitled to leave in accordance with Labour Standards upon verification that the adoption has been granted.

Bereavement Leave

For the purposes of this clause, immediate family is defined as father, mother (or alternatively, stepfather, stepmother, or foster parent), brother, sister, spouse, common law spouse, child of the employee, father-in-law, mother-in-law, and stepchild or ward permanently residing in the employee's household or with whom the employee permanently resides.

Bereavement leave with pay will be five (5) days for immediate family. Other leave will be at the discretion of the General Manager. The acceptable maximum bereavement leave per annum for any employee is 7 days.

Education/Training Leave

The General Manager is responsible for authorizing requests for education or training leave for employees. In making the determination to authorize leave, the needs of CFDC of CIFN take precedence. In making the determination to authorize leave, all employees must receive equitable consideration. Only employees who are considered to be permanent full or permanent part time are eligible for education or training leave. All resources and training materials accessed by the employee while taking paid education or training will become the property of CFDC or CIFN.

Upon the agreement between CFDC of CIFN and the employee, an educational leave without pay may be granted for up to a maximum of 24 months. Any employee granted such leave shall arrange to maintain benefit coverage pursuant to the benefits agreement. Unpaid education leave may be taken as full time or part time.

Leave for Court or Jury Duty

The General Manager must be notified of any required court leave to:

- Serve on a jury, or report for jury selection
- Serve as a witness
- Appear before a Judge or Umpire
- Appear before a Legislative Assembly

Any leave for court or jury duty shall be without pay.

Cultural Leave

In special circumstances the General Manager may authorize leave for cultural purposes. This leave is at the sole discretion of the General Manager.

2.15 Policy: Supplementary Activities Effective Date:



SUPPLEMENTARY ACTIVITIES

CFDC of CIFN is an apolitical organization. It is recognized that CFDC of CIFN has a significant role in furthering Indigenous Development and therefore it is beneficial for CFDC of CIFN, Board, General Manager, and/or Staff to participate in activities, committee, agencies and organizations that will assist CFDC of CIFN to achieve our mission and impact positive change.

Participation in activities that may be directly related to achieving the goals and objectives of CFDC of CIFN or in the annual work plan approved by the Board, shall be at the discretion of the General Manager. Any remuneration, including travel reimbursement, honoraria, per diem or other, must be disclosed to the General Manager and, at their sole discretion, disbursement of such will be determined.

No employee shall engage in outside employment or activities which will interfere with the efficient performance of the employee's duties or responsibilities as an employee of CFDC of CIFN. No employee shall engage in outside employment or activities which will:

- Occupy time during his/her working hours, or
- Involve duties that should be performed as part of his/her employment.

Any such outside employment or activities shall not involve a conflict of interest, real or perceived, or conflict with the employee's duties. Exceptions may be made with the consent of the General Manager upon full disclosure of circumstances.

Supplementary Activities may be, but are not limited to:

- Volunteer or paid, inclusive of honoraria or per diem, service for a non-profit or for-profit Society, Association, Corporation, Commission, Committee, Agency or Organization thereby placing undue additional demands on his/her time and/or energy.
- Holding or seeking to hold office in any capacity for any of the three constitutionally recognized Indigenous groups – Registered Indians, Metis or Inuit.
- Holding or seeking to hold office in any capacity for organizations representing any affiliation of Indigenous groups such as off-reserve Indians, Indigenous women's organizations or any other such group.
- Holding or seeking to hold any other political office – municipal, provincial or federal – including any political party or constituency office.

Should an Employee, including the General Manager, of CFDC of CIFN wish to seek office for any of the above, he/she may do so with the explicit written consent of the CFDC of CIFN Board and may seek a leave of absence without pay for any type of nomination or campaign. If successful, the Employee, including the General Manager will immediately submit his/her letter of resignation.

2.16 Policy: Workplace Impairment

Effective Date:



WORKPLACE IMPAIRMENT POLICY

CFDC of CIFN is accountable to create a safe environment for employees, clients, volunteers and members of the public. As per Sections 4.19 and 4.20 of the WorkSafe BC Occupational Health and Safety Regulations this duty includes addressing any issues, whether physical or mental, that may impair an employee's ability to perform their work functions responsibly.

In the application of sections 4.19 and 4.20, workers and employers need to consider the effects of prescription and non-prescription drugs, and fatigue, as potential sources of impairment. There is a need for disclosure of potential impairment from any source and for adequate supervision of work to ensure reported or observed impairment is effectively managed.

Overview

Impairment that may create an undue risk to the worker or anyone else is not acceptable or tolerated in the workplace.

The employer and employees must abide by the WorkSafe BC Occupational Health and Safety Regulations:

4.19 Physical or mental impairment

- (1) A worker with a physical or mental impairment which may affect the worker's ability to safely perform assigned work must inform his or her supervisor or employer of the impairment and must not knowingly do work where the impairment may create an undue risk to the worker or anyone else.
- (2) A worker must not be assigned to activities where a reported or observed impairment may create an undue risk to the worker or anyone else.

4.20 Impairment by alcohol, drug or other substance

- (1) A person must not enter or remain at any workplace while the person's ability to work is affected by alcohol, a drug or other substance so as to endanger the person or anyone else.
- (2) The employer must not knowingly permit a person to remain at any workplace while the person's ability to work is affected by alcohol, a drug or other substance so as to endanger the person or anyone else.
- (3) A person must not remain at a workplace if the person's behaviour is affected by alcohol, a drug or other substance so as to create an undue risk to workers, except where such a workplace has as one of its purposes the treatment or confinement of such persons.

Application

Fitness for Duty

All individuals working for CFDC of CIFN are expected to report fit for duty for scheduled work and be able to perform assigned duties safely and acceptably without any limitations due to fatigue, use or aftereffects of alcohol, illicit drugs, non-prescription drugs, prescribed medications, or any other substance that may impair judgment or performance.

CFDC of CIFN has taken the position that the presence of illicit drugs, recreational drugs, and alcohol in the workplace is not permitted.

Impairing Substances

Impairment is commonly thought to refer to only illegal or recreational drugs and alcohol. However, impairment can also result from prescription or non-prescription drugs, health issues (example, diabetic suffering from insulin instability), and mental or physical fatigue. Impairment resulting from any of the above may affect a worker's ability to work safely.

If Impairment is Suspected

If a supervisor or co-worker becomes aware of an employee who is showing signs of impairment (regardless of cause), it is very important that action is taken. Examples of corrective actions include but are not limited to:

- Call for first aid or emergency medical assistance, if necessary.
- Have the employee's supervisor talk to the employee in a private area to discuss their behavior.
- Ask another supervisor or designated person to be present as a witness.
- The supervisor should state the concerns about safety for others and themselves to the employee and request an explanation. Do not assume substances are the cause.
- Based on the employee response, discuss options, where applicable and available.
- Help employees seek treatment as necessary. Encourage access and use of support programs and reassure the employee that the services are voluntary and confidential.
- If necessary, call a taxi or have an employee escorted home; do not allow them to drive if you suspect impairment.
- Every discussion should be accompanied by an incident report. The report should include the events preceding the incident, identification of the employee's unsafe work practices, the matters discussed with the employee, a list of all actions taken, and any recommendations made to the employee.

It is not the employer or supervisor's duty to diagnose an employee, or to know if they have a disability. Employers can observe changes in an employee's attendance, performance, or behaviour. They can initiate a discussion about the issue(s) as related to work and discuss possible solutions. Document all discussions. Provide support and practice empathy, not sympathy. Focus on solutions, but if disciplinary action is necessary, it is important to follow through.

Consequences of Breach

Should there be reason to believe that an employee's job performance is being negatively affected by alcohol, legal, illegal or prescription drugs, or that this policy is being violated in anyway, CFDC of CIFN is entitled to inquire as to the nature of the problem and to take appropriate action, which may include disciplinary action.

CFDC of CIFN will differentiate between behaviour that is properly characterized as an illness or disability, and behavior that is not. Should an illness or disability be present, CFDC of CIFN will work with the employee towards a goal of rehabilitation and the duty to accommodate under the Human Rights Code.

2.17 Policy: Performance Reviews

Effective Date:



PERFORMANCE REVIEWS AND EVALUATIONS

Upon successful completion of the probationary period a comprehensive evaluation of ongoing CFDC of Central Interior First Nations Employees shall be conducted annually.

The General Manager or designate is required to conduct a comprehensive evaluation of all employees. Evaluations will be based on performance, conduct and objectives achieved, including budget management and supervision as appropriate.

Evaluation objectives are:

- To provide a structured opportunity for the Supervisor/General Manager to provide constructive feedback to the employee on how the employee is performing his/her job function.
- To review, and, as necessary, update the employee's job description.
- To provide a structured opportunity for the employee to provide feedback to the General Manager on recommendations that may improve CFDC of Central Interior First Nations functions and/or performance.
- To identify training needs.
- To agree on methods which will enable the General Manager or delegate and the Employee to improve the employee's job functions and performance.
- To assist the General Manager to determine the rate of pay, staff incentives, disciplinary action or termination.

In the event the performance evaluation indicates disciplinary action or termination is warranted, the process shall be as per the disciplinary policy.

At the discretion of the General Manager, employees may be placed on a trial period as per the trail period policy.

2.18 Policy: Harassment Policy

Effective Date:



HARASSMENT/ HUMAN RIGHTS POLICY

CFDC of Central Interior First Nations is committed to providing a working environment that is free from harassment and discrimination. The Corporation considers harassment of an individual to be an infringement of that individual's fundamental rights.

Harassment is a serious offence that may be subject to a range of disciplinary measures up to and including dismissal. Harassment may consist of a single incident, a continuous incident, or repeated incidents.

All employees, Board and clients of CFDC of CIFN have the responsibility to treat each other with dignity and to respect the rights of others. CFDC of CIFN will promote a climate of understanding and mutual respect for the dignity and worth of each employee person within our community.

Discrimination

For a practice to be considered discriminatory within the prohibitive grounds of discrimination, it must:

- Be reasonably perceived as a condition of employment (including availability or continuation of work, promotional or training opportunities) or of the provision of goods, services, facilities, or accommodation customarily available to the general public, or
- Influence decisions on such matters, or
- Interfere with job performance or access to or enjoyment of goods, services, facilities, or accommodations, or
- Humiliate, insult, intimidate, or otherwise poison the work environment of any individual.

The Canadian Human Rights Commission prohibits harassment in the workplace on the following prohibitive grounds of discrimination:

- Sex
- Sexual orientation
- Religion
- Race
- Disability
- Ethnic Origin
- Color
- Marital Status
- Ancestry
- Age
- Family Status
- Pardoned Criminal Offence

Sexual Harassment

One of the most serious forms of harassment is sexual harassment. This form of harassment is deliberate and unsolicited, and is generally comprised of sexual comments, gestures, or physical contact(s) that are objectionable or offensive on either a first-time basis or as a continuous series of incidents. It may also involve favors or promises of favors, or advantages in return for submission to sexual advances, or alternatively, the threat or reprisal for refusing them.

PROCEDURES

Any employee who believes that (s)he has a complaint of discrimination or harassment is encouraged to discuss the complaint with the respondent and to ask the respondent to stop the offensive behavior or to correct the action which resulted in discrimination or harassment.

If a complainant chooses not to make a direct request of the respondent, or if that request does not achieve a satisfactory result, a complaint may be lodged in accordance with the procedures set out below.

TIMELINES

It is recognized that time is of the essence in addressing complaints of harassment or discrimination. Every effort will be made to deal with the complaint in a timely manner. Each step of the applicable procedure should be responded to within 10 working days. Time limits are not binding upon CFDC of CIFN and may be modified as is reasonably necessary to accomplish the purpose of this policy and these procedures.

PROCEDURES

1. Inquiries or complaints will be presented to the General Manager.
2. All complaints must be in writing, and must contain details of the alleged discrimination, including the name of the respondent, particulars of the incident(s), date, time and place of the incident(s) and, where possible, the names of any witnesses.
3. The General Manager will advise the person(s) who submits an inquiry or complaint of this policy and its procedures.
4. The General Manager, in consultation with the Board Executive Committee, will determine whether an inquiry or complaint is within the scope of the policy, and will advise the person who submits the inquiry or complaint of this determination. If it is determined that the complaint is not within the scope of the policy, the complaint, and any other documentation in relation to it will not be kept.
5. If it is determined that the complaint is within the scope of this policy, the General Manager will:
 - (a) immediately inform the respondent in writing of the allegation(s);
 - (b) provide the respondent with written particulars of the complaint (if applicable);
 - (c) in confidence, and on a need-to-know basis, advise the Board that a complaint has been made.

Except in exceptional circumstances, complaints alleging harassment or discrimination which occurred more than six (6) months from the date of the most recent alleged incident(s) will not be processed.

6. CFDC of CIFN's legal responsibility to provide an environment free from discrimination, including sexual harassment, may obligate CFDC of CIFN to proceed in the absence of a complaint from the persons directly affected. In such cases, the General Manager will decide whether to proceed, and whether or not to proceed under this policy or pursuant to other CFDC of CIFN policies and procedures.

Informal Resolution

1. The General Manager may, where appropriate, endeavor to seek an informal resolution of the complaint. Informal resolution may include mediation, education or similar activities involving one or several of the parties concerned.
2. If an informal resolution is acceptable to both the complainant and the respondent, and a resolution is reached, the General Manager shall:
 - (a) prepare a Record of Resolution or conclusion or settlement to be signed by both parties;
 - (b) assist in bringing about whatever administrative or other action is needed to implement the resolution.

Investigation

1. In the event that the General Manager determines that an informal process is not appropriate, or in the event that an informal resolution is not reached, the General Manager may, in his/her discretion, arrange for a formal investigation to commence. If a formal investigation is warranted, the General Manager will determine whether the investigation will be carried out by internal personnel or by external resources based on the circumstances.
2. After completion of the investigation, the investigator will prepare a report setting out the nature of the complaint and findings of fact at the conclusion of the investigation.
3. The final investigation report will immediately be forwarded to the General Manager.

Findings

1. After reviewing the investigation report, the General Manager will consider the report, decide upon a course of action (if any) and provide a written decision to the complainant(s) and respondent(s). The report may be forwarded to the appropriate parties.
2. If the General Manager determines that the respondent has not discriminated against the complainant, (s)he will:
 - (a) dismiss the complaint;
 - (b) prepare a Record of Resolution which will be provided to the complainant and the respondent.
3. If the General Manager determines that the respondent has discriminated against the complainant, (s)he may:
 - (a) determine whether there has been any previous record of discrimination involving the respondent, in order to determine whether discipline is appropriate;
 - (b) if the respondent is an employee, review the employment records of the respondent in order to determine whether discipline is appropriate;
 - (c) impose appropriate discipline on the respondent;
 - (d) if the respondent is an employee, place the Record of Resolution in the respondent's personnel file;
 - (e) take any other steps that he/she deems necessary in the circumstances.
4. If the General Manager determines that the complaint is of a frivolous, vindictive, or vexatious nature, (s)he may take appropriate action (which may include discipline) against the complainant.
5. Any discipline imposed may be appealed as follows:

(a) in the case of an employee where discipline is imposed including but not limited to suspension or dismissal, the matter may be appealed to the Board



Temporary Removal

Where the complainant is, at the time of making the complaint, under the supervision of the respondent, then, at the request of the complainant, arrangements may be made for the work of the complainant to be evaluated by a disinterested party and, if necessary, for the complainant or respondent to be removed from the environment of the alleged discrimination pending the result of the investigation.

Records

1. All records will be kept confidential except as otherwise provided by the policy or as required by law.
2. CFDC of CIFN will keep a statistical record of complaints which will include:
 - (a) the nature of the complaint;
 - (b) the date of the complaint;
 - (c) the status of the complainant and the respondent (i.e. male, female, student, staff, etc.);
 - (d) if resolved informally, the nature of the resolution;
 - (e) the finding of the General Manager; and
 - (f) where applicable, the nature of the discipline imposed.
3. The statistical records will be summarized but will not be reported so as to identify the parties involved.

Complaints Involving the General Manager

1. In the event the General Manager is involved in the complaint as either the respondent, complainant, or witness, or finds him/herself in a conflict of interest, the Board Chair will assume the role of the General Manager in the above procedures.

2.19 Policy: Disciplinary Policy

Effective Date:

DISCIPLINE SUSPENSION AND DISMISSAL

Prior to taking disciplinary measures as per this policy, all reasonable steps shall be taken in an attempt to resolve the issue on an informal basis. On occasion, an employee's performance may require a formal method of disciplinary procedures.

No employee shall be disciplined, suspended, or discharged except for just cause and only on the written authority of the General Manager.

Progressive discipline steps shall be initiated for inappropriate conduct as warranted. The means of discipline, in order of increasing severity, include, but are not limited to:

- verbal warning – A record of the verbal warning will be placed in the employee personnel file;
- written warning;
- written censure or letter of reprimand;
- trial periods;

- suspension;
- dismissal.

One or more of the disciplinary steps may be applied in any given disciplinary case.

An employee shall be notified verbally of the reasons for any disciplinary action at the time the discipline is imposed. The disciplinary action shall be confirmed in writing within five (5) working days and shall include the reasons and the substance of every allegation against an employee.

If the employee chooses, he/she may bring a fellow employee with him/her as a witness.

Suspension/Dismissal

If, as a result of the meeting, the employee shall be suspended or dismissed, a full explanation of the reasons will be given to him/her by the General Manager. If the employee believes he/she has been discharged unfairly, he/she may appeal the decision as outlined below in the appeals policy. The General Manager will notify the Board in any instances of suspension or dismissal.

2.20 Policy: Appeals Policy

Effective Date:



APPEALS

An employee is entitled to appeal any decisions made as a result of any of the steps in the Discipline/Suspension/Dismissal policy. The General Manager shall provide the necessary information to the employee for the steps to be taken in the event of an appeal.

An appeal must be submitted in writing to the Board Chair within five (5) working days of the disciplinary procedure.

The Board of Directors, or subcommittee of the Board will consider the appeal and render a decision within 10 days. Decisions of the Board shall be final.

2.21 Policy: Dispute Resolution Policy

Effective Date:



DISPUTE RESOLUTION POLICY

CFDC of CIFN supports a process whereby all employees receive fair and equitable treatment at all times, and any differences and disputes will be resolved in an amicable manner.

Informal Dispute Resolution Procedure

Every effort shall be made to resolve problems through informal channels before using the formal process. The affected employee must request a meeting with the individual causing the dispute in an attempt to resolve the issue. Where a resolution is not reached, the affected employee may request a supervisor to try to facilitate a resolution. Both employees are entitled to be present at any meetings where the dispute is being discussed. If a resolution is not reached, the employee may initiate the formal dispute resolution procedure.

At any step within this process, the dispute may be resolved, withdrawn, or otherwise disposed of.

Formal Dispute Resolution Procedure

Where an employee has a dispute with another employee and has tried to resolve it through the informal dispute resolution procedure to no avail, the formal dispute resolution procedure may be used:

1. Advise the supervisor of the dispute in writing at the earliest opportunity.
2. The supervisor will investigate the dispute, speak with all parties and any witnesses, and provides a written decision. The supervisor will discuss the employee's concern and attempt to resolve the issue within five (5) working days.
3. If an agreement is reached at any stage of the formal procedure, the dispute shall be considered resolved.
4. If the employee is not satisfied with the written decision of the supervisor, he/she may appeal to the General Manager.
5. If the employee is not satisfied with the decision of the General Manager, the employee has the option of referring the matter to the Board or Board sub committee.
6. If a complaint is found to be without merit, and determined to be frivolous or vexatious, disciplinary action may be taken.
7. If the complaint is found to have merit, a record of the written decision, and disciplinary action, and all associated documentation will be placed in the guilty employee's personnel file.

Where the General Manager is involved, the Board Chair will assume the role of the General Manager in the above procedures.

2.22 Policy: Termination of Employment

Effective Date:



TERMINATION OF EMPLOYMENT

CFDC of Central Interior First Nations is 'contract dependent' for operations and staffing. Employees may be terminated on the termination of availability of funding for the position they hold. A temporary employee is to be advised in not less than five (5) days of the employee commencing work of the final date of any such employment. This notice of termination will be given by the General Manager.

Termination Due to Layoff

The General Manager may, if warranted, provide notice of termination at any time, even prior to a formal evaluation. Employees may be terminated due to lack of work, lack of funding, or elimination of positions or projects. Should this occur, adequate notice (or pay in lieu of notice) shall be given to the employee according to these policies.

Termination for Just Cause

An employee may be dismissed for specific reasons which are deemed to be just cause by the General Manager. Examples of just cause for immediate termination of employment include, but are not restricted to:

Breach of Confidentiality – An employee breaches the “Oath of Confidentiality” which he/she has signed.

Dishonesty – An employee mishandles funds or falsifies records or documents.

Incompetence – Violation of rules and regulations, habitual carelessness in his/her work or department, drinking of alcoholic beverages on the job, or insubordination.

Irregular Attendance – Frequent inexcusable absences; lateness for work appointments and meetings; misuse of sick leave; privileges and leaving the work site before the scheduled work hours are completed without permission from the General Manager or designated Supervisor.

Dismissal related to illness or injury is subject to the protection provided by Labour Standards. No dismissal solely based on medical reasons if the employee has 3 consecutive months of permanent employment with CFDC of Central Interior First Nations.

Should an employee no longer be able to meet the required conditions of employment termination may occur.

A probationary employee may, at any time during or at the end of his/her probationary period, be released with no severance or notice period.

A longer-term employee, serving a subsequent probationary period as a result of a lateral transfer or promotion, may at any time during or at the end of the probationary period, be returned to his/her previous position and/or rates of pay if, in the opinion of the General Manager, it is appropriate to do so.

A period of termination notice shall not coincide with an employee's annual vacation. In place of the notice CFDC of CIFN may provide severance pay equal to the amount of notice required.

CFDC of Central Interior First Nations will maintain all evaluations and related correspondence to the termination of an employee in the corresponding personnel file.

Termination by Employee

Should an employee decide to quit his/her job with CFDC of Central Interior First Nations, the employee is requested to provide a minimum of two (2) weeks' notice of his/her departure to the General Manager.

In the event of resignation by the employee, no payout pursuant to the termination provisions will apply. Employees who are laid off, or who have elected to terminate their own employment, are expected to maintain the highest level of work performance and productivity during the notice period.

Notice of lay-off provisions

Professional/Management – 2 weeks for each year of service (pro-rated) to a maximum of 6 weeks.

Technical – 1 week for each year of service (pro-rated) to a maximum of 4 weeks.

Administrative/Clerical – 1 week for each year of service (pro-rated) to a maximum of 4 weeks.

Casual/Temporary – 3 days under 1 year of service and 1 week after 1 year of service to a maximum of 2 weeks after 2 years of service.

In the event of resignation by the employee, lay-off provisions will not apply.

2.23 Policy Title: Exit Interviews
Effective Date:



EXIT INTERVIEWS

Where an ongoing employee who has been employed by CFDC of CIFN for longer than twelve (12) months terminates his/her employment, the General Manager will perform an exit interview to determine:

1. The reasons for their departure
2. Issues concerns or challenges they faced as an employee
3. Suggestions for improvement

The results of the exit interview shall be kept confidential and are for the sole purpose of creating a better work environment.

CFDC of CIFN Employee Exit Survey

Please complete the following exit survey to allow us to learn about your work experience with us. Your responses will remain confidential.

Question 1. If you are leaving to go to another company or organization, please tell us what caused you to start looking for other employment?

Question 2

Please indicate the main factors in your decision to leave CFDC of CIFN. (Check all that apply)

- Benefits
- Conflict with colleagues
- Conflict with supervisor
- Conflict with management
- Working environment
- Family / friends related issues
- Career development/Post Secondary
- Position ended
- Commuting
- Lack of job satisfaction
- Travelling / moving away
- Working hours
- Lack of prospects
- Rather not say
- Other, please specify... _____

About the Job

Question 3

What ultimately drove your decision to leave?

Question 4

How strongly would you agree or disagree with the following?

	Strongly agree	Agree	Cannot say	Disagree	Strongly disagree
The job was challenging	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The job was satisfying	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sufficient orientation and training were provided	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Your skills and experience were effectively utilized	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The workload was reasonable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
You clearly understood and felt a part of the institution's mission and goals	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Question 5

What, if anything, do you think can be improved about the job?

Question 6

How strongly would you agree or disagree with the following?

	Strongly agree	Agree	Cannot say	Disagree	Strongly disagree
Your supervisor was knowledgeable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Your supervisor ensured that you had sufficient training	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
You respected your supervisor	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Your supervisor recognized employees' contributions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Management was fair	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Management was pro-active	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Management provided clear policies and guidelines	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Management was effective at addressing job related issues	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Management provided encouragement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Management treated you with respect	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Management encouraged cooperation / collegiality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Question 7

What are your suggestions for management to help create a better workplace?

Question 8

What could your supervisor do to improve his or her management style and/or skill?

Question 9

How strongly would you agree or disagree with the following?

	Strongly agree	Agree	Cannot say	Disagree	Strongly disagree
The department worked efficiently	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The department had sufficient personnel	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The department had sufficient tools and equipment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

The department worked well with other departments

General

Question 10

We try to be an employee-oriented organization in which employees experience positive morale and motivation. What is your experience of employee morale and motivation at CFDC of CIFN?

Question 11

Was your development supported?

Question 12

While working with CFDC of CIFN how satisfied were you in the following areas?

	Very satisfied	Somewhat satisfied	Neither satisfied nor dissatisfied	Somewhat dissatisfied	Very dissatisfied
Remuneration	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Health benefits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other benefits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Hours of work	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Working environment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Vacation entitlement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Question 13

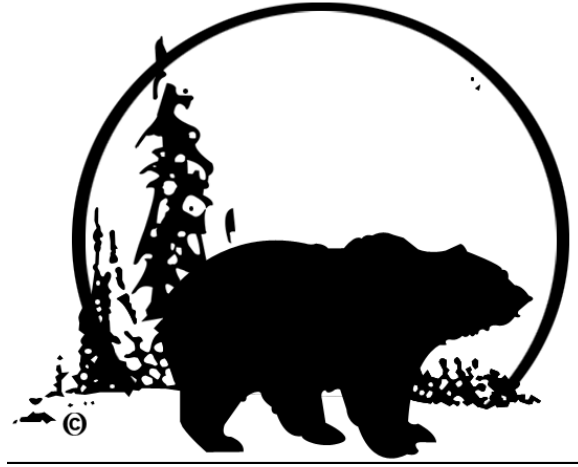
What are the key qualities and skills we should seek in your replacement?

Question 14

Please make any additional comments about your employment with CFDC of CIFN.

Thank you for completing the survey, your input is appreciated.

Community Futures of Central Interior First Nations



3.0 Financial Policies

3.1 Policy: Financial & Risk Management Policy

Effective Date:



RISK MANAGEMENT

The purpose of Risk Management is to identify risks as early as possible, mitigate those risks as much as possible, and develop and implement a risk management process as an integral part of CFDC of CIFN's operating procedures.

The General Manager is responsible for implementing this policy.

Policy

CFDC of CIFN shall:

1. Identify potential risks through the use of a Risk Register.
2. Ensure that risk management is an integral part of the operating procedures.
3. Identify and deal with risk in a proactive manner.
4. Discuss the risk register annually with staff to ensure comprehension and understanding.
5. Provide adequate resources for appropriate risk management mitigation.
6. Require training for individuals involved in high-risk activities.
7. Track risk mitigation actions.
8. Update and review the risk register annually and present it to the Board for approval.

3.2 Policy: Cheque Signing Authority

Effective Date:



CHEQUE SIGNING POLICY

All cheques issued on behalf of CFDC of Central Interior First Nations must be signed by a sufficient number of authorized persons and documented adequately.

RESPONSIBILITIES

It is the responsibility of the General Manager to ensure that:

- staff are aware of this policy;
- breaches of this policy coming to the attention of management are dealt with appropriately.

PROCESSES

All cheques must contain two eligible signatures. Eligible signatories are those approved by the CFDC of CIFN Board of Directors through a Board motion.

Any two of the above have the authority to sign cheques.

Signatories cannot sign a cheque made payable to themselves, or a blank cheque. All details on the cheque form must be filled in before signature.

3.3 Policy: Disposal of Assets

Effective Date:



FIXED ASSET AND EQUIPMENT DISPOSAL POLICY

Purpose:

- a) To ensure decisions made in relation to the disposal of fixed assets and equipment are in the best interest of CFDC of CIFN and that the process is open and fair to all employees and others participating in the process.
- b) To ensure the disposal of owned fixed assets and equipment are properly accounted for in the records and financial statements.

Policy:

- a) The General Manager is responsible for identifying and properly accounting for the disposal of all surplus fixed assets and equipment.
- b) All assets over \$ 1,500 in value must be professionally appraised.
- c) All asset disposals over \$ 5,000 in value must have the prior written approval of the board.

Procedures:

- a) A fixed asset or piece of equipment is identified by the General Manager as being obsolete, damaged beyond repair, completely depleted, beyond its economic life, or no longer required by CFDC of CIFN.
- b) The General Manager determines the value and determines if it needs to be appraised or requires Board approval.
- c) Unless approved to be specifically designated to a specified person or organisation the status of the asset is advertised for a minimum of two weeks.
- d) Payment for assets over \$ 5,000 in value must be in secured funds.
- e) As determined by the Audit committee, the General Manager shall process the transaction to account for the Disposal/Transfer/Sale of the asset at the time of disposal.
- f) The General Manager will report back to the board in writing when the disposal has been completed.

3.4 Policy: Donations

Effective Date:



DONATION POLICY

The Community Futures Development Corporation of Central Interior First Nations welcomes donations of any sort from the community, subject to the following:

1. the Board reserves the right to make the ultimate decision regarding the disposition of donations;
2. the Board is not obligated to accept donations;
3. the Board shall cause an accurate receipt to be issued for the donation.

3.5 Policy: Investments

Effective Date:



INVESTMENTS

Operating funds in excess of the amounts needed to meet anticipated cash requirements of the Corporation will be invested until such time as they are required. The General Manager determines anticipated cash requirements on a quarterly basis and a monthly minimum cash balance for operating purposes is determined. Cash forecasts are prepared regularly and if projections warrant it, new investments are purchased.

Operating and Endowment funds will be invested in separate portfolios.

Investments will be in compliance with provincial legislation and guidelines and will be established and maintained by the General Manager.

All investments will be made with the following objectives in priority order:

- a) Preservation of capital;
- b) Management of portfolio risk;
- c) Achieve high investment returns.

Investments can be made into any prudent securities including guaranteed investment certificates, government bonds or corporate bonds (minimum of AAA rated). Board approval is required prior to investment in other types of securities.

Investment portfolios will be sufficiently liquid to fund all disbursement obligations and commitments while maintaining diversification and sufficient returns.

Where investment products have a degree of market volatility, recovery plans in the event of an economic downturn will be established.

The General Manager will provide to the Board, through the Audit Committee, an annual Investment Strategy report which will include a report on the performance and status (including benchmarks/comparatives) of current investments.

The General Manager will provide oversight on selection of investment managers and evaluations of their performance and will develop and maintain appropriate conflict of interest guidelines.

3.6 Policy: Budget Effective Date:



Budget Policy

It is CFDC of CIFN policy that the Corporation follow generally accepted principles and practices of budgeting and have its operating and capital budgets approved by the Board of Directors annually.

Procedure: (Dates based on a fiscal year of April 1 – March 31)

1. The annual operating budget is the main tool the Board uses to monitor and plan the financial resources of the organization, and it is the method by which the organization links its goals to its resources.
2. Steps to Budget Development and Approval:
 - a. The General Manager develops a draft operating budget based on objectives and goals for the upcoming year (generated through the strategic plan and annual staff planning)
 - b. The operating budget are presented at the February Board meeting for review and discussion.
 - c. Budgets are presented at the March Board meeting for review and approval.
3. Operating within the Approved Budgets:
 - a. The General Manager and supervisors shall have the authority to spend within the approved operating budget.
 - b. The staff shall adhere to generally accepted procedures for approval (i.e., unbudgeted expenditures, authority limits)
4. Board Monitoring:
 - a. The operating budget will be used to monitor the financial activities of the organization by comparison to ***the monthly/quarterly*** financial statements, which will allow the Board to analyze the organization's financial status.
 - b. The financial statements must include:
 - Current Month.
 - Current Year-to-Date.
 - Previous Year-to-Date.
 - Year-to-Date Budget Variance.

This policy and procedures also apply to special project budgets that may be secured from time to time.

3.7 Policy: Budget Approval

Effective Date:



Budget Approval

The General Manager shall present to the Board an annual operating budget. The annual operating budget must be balanced or in a surplus position. If a deficit budget is presented, a deficit recovery plan must accompany the budget.

The Board of CFDC of CIFN shall approve the annual operating budget in advance or as early as possible to the beginning of the new fiscal year.

3.8 Policy: Banking Services

Effective Date:



BANKING SERVICES

The General Manager has the responsibility for ensuring that banking services provided to CFDC of CIFN meet the needs of the Corporation.

The General Manager shall request tenders for banking services at least once every five years, more often if (s)he deems necessary.

3.9 Policy: Collection of Revenues

Effective Date:



COLLECTION OF REVENUES

The General Manager has the responsibility for ensuring procedures and systems are in place to collect and account for all revenues due to Community Futures Development Corporation of Central Interior First Nations in a timely, accurate and efficient manner.

3.10 Policy: Discharge of Financial Obligations

Effective Date:



DISCHARGE OF FINANCIAL OBLIGATIONS

The General Manager will have the responsibility for ensuring that procedures and systems are in place to discharge all financial obligations of Community Futures Development Corporation of Central Interior First Nations in a timely, accurate and efficient manner.

All procedures and systems will comply with statutory requirements and generally accepted accounting principles.

3.11 Policy: Payments Over \$40,000

Effective Date:



PAYMENTS OVER \$40,000

Any payment to be made in the amount of \$40,000.00 or more requires Board approval.

Any cheques issued by CFDC of CIFN in the amount of \$40,000.00 will require approval of the CFDC of CIFN Board or Executive Committee.

Payments remitted to the following approved vendors are excluded from this policy:

- Receiver General for Canada

3.12 Policy: Capital Acquisitions

Effective Date:



CAPITAL ACQUISITION POLICY

A capital acquisition is defined as an asset that:

1. is tangible and complete;
2. is used in the operation of CFDC of CIFN's activities;
3. has a useful life of longer than the current fiscal year;
4. is valued at \$5,000.00 or above.

Capital acquisitions are amortized according to the Corporation's fixed assets procedures using the straight-line depreciation method.

3.13 Policy: Signing Authority for Contracts/ Proposals

Effective Date:



SIGNING AUTHORITY FOR CONTRACTS

The General Manager has signing authority and can legally bind the institute for all contracts up to \$200,000.00 where CFDC of CIFN is providing regular services. Contracts over \$200,000 require approval by Board motion.

Contracts funded by the Provincial and Federal Government, including Western Economic Diversification, are excluded from the requirement of Board approval.

3.14 Policy: Credit Card Effective Date:



CREDIT CARD

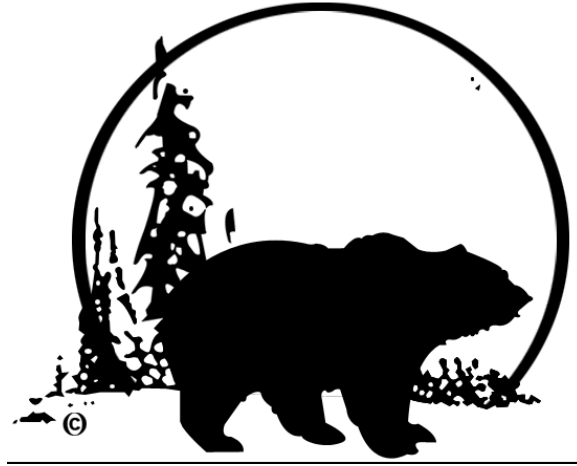
Policies

- CFDC of CIFN credit cards will be issued to the General Manager and other management staff upon approval of the CFDC of CIFN Board of Directors.
- Credit cards will be used only for business purposes. Personal purchases of any type are not allowed.
- The following purchases are not allowed:
 - Capital equipment and upgrades over \$5,000.
 - Personal items or loans
 - Any items deemed inconsistent with the values of CFDC of CIFN
- Cash advances on credit cards are not allowed.
- Cardholders will be required to sign an agreement indicating their acceptance of these terms. Individuals who do not adhere to these policies and procedures will risk revocation of their credit card privileges and/or disciplinary action.

Procedures

- Credit cards may be requested for prospective cardholders to the Board of Directors. Cards will be approved by Board motion.
- Detailed receipts must be retained and attached to the credit card statements. In the case of meals and entertainment, each receipt must include the date, time, names of all people involved in the purchase, and a brief description of the business purpose of the purchase, in accordance with Internal Audit controls.
- Detailed receipts must be submitted and approved within 10 days of receipt to enable timely payment of amounts due.

Community Futures of Central Interior First Nations



4.0 Operations Policies



4.1 Policy: Operating Principles/Structure

Effective Date:

OPERATING PRINCIPLES/STRUCTURE

CFDC of Central Interior First Nations promotes and provides community economic development support services to First Nations people within the Central Interior area. Through our objectives the Board will facilitate improved self-reliance of First Nations People in this area. As such, the CFDC of Central Interior First Nations office is dedicated to assisting the CFDC of Central Interior First Nations elected Board in these capacities. The general operating principles are:

- Promoting Indigenous community and economic development
- Providing Services in a proficient and effective manner
- Dedication to provision of professional service while adhering to the mandate, Policies and Procedures of CFDC of Central Interior First Nations
- Respect for CFDC of Central Interior First Nations, clients, communities, Board, Staff, other agencies, organizations and stakeholders while, where possible and appropriate, working in a cooperative, complementary manner in meeting our mandate.
- Maintaining a high administrative standard in the fulfillment of our responsibilities and delivery of our services.

Structure

CFDC of Central Interior First Nations is a federally incorporated, provincially registered not-for-profit organization. CFDC of Central Interior First Nations is governed by a volunteer Board of Directors nominated by the First Nations communities, agencies and organizations within the geographic area we serve. They are representative of the designated service area. The Board selects an Executive consisting of the Chairperson, Vice-Chairperson, Secretary and Treasurer.

The Board selects the General Manager who is ex-officio to the Board. The General Manager is directly accountable to the **Board Chairperson**. The General Manager constitutes the administrative arm of the Board.

~~The CFDC of Central Interior First Nations Board shall establish a Personnel Committee to be responsible for Staff recruitment and to oversee the management of the Personnel Policies. The Board may delegate some or all of these duties to the Executive Committee or the General Manager. The Personnel Committee or delegate reserves the right to leave a position vacant or to re-post if it determines that there are no qualified applicants for the position.~~

Only the General Manager is directly accountable to the Board and shall report directly to the Board through the Chairperson. The Personnel Policy manual shall be used by the General Manager to guide staff members in the course of their duties.

The responsibility for the administration of the Personnel Policies is delegated by the Board of Directors, to the General Manager, who, ~~in conjunction with the Personnel Committee, may also be~~ **is** responsible for recommending changes to this policy as required.

The General Manager is in charge of day-to-day supervision and management of CFDC of Central Interior First Nations. ~~All staff, including contractors and/or Consultants will report to the General Manager. This will include Board Members who may receive remuneration from CFDC of Central Interior First Nations in performance duties pertaining to the activities of CFDC of Central Interior First Nations.~~ The General

Manager, in consultation with the Board, may be delegated the authority to determine the office structure, including delegation of responsibility. (See organizational chart in the appendix.)

The General Manager will provide Board members with up-to-date information about staff structure annually and within 60 days of changes that may occur. This report will include all employees' names and positions as outlined on the organizational chart.

The Staff/Employees will be responsible for their designated responsibilities and will be directly accountable to the General Manager, or delegated authority, as outlined in their job description and the organizational chart.

Staff Structure and Responsibilities

The General Manager will regularly maintain and update an organization chart (dated). The organization chart will be made available to the staff and the Board and will always be attached to this manual. This chart will include the reporting structure and staff positions with names. ~~Board copies of the Manual will include approved job descriptions and salary grids.~~ When new positions are created, the **General Manager** Board or designate will approve the job responsibilities.

Classifications (TYPE) of staff are:

- General Manager, Accountable directly to the Board or designate and responsible for overall management of the CFDC of CIFN.
- Management. Staff members who are generally solely responsible for a particular area or project. These are primarily permanent or term full-time staff, and report directly to the General Manager. Hours of work and overtime provisions do not apply to Managers, Supervisors and employees who carry out Management functions.
- Professional/Technical. Staff members who assist managers and directly report to those managers.
- Clerical/Administrative. Staff members who act in a support capacity, providing assistance as defined by the organization chart.

4.2 Policy: Minute Taking

Effective Date:



MINUTE TAKING POLICY

Responsibility

The secretary is responsible for ensuring the minutes of all board meetings are recorded in accordance with this policy. If the secretary is unavailable, the board must appoint a delegate to fulfill the responsibilities of the secretary. The committee chair, or the committee if the committee chair is unavailable, is responsible for appointing a delegate for ensuring the minutes of all committee meetings are recorded in accordance with this policy.

Preparation of minutes

The secretary or delegate responsible for the minutes must record;

- the names and positions of all members in attendance at a meeting
- the names of all individuals reporting at a meeting,
- every approved and rejected motion,

The secretary or delegate responsible for the minutes need not record;

- the discussion on a motion or personal opinion of a member or individual in attendance
- motions withdrawn
- the content of reports given at the meeting

Endorsement of minutes

The secretary, chairperson, or committee chair must sign the minutes once the minutes have been approved by the board or committee. The secretary, chairperson or committee chair, must record on the approved minutes the date of the approval.

Record

The secretary must ensure that the minutes of each meeting are prepared and accessible to each member in a timely fashion. Once approved, the minutes of committee meetings must be provided to the secretary. The secretary must maintain a complete record of board meetings and committee meetings and must make minutes available to any director upon request.

4.3 Policy: Health & Safety

Effective Date:



HEALTH & SAFETY

CFDC of Central Interior First Nations is committed to providing a safe, healthy and environmentally responsible workplace for its employees.

It is the policy of CFDC of CIFN to:

- protect the safety of employees against accidents and occupational hazards
- comply with all relevant regulations and standards relating to occupational health and safety
- give priority to safe working conditions and job safety practices in the planning, direction and implementation of CFDC of CIFN activities
- ensure that new and regular employees are oriented and trained for their tasks.

The General Manager is accountable to maintain the standards that are required to meet this policy and will ensure that the pertinent regulations and safe work procedures are followed by all employees, and that adequate training is provided.

All employees are responsible for knowing and observing pertinent regulations in the work area and for following safe work procedures.

4.4 Policy: CFDC of CIFN Vehicles

Effective Date:



CFDC OF CIFN VEHICLES

CFDC of CIFN vehicles are available on a sign out basis for business use and should be utilized where possible to lessen travel expenses. Only CFDC of CIFN employees with valid driver's abstracts on file may drive the vehicles.

Smoking and pets are not permitted in Corporation vehicles.

4.5 Policy: Work Related Computer/ Cell Phone/ Telephone Usage

Effective Date:



ACCEPTABLE COMPUTER/LAPTOP USE

Principles

1. Employees are responsible and accountable for their use of computing technology at or on behalf of the Corporation.
2. While employees of CFDC of CIFN are granted access to computing resources for CFDC of CIFN and may use computing resources for the purpose of fulfilling their responsibilities, CFDC of CIFN reserves the right to limit, restrict or extend privileges and access.
3. Use of computing resources for outside business, commercial, or non-incidentual personal use is prohibited, unless such use is approved by the General Manager.
4. Incidentual personal use of computing technology services is acceptable but is limited to responsible activity that minimizes disruption of CFDC of CIFN business while attending to necessary personal affairs.
5. Users are required to preserve the privacy of data to which they have access and respect the privacy of other computer users.
6. CFDC of CIFN reserves the right to monitor usage and inspect data stored on its computer systems to ensure high quality performance of systems or when the Corporation believes that a policy violation has occurred.
7. Employees may not gain access to another member's account, alter or delete another's data, or in any way tamper with CFDC of CIFN owned computing systems without appropriate authority.
8. Any employee who uses the Institute systems to gain access to or distribute obscene, pornographic or hateful materials will be subject to appropriate discipline.
9. Employees may not use or distribute electronic materials of any kind in violation of the copyright ownership of such material.
10. For cases in which CFDC of CIFN believes a policy violation is also a violation of law, the Corporation will involve the appropriate authorities.

11. CFDC of CIFN reserves the right to determine appropriate guidelines for maintaining the security of our computer systems—which includes but is not limited to accounts, user security settings, password criteria—and expects all users of the computing systems to adhere to these guidelines.

4.6 Policy: Social Media

Effective Date:



SOCIAL MEDIA PERSONAL USE POLICY

Intent

CFDC of Central Interior First Nations strives to maintain a positive image in the community. This Social Media policy ensures that our staff members are aware of their responsibility to maintain a positive image as a representative of our organization. CFDC of CIFN employees and Board members that maintain personal social media pages (e.g. Facebook, LinkedIn, Blogs, Twitter, etc.) are expected to comply with the guidelines set out within this policy.

It is the expectation of CFDC of CIFN that staff act as representatives of this organization outside of regular business hours and should conduct themselves in a manner that is appropriate as per the Standards of Conduct policy.

Social media refers to all forms of electronic communication through which users create online communities to share information, ideas, personal messages and other content (Merriam-Webster Dictionary). These include but are not limited to: Facebook, Twitter, LinkedIn, Myspace

General Guidelines

CFDC of CIFN employees that maintain personal social media pages or accounts are required to comply with the following guidelines.

Employees will be held accountable for what they write or post on social media or internet pages. Inflammatory comments, unprofessional remarks or disparaging remarks made about the organization, its employees, clients, vendors or competitors will result in corrective action, up to and including termination.

Employees must be aware of and follow the guidelines below when making posts or comments on any social media site whether it is public or private.

1. Employees are expected to conduct themselves professionally both on and off duty. Where a staff member publicly associates with the company, all materials associated with their page may reflect on the company. Inappropriate comments, photographs, links, etc. are not permitted and may result in corrective action up to and including dismissal.

2. Posts involving the following will not be tolerated and will result in discipline:

- Proprietary and confidential company information;
- Discriminatory statements or sexual innuendos regarding co-workers, management, customers, or vendors; and
- Defamatory statements regarding the company, its employees, customers, competitors, or vendors.

3. Where an employee mentions CFDC of CIFN, they will be required to include a disclaimer stating that any opinions expressed are the employee's own and do not represent the company's positions, strategies, or opinions.

4. Employees that use these sites are prohibited from disseminating any private organizational information therein, or any negative comments regarding the organization.

5. CFDC of CIFN employees are prohibited from speaking on behalf of the organization unless explicitly authorized by the General Manager. Releasing confidential information, releasing news, or communicating as a representative of the organization without prior authorization to act as a designated CFDC of CIFN representative will result in disciplinary action.
6. Use of personal social media may not conflict with any of CFDC of CIFN's existing policies. This includes, but is not limited to, the Standards of Conduct Policy, Confidentiality Policy and social media Policy.
7. Company policies governing the use of copyright materials, corporate logos and other forms of branding and identity apply to electronic communications. Employees are prohibited from using CFDC of CIFN protected materials (copyright material, branding and/or logo(s)) without prior express written permission.
8. CFDC of CIFN strictly prohibits the use of company owned computer resources for use in the illegal download or upload of copyright materials. Legal upload or download of copyright materials must be work related and must have express written permission, and authorization from the copyright holder and the General Manager.

This policy is not intended to interfere with the private lives of our staff members or impinge on their right to freedom of speech. This policy is designed to ensure that CFDC of CIFN's image and branding are maintained.

Employees should abide by these guidelines whether they mention the company by name or not. Even if the name is not mentioned in a post, it is possible a link can be made back to the company which can negatively affect the company's reputation. Where a link can be made between a negative or inflammatory post and the Company, even if not named directly, the employee may be subject to corrective action.

Any employee who fails to follow the guidelines set out in this policy may be subject to corrective action up to and including termination of employment.

Clients

Employees should also be aware that many clients frequently use mobile phones and other devices to take photographs or recordings. Employees should always represent the company in a positive and professional manner so negative images are not posted on social media sites of clients.

Employees who are photographed or recorded acting inappropriately or unprofessionally may be subject to disciplinary action, up to and including termination or employment.



4.7 Policy: Confidentiality

Effective Date:

CONFIDENTIALITY POLICY

In the course of employment, CFDC of CIFN employees may have access to, or become aware of, confidential or proprietary information of CFDC of CIFN or our clients who has provided such information to the Corporation.

1. Protecting confidential information is an important practice for the CFDC of CIFN. Employees are expected to be familiar with and comply with the CFDC of CIFN Confidentiality Agreement.
2. Confidential information refers to information that becomes available to an employee as a result of his or her employment and is not otherwise generally available. Confidential information includes business, proprietary, technical, operational, financial, legal, and personal information relating to personnel, contractors, suppliers, or clients and all other information that the Corporation treats as confidential.
3. Employees are required to maintain the confidentiality of information with which they work or have access to and must protect such information from loss, theft, misuse and improper disclosure. Employees must notify their supervisor if they have reason to believe that confidential information has been compromised.
4. Employees must not use or disclose confidential information received in the course of their employment without appropriate prior authorization.
5. Employees should not disclose or use confidential information to further their own interests or for other unauthorized purposes, such as to benefit friends or family (as per the Conflict-of-Interest policy).
6. Employees should seek guidance from the General Manager or their supervisor if they have any questions as to whether certain information is confidential.
7. The requirements with respect to use, disclosure and protection of confidential information apply throughout and continue after employment with CFDC of CIFN ends.

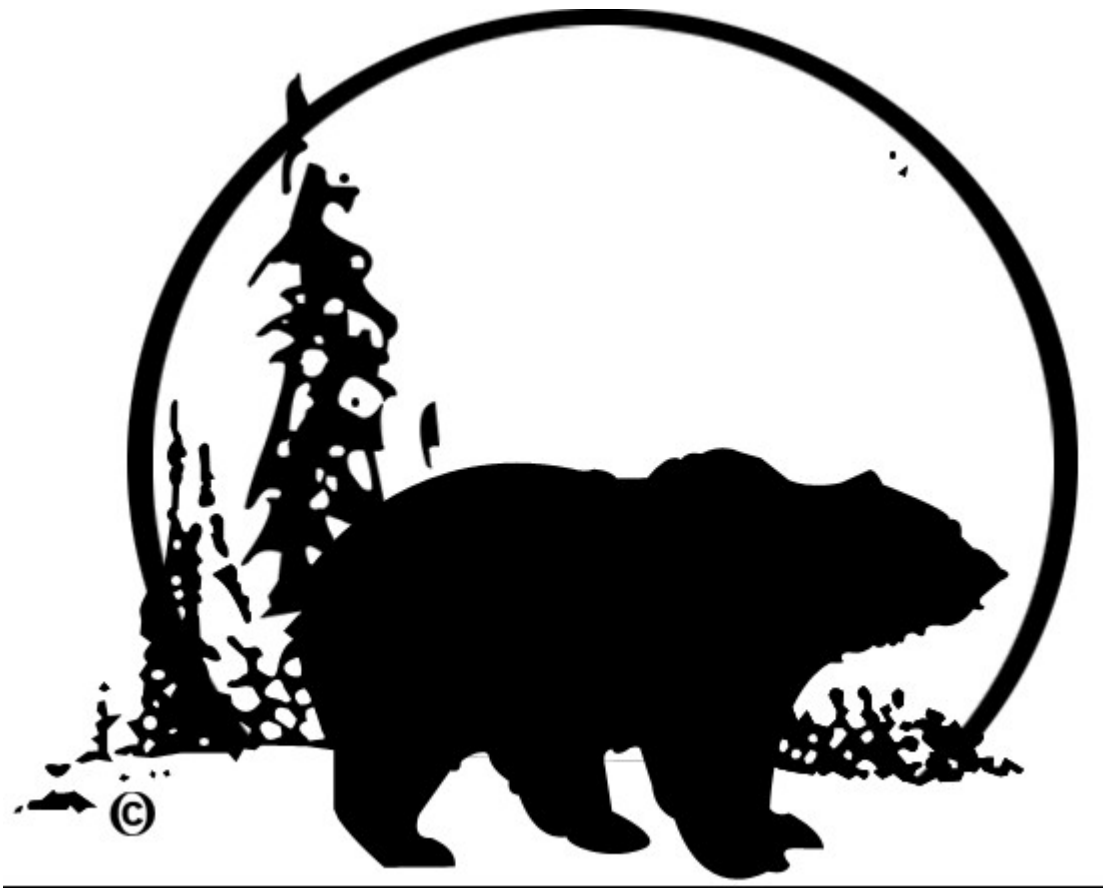
4.8 Policy: Privacy Policies

Effective Date:



PRIVACY POLICY

1. CFDC of CIFN is committed to protecting the privacy of clients and individuals from whom it collects personal information.
2. Personal information is protected by privacy laws.
3. In general, employees may access personal information only when and to the extent it is required by their job and may only disclose personal information for authorized purposes. Employees must take all reasonable steps available to protect the privacy of anyone whose personal information is held by CFDC of CIFN.



Community Futures Development Corporation of Central Interior First Nations

Loans Policy and Procedure /

Operational financial policy section 5

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1.0 CFDC of CIFN Loan Policy

1.1 Purpose

- (1) CFDC of CIFN serves Indigenous communities within the Thompson, Shuswap, Nicola, Fraser Canyon, Lillooet, and Okanagan areas. This includes persons, groups, or businesses living both on and off reserves as well as in urban or rural settings. The Boards' main objectives include the creation and strengthening Indigenous business development and formation of programming and support measures to prepare Indigenous people entering the labour market.

1.2 Types of Financial Assistance

- (1) The investment fund is designed to provide several forms of assistance, including the following (Approved by Executive, Ratified by Full Board):
 - (a) Direct loans up to \$125,000;
 - (b) Direct Guarantees up to \$125,000;
 - (c) Cultural Livelihood up to \$25,000;
 - (d) Micro loans general up to \$25,000; and
 - (e) Micro loans up to \$10,000 (Requires General Manager Approval – Board Ratification)
- (2) Eligible applicants include Indigenous persons, businesses, and communities within the central interior and further upon request. Eligible applicants will be able to contribute to the training, employment, or economic development of Indigenous peoples of the area and who have economically viable or deemed to be potentially viable projects. Special provisions are made for the establishment of self-employed family enterprises.

1.3 Objectives

- (1) The investment fund has the following objectives:
 - (a) Establish self-sustaining funds owned by Indigenous people to promote business establishment and Indigenous employment.
 - (b) Develop and enhance the opportunities for business and investment by Indigenous enterprise.
 - (c) Develop and enhance the number of successful Indigenous entrepreneurs and the level of Indigenous employment; and
 - (d) Actively pursue the advancement of Indigenous people and their involvement in economic business development.
- (2) These objectives will be achieved by:
 - (a) Providing a source of capital for Indigenous people for economic development both on and off the reserves.
 - (b) Ensuring that Indigenous people engaged in business have basic information as to where

CFDC OF CIFN Loans Policy and Procedure

to find managerial, professional, and technical services necessary for the successful operation of their business; and

- (c) Helping achieve integration of Indigenous businesses with the outer business community to help optimize opportunities for economic development.

1.4 Lending Practices

- (1) CFDC of CIFN lending practices will focus on character, capacity, and capability rather than collateral, capital, cash flow and conditions.
- (2) Personal covenants to individuals, corporate borrowers, or third parties will indicate a willingness and ability to honor commitments.
- (3) Personal supporters and guarantors of direct loans, whether they be an individual or a corporation, will have sound financial ability and a proven track record. Further, personal supporters and guarantors should not have a financial stake in the proposals they are supporting.
- (4) The financial status and debt servicing ability of borrowers will be substantiated by current financial records and reports. Loan agreements must require clients to provide accurate accounting records, statements, and reports within reasonable time limits.

1.5 General Lending Principles

(1) Client Disclosure:

CFDC of CIFN's disclosure to all clients will be open, honest, fair, and complete to the best of their knowledge.

(2) Market Focus:

The investment fund will focus its attention on establishing Indigenous businesses within the central interior and further upon request.

1.6 Operating Philosophy for Funding the Investment Fund

1.6.1 Purpose

- (1) The investment fund is to be used for comprehensive programs that enhance economic development. The investment fund is primarily a source of loan financing for individual owned Indigenous businesses.
- (2) The investment fund will increase economic opportunity, training, employment, and wealth thereby enhancing the quality of life for Indigenous people.
- (3) The goals of the investment fund will be accomplished through the following:
 - (a) pre-loan client counselling;
 - (b) client assistance regarding preparation of business plans;

- (c) advice on contribution funding sources available to Indigenous clients, materials as provided to CFDC of CIFN by various funding sources; and
- (d) post-loan business counselling.

1.7 Lending and Investment

- (1) Any changes or recommendations to the Lending and Investment Policy will be presented to the Board for approval at any duly convened board meeting.
- (2) The Executive Committee is authorized to approve all direct loans and direct loan guarantees. Loans to any one individual directly or indirectly through partnership, company, sole proprietorship should not exceed \$125,000.
- (3) Members of the Executive Committee and the Board must be in Good Standing with the CFDC of CIFN.
- (4) The CFDC of CIFN will not make a loan to, or guarantee the repayment of a loan made to, a director, officer, or employee of the CFDC of CIFN or to a partnership in which a director or employee is a partner.
- (5) The CFDC of CIFN will not make a loan to guarantee the repayment of a loan to, or purchase shares in, an incorporated business in which an officer or employee of the CFDC of CIFN has decision-making responsibilities in relation to investment fund applications, or to an incorporated business in which a director of the CFDC of CIFN has a significant business interest.

2 Loan Programs

- (1) For the purposes of all loan programs an Indigenous person is one of the following:
 - (a) Status Indian;
 - (b) Non-Status Indian;
 - (c) Inuk; or
 - (d) Metis.
- (2) The CFDC of CIFN will not make any loans to a director, officer, or employee of the CFDC of CIFN or to a partnership in which a director, officer, or employee is a partner.
- (3) The CFDC of CIFN will not make a loan to an incorporated business in which an officer or employee of the CFDC of CIFN has decision-making responsibilities in relation to investment fund applications, or to an incorporated business in which a director of the CFDC of CIFN has a significant business interest.

2.1 Aboriginal Entrepreneurship Program

- (1) Information about the Aboriginal Entrepreneurship Program can be found in the CFDC of CIFN Business Plan Workbook.

2.2 Emergency Loan Program

2.2.1 About the Emergency Loan Program

- (1) The Emergency Loan Program (ELP) is a component of the Indigenous Business Stabilization program provided by the CFDC of CIFN with the assistance of the Canadian Government.
- (2) The ELP is designed as an emergency measure to support small businesses owners in meeting their immediate operating cash flow needs. The funds provided through the ELP are not intended to replace or duplicate government or other lender emergency funds available to Canadian businesses.
- (3) Indigenous owned businesses negatively impacted by COVID-19 can apply for funding through the ELP to support their immediate working capital and operational needs.
- (4) In times of emergency, the ELP aims to provide the ability to access business opportunities when they arise to promote business continuity and survival.

2.2.2 Eligible Applicants

- (1) The ELP is for Indigenous businesses negatively affected by COVID-19.
- (2) Directors, officers, and employees of CFDC of CIFN will not be eligible to access the ELP however the CFDC of CIFN may assist in finding partnering organizations to assist when appropriate.

2.2.3 Parameters

- (1) The maximum amount of a ELP loan is \$40,000 comprised of a 75% loan and 25% non-repayable grant issued together.
- (2) A ELP loan has a maximum term of 48 months.
- (3) There are no payments within the first 12 months of obtaining a ELP loan. Payments will begin on the 13th month and are fully amortized over the remainder of the term.
- (4) Principle repayments may be repaid without penalty any time after six months of issuance.
- (5) Eligible expenses are non-deferrable operating expenses, including, but not limited to:
 - (a) payroll;
 - (b) rent;
 - (c) utilities;
 - (d) insurance;
 - (e) property tax; and
 - (f) regularly scheduled debt service.
- (6) Emergency measures include, health and safety improvements, workplace sanitization, procedures to secure employee safety, and procedures to prepare the business for opening.
- (7) Ineligible expenses include payments and/or expenses relating to, prepayment or refinancing of existing debt, dividends, distributions, and increases in management compensation.

2.3 All Nations Trust Company

- (1) Information about the All-Nations Trust Company can be found in the CFDC of CIFN Business Plan Workbook.

2.4 Business Equity Fund

- (1) Information about the Business Equity Fund can be found in the CFDC of CIFN Business Plan Workbook.

2.5 First Citizens Fund

- (1) Information about the First Citizens Fund can be found in the CFDC of CIFN Business Plan Workbook.

2.6 New Relationship Trust

- (1) Information about the New Relationship Trust can be found in the CFDC of CIFN Business Plan Workbook.

2.7 Cultural Livelihood

2.7.1 About Cultural Livelihood

- (1) The Cultural Livelihood (CL) loan program aims to support cultural businesses involving artisans, hunters, gatherers, harvesters, and traditional medicines.

2.7.2 Eligible Applicants

- (1) The CL loan program is available to Indigenous applicants ages 18 and over.

2.7.3 Parameters

- (1) The CL loan program supports a loan up to \$15,000.00.
- (2) The CL loan program is not for refinancing existing debt.

2.8 Micro Loans

- (1) Micro Loans are considered loans up to \$25,000.00 Board approved or loans up to \$40,000.00 General Manager approved.

3 Credit Management

3.1 Products

3.1.1 Term Loans

- (1) Most loans will be medium-term loans repayable within 1 – 3 years. Medium-term loans are generally needed where funds are required to purchase products that would be deemed either a capital asset or an investment in revenue such as equipment, machinery, leasehold improvement, and cultivation and seeding.

3.1.2 Letter of Guarantee

- (1) A Letter of Guarantee may be made on behalf of a client to secure outsidecommercial financing or a contract.

3.1.3 Syndicated Loans

- (1) Syndicated loans will be evaluated in the same manner as all other loans. CFDC of CIFN will conduct an internal analysis to determine both the viability and acceptability of risk.

3.1.4 Interest Rates

- (1) Interest rates fluctuate and will be determined at the discretion of the Executive Committee, the Business Analyst - Loans, and the General Manager. Considerations may involve the type of security, the length of the loan, the strength of the applicant, and any other factors that the CFDC of CIFN deems appropriate.
- (2) Candidates who provide a positive credit score as well as acceptable security are generally considered to be lower risk and may be eligible for a lower interest rate.
- (3) Candidates of good character who provide a lower credit score and who may not have acceptable security are generally considered to be higher risk and will be eligible for an interest rate that appropriately accounts for such risk.

3.2 Restrictions

- (1) Short term operating lines of credit will not form part of the primary focus for CFDC of CIFN lending.
- (2) Payment will be restricted to a maximum of 84 months.

3.3 Financial Ratios

- (1) Two ratios that should be considered are debt servicing coverage and debt to equity coverage.

3.5 Loan Portfolios Available

3.5.1 General Portfolio

- (1) Available for any worthwhile business purpose which cannot be met by other loan portfolios held by CFDC of CIFN.
- (2) Maximum loan amount is \$125,000. This amount may be exceeded on exceptional bases as approved by the Board.
- (3) Funds may not be used to refinance existing debt.

3.5.2 Disability Investment Fund

- (1) Available to applicants with self-declared disabilities and any worthwhile business purpose.
- (2) Maximum loan amounts up to \$125,000.

- (3) Funds may not be used to refinance existing debt.

3.5.3 First Nations & Inuit Youth Investment Fund

- (1) Available to applicants ages 15 to 18 with any worthwhile business purpose.
- (2) Maximum loan amount is \$3,000.
- (3) Youth aged 19 -29 years are eligible for all lending programs
- (4) Funds may not be used to refinance existing debt.
- (5) A refund of 1/3 of the interest paid annually on the date the original loan was granted maybe available to clients at the discretion of CFDC of CIFN.

3.5.4 Community Business Development Fund (NACCA Agri Ease of Access) Formerly ForestRenewal British Columbia

- (1) Available for any worthwhile forestry related purpose.
- (2) Maximum loan amount is \$75,000.
- (3) Funds may not be used to refinance existing debt.

4 Portfolio Management and Monitoring

4.1 Staff requirements

- (1) The investment fund must have qualified staff who have the time and skills to monitor loans, assess status, risk rate, and deal with loans that are not operating satisfactorily aswell as non-performing loans.
- (2) Regular monitoring and loan reviews are required to identify problems early and minimize loss.

4.2 Monitoring

- (1) All loans will be monitored according to the terms and conditions of the loan agreement and as required on a periodic basis, but not less than annually.

4.3 Loan Review

- (1) All loans will be reviewed at least annually and will be eligible for renewal if operating in a satisfactory manner.
- (2) A loan review entails that the security is current and in order.

4.4 Reporting Watch List and Non-Performing Loans

4.4.1 Classifying the Loan Upon Review

- (1) Loans will be reviewed quarterly and categorized as either satisfactory, watch list, or non-performing.
- (2) Loans designated as watch list and non-performing loans will be reported to the Board on at least a quarterly basis.

4.4.2 'Satisfactory' Loans

- (1) Satisfactory loans are loans operating according to the terms of the loan agreement and do not have any of the characteristics of a non-performing loan. Satisfactory loans will be monitored on a normal basis.

4.4.3 'Watch List' and 'Non-Performing' Loans

- (1) Watch list loans are loans that are not operating satisfactorily. The designated officers responsible will undertake appropriate action.
- (2) Non-performing loans are loans for which either of the following apply:
 - (a) payments are over 90 days in arrears (principal only); or
 - (b) an event of default has occurred.
- (3) Loans designated as watch list or non-performing loans will only be re-instated to a satisfactory loan status if all arrears have been paid up to date and if the events of default have been corrected.

4.5 Accounting – Interest

- (1) Interest will not be accrued on loans designated as non-performing unless there are reasonable grounds to believe both the principal and interest are fully collectable.
- (2) When interest arrears reach 6 months, accrual shall cease, and the interest accrued to that time shall be reversed from revenue.
- (3) Any payments received after the 6-month period will be applied first to the principal and then to interest so that interest revenue is not distorted.

4.6 Debt Collection Costs

- (1) All debt collection costs will be charged to the investment fund and not debited to the operating fund.

4.7 Provision for Losses

- (1) An acceptable provision for losses is currently set at ten (10) percent in investment fund loans.

4.8 Write-Offs

- (1) All loan write-offs will be approved by the Board upon recommendation by the General Manager.

5 Pacific Economic Diversification (PacifiCan) Reporting

- (1) Once the loans have all been input properly and the settings have been configured for Fern, it will be possible to track PacifiCan reporting metrics.
- (2) The Pacific Economic Diversification Performance Report Manual is included as Appendix 5.

5.1 NACCA Reporting

5.1.1 Fern Generates an ADLA Report

Administration and Loans departments required to input numbers and statistics in this area.

6 Financial and Risk Management Policy – General Policy includes Operations

6.1 Risk Management

- (1) The purpose of risk management is to identify risks as early as possible.
- (2) The goals of risk management are to mitigate risk as much as possible and to develop a risk management process that continues to be an integral part of CFDC of CIFN's operating procedures.
- (3) The General Manager is responsible for implementing the risk management policy.
- (4) In creating the risk management policy, the CFDC of CIFN will:
 - (a) identify potential risks using a risk register;
 - (b) ensure that risk management is an integral part of the operating procedures;
 - (c) identify and deal with risk in a proactive manner;
 - (d) discuss the risk register annually with staff to ensure comprehension and understanding;
 - (e) provide adequate resources for appropriate risk management mitigation;
 - (f) require training for individuals involved in high-risk activities;
 - (g) track risk mitigation actions; and
 - (h) update and review the risk register annually and present to the Board for approval.

6.2 Cheque Signing Policy

- (4) All cheques issued on behalf of CFDC of CIFN must be signed by enough eligible signatories and documented adequately.
- (5) All cheques must contain two eligible signatures. Eligible signatories are those signatories approved by the Board by a motion passed by the Board.
- (6) Eligible signatories have the authority to sign cheques.
- (7) Eligible signatories cannot sign blank cheques or cheques made payable to themselves.
- (8) All details on the cheque form must be filled out in advance of being signed.
- (9) It is the responsibility of the General Manager to ensure that staff are aware of the cheque signing policy.
- (10) The General Manager will ensure that breaches of this policy are brought to the attention of the Board and appropriately dealt with.

6.3 Fixed Asset and Equipment Disposal Policy

6.3.1 Purpose

- (1) To ensure that decisions made in relation to the disposal of fixed assets and equipment are in the

best interests of CFDC of CIFN and that the process is open and fair to all employees and others participating in the process.

- (2) To ensure the disposal of fixed assets and equipment are properly accounted for in the records and financial statements.

6.3.2 Policy

- (1) The General Manager is responsible for identifying and properly accounting for the disposal of all fixed assets and equipment.
- (2) All assets over \$1,500 in value must be professionally appraised.
- (3) All asset disposals over \$5,000 in value must have the prior written approval of the Board.

6.3.3 Procedures

- (1) A fixed asset or piece of equipment is identified by the General Manager as being one of:
 - (a) obsolete;
 - (b) damaged beyond repair;
 - (c) completely depleted;
 - (d) beyond its economic life; or
 - (e) no longer required by CFDC of CIFN.
- (2) The General Manager determines the value and determines if the fixed asset or equipment needs to be appraised or requires Board approval.
- (3) Unless approved to be specifically designated to an individual or organization, the status of the asset will be advertised for a minimum of two weeks.
- (4) Payment for assets over \$ 5,000 in value must be in secured funds.
- (5) The General Manager shall process the transaction to account for the disposal, transfer, or sale of the asset at the time of disposal as determined by the Executive Committee.
- (6) The General Manager will report to the Board in writing indicating that the disposal, transfer, or sale has been completed.

6.4 Donation Policy

- (1) The CFDC of CFN welcomes donations of any sort from the community, subject to the following:
 - (a) the Board reserves the right to make the ultimate decision regarding the disposition of donations;
 - (b) the Board is not obligated to accept donations; and
 - (c) the Board shall cause an accurate receipt to be issued for the donation.

6.5 Investments

- (1) Operating funds more than the amounts needed to meet anticipated cash requirements of the corporation will be invested until such time as they are required.
- (2) The General Manager determines anticipated cash requirements on a quarterly basis and a monthly minimum cash balance for operating purposes is determined. Cash forecasts are prepared regularly and if projections warrant such, new investments are purchased.
- (3) Operating and endowment funds will be invested in separate portfolios.
- (4) Investments will follow provincial legislation and guidelines and will be established and maintained by the General Manager.
- (5) All investments will be made with the following objectives, in priority order:
 - (a) preservation of capital;
 - (b) management of portfolio risk; and
 - (c) achieving high investment returns.
- (6) Investments can be made into any prudent securities, including guaranteed investment certificates, government bonds, or corporate bonds with a minimum of AAA rating. Board approval is required prior to investment in other types of securities.
- (7) Investment portfolios will be sufficiently liquid to fund all disbursement obligations and commitments while maintaining diversification and enough returns.
- (8) Where investment products have a degree of market volatility, recovery plans will be established in the event of an economic downturn.
- (9) The General Manager will provide to the Board through the Executive Committee, an annual Investment Strategy report which will include a report on the performance and status. This report will include benchmarks and comparatives of current investments.
- (10) The General Manager will provide oversight on:
 - (a) the selection of investment managers;
 - (b) evaluations of investment manager performance; and
 - (c) developing and maintaining appropriate conflict of interest guidelines.

6.6 Budgeting

- (1) CFDC of CIFN should follow generally accepted principles and practices of budgeting. CFDC of CIFN must have its' operating and capital budgets approved by the Board annually.

6.6.1 Procedure

***Dates based on a fiscal year of April 1 – March 31*

CFDC OF CIFN Loans Policy and Procedure

- (1) The annual operating budget is the main tool the Board uses to monitor and plan the financial resources of the organization, and it is the method by which the organization links its goals to its resources.
- (2) Steps to budget development and approval.
 - (a) The General Manager develops a draft operating budget based on the objectives and goals for the upcoming year through the strategic plan and annual staff planning.
 - (b) The operating budget is presented to the Board at the February meeting for review and discussion.
 - (c) Budgets are presented to the Board at the March meeting for review and approval.
- (3) To operate within the approved budgets:
 - (a) the General Manager and supervisors shall have the authority to spend within the approved operating budget; and
 - (b) the staff shall adhere to generally accepted procedures for approval such as unbudgeted expenditures and authority limits.

6.6.2 Board Monitoring

- (1) The operating budget will be used to monitor the financial activities of the organization by way of comparison to the monthly/quarterly financial statements to allow the Board to analyze the organization's financial status.
- (2) Financial statements must include:
 - (a) the current month;
 - (b) the current year-to-date;
 - (c) the previous year-to-date; and
 - (d) the year-to-date budget variance.
- (3) This policy and procedure also applies to special project budgets that may be secured from time to time.

6.6.3 Budget Approval

- (1) The General Manager will present to the Board an annual operating budget which must be balanced or in a surplus position.
- (2) If a deficit budget is presented, a deficit recovery plan must accompany the budget.
- (3) The Board shall approve the annual operating budget in advance or as early as possible to the beginning of the new fiscal year.

6.7 Banking Services

- (1) The General Manager has the responsibility of ensuring that banking services provided to CFDC of CIFN meet the needs of the corporation.

- (2) The General Manager shall request tenders for banking services at least once every five years, with discretion to request more often if they deem necessary.

6.8 Collection of Revenues

- (1) The General Manager has the responsibility of ensuring that procedures and systems are in place to collect and account for all revenues due to CFDC of CIFN in a timely, accurate and efficient manner.

6.9 Discharge of Financial Obligations

- (1) The General Manager will have the responsibility of ensuring that procedures and systems are in place to discharge all financial obligations of CFDC of CIFN in a timely, accurate and efficient manner.
- (2) All procedures and systems will comply with statutory requirements and generally accepted accounting principles.

6.10 Payments Over \$40,000

- (1) Any payment to be made in the amount of \$40,000 or more requires approval by the Board.
- (2) Any cheques issued by CFDC of CIFN in the amount of \$40,000 will require approval of the Board or the Executive Committee.
- (3) Payments remitted to the Receiver General of Canada are excluded from this policy.

6.11 Capital Acquisition

- (1) A capital acquisition is defined as an asset that:
 - (a) is tangible and complete;
 - (b) is used in the operation of CFDC of CIFN's activities;
 - (c) has value that will extend beyond one year of use; and
 - (d) is valued at \$5,000 or more.
- (2) Capital acquisitions are amortized according to the Corporation's fixed assets procedures using the straight-line depreciation method.

6.12 Signing Authority of Contracts

- (1) The General Manager has signing authority and can legally bind the institute for all contracts up to \$200,000 where CFDC of CIFN is providing regular services.
- (2) Contracts over \$200,000 require a motion passed by the Board except those contracts funded by the Provincial and Federal Government, including PacifiCan.

6.13 Credit Card

6.13.1 Policies

- (1) CFDC of CIFN credit cards will be issued to the General Manager and other management staff upon approval of the Board.
- (2) Credit cards will be used only for business purposes. Personal purchases of any type are not permitted.
- (3) The following purchases are not permitted with a CFDC of CIFN credit card:
 - (a) capital equipment and upgrades over \$5,000;
 - (b) personal items or loans; and
 - (c) any items deemed inconsistent with the values of CFDC of CIFN.
- (4) Cash advances on credit cards are not permitted.
- (5) Cardholders will be required to sign an agreement indicating their acceptance of these terms.
- (6) Individuals who do not adhere to these policies and procedures will risk revocation of their credit card privileges and/or disciplinary action.

6.13.2 Procedures

- (1) Credit cards may be requested for prospective cardholders to the Board. Credit card issuance requires a motion passed by the Board.
- (2) Detailed receipts must be retained and attached to the credit card statements.
- (3) Receipts for meals and entertainment must include:
 - (i) the date

- (ii) the time;
 - (iii) the names of all persons involved in the purchase; and
 - (iv) a brief description of the business purpose of the purchase (in accordance with internal audit controls).
- (4) Detailed receipts must be submitted and approved within 10 days of the receipt being issued to enable timely payment of amounts due.

7 Fern

- (1) Fern is a software produced by Fassbank. Fassbank helps financial institutions easily manage loan portfolios, comprehensively track all interactions with clients and businesses and offers utility and efficiency once employed to its highest potential.
- (2) To track metrics, the best practice is to always have Fern open on the desktop to easily input information about general inquiries, prospects, and clients.

8 Financial and Accounting Procedures

- (1) ADP payroll and benefits.
- (2) Paying invoices.
- (3) Ensuring that all DEFT payments and reversal are posted and/or reversed to the client account in FERN.
- (4) Administering trust agreements.
- (5) Writing cheques.
- (6) Bank deposits.
- (7) Reconciling bank accounts with transactions.

APPENDIX 1: COLLECTIONS MANUAL

1 Introduction

- (1) The Community Futures Program assists rural communities in developing strategies for dealing with a changing economic development.
- (2) Through funding provided by PacifiCan, each Community Futures Development Corporation (CFDC) has access to a capital that may be loaned to individuals and corporations in the community.
- (3) The objectives of CFDC lending are:
 - (a) to foster entrepreneurial development by providing both financial and technical support to new and existing small businesses; and
 - (b) to promote and facilitate activities that improve the social, environmental, and economic well-being of citizens in the community.
- (4) In providing developmental loans to community businesses and entrepreneurs, CFDC takes on significant credit risk because, in some cases, the borrower's business venture does not have an established record, and the loan may not be as secured as a more conventional loan. Because of this, CFDC can expect to incur loan losses (i.e., "cost of doing business").
- (5) To achieve its' vision while still being financially viable, CFDC must maintain loan losses at an acceptable level using:
 - (a) sound loan underwriting and approval processes;
 - (b) effective monitoring of existing loans for the purpose of detecting possible changes in the borrowers' "ability to pay"; and
 - (c) effective delinquency monitoring and collections processes.

It is important that these three activities of underwriting/approval, monitoring and collections should be linked to one another as part of CFDC's overall risk management strategy.
- (6) Policy and procedures for underwriting and approval will differ depending on the program requirements for each individual loan. The reader is advised to consult with the program lending guidelines to ensure a borrower's credit applications is following standards.
- (7) Loan monitoring practices may vary from one CFDC to the next as CFDCs find that conventional financial statement reporting requirements employed by the banks are not well suited for developmental loans.

- (8) In the absence of formal reporting, the lender makes more telephone calls and on-site visits about the health of the client's business. Effective contact management systems (i.e., Fasset, Outlook) make loan monitoring easier. The reader is advised to refer to the letter of offer to determine what level of reporting/monitoring is appropriate for each loan.
- (9) Delinquency monitoring and collections processes are described in this manual.

2 The Collections Function

2.1 Objectives

- (1) The primary objective of the collections function is to minimize the total cost to CFDC stemming from problem loans. Problem loans are loans not recovered plus the cost of operating the collection's function, including the use of outside resources.
- (2) In keeping level with CFDC's mission statement, two secondary considerations are:
 - (a) assisting the borrower to successfully restructure their financial affairs; and
 - (b) maintaining a positive business relationship between CFDC and the borrower.

2.2 Policy and Procedure

- (1) This collections manual details the policies and procedures that the CFDC will use when collecting a delinquent loan. The manual provides a framework that dictates what actions to take and when. This manual recognizes that each case of loan delinquency presents its own set of circumstances. Every situation of loan delinquency must be scrutinized before deciding to proceed with a loan recovery strategy.
- (2) Exceptions to the policy on loan delinquency may be permitted but must take place only after obtaining permission from the supervisor of the General Manager. All exceptions to this policy should be properly documented in the loan file.
- (3) The policies and proceedings contained in this manual are based on those found in other financial institutions. CFDC's collection practices are more lenient than most commercial lenders. CFDC's community economic development mandate and reputation as a community oriented and socially responsible organization, results in more forbearance and fewer instances of 'calling the loan'.
- (4) Some of CFDC's borrowers may be unfamiliar with institutional lending and may not fully understand all the specifics outlined in the loan documents.
- (5) CFDC's loans may be secured by security with a limited cash value (also known as soft security).

- (6) Lending may be under secured such that most loans from CFDC will not be as well secured as conventional commercial loans.
- (7) CFDC's unique situation requires that it be more flexible when it comes to initiating collections activity. The preferred solution is to have the borrower pay off the loan voluntarily. CFDC should take legal action or seize security as a last resort.
- (8) The general concepts outlined in this manual are applicable to all CFDC's loan programs. In addition, certain loan programs may have specific procedural collections requirements. The reader is directed to refer to the appropriate manuals for these types of loans.

2.3 Key principles of Collecting

- (1) The success of CFDC's collection's function will be directly related to how quickly and effectively delinquency and collection problems are dealt with.

2.3.1 Six Principles of Effective Collecting

- (1) Prompt Detection:

To respond to a missed payment, the collector must be aware that the payment has been missed. Accounts that "fall through the cracks" and suffer from a delayed or completely absent collections effort become less collectible as time passes. It is important that new delinquencies are detected and dealt with promptly.

- (2) Early Contact with Borrower:

When a payment is missed, the borrower must be contacted as soon as possible. The main objective is to plan for payment. Establishing contact with the borrower promptly shows that CFDC considers loan delinquency to be serious, resulting in:

- (i) quick resolution of overdue accounts; and
- (ii) fewer instances of missed payments in the future.

- (3) Get information/Give Information:

The collector asks questions to understand the borrower's personal and financial situation. Having a complete picture of the borrower's affairs makes collections work easier and more effective. The collector will communicate CFDC's requirements to the borrower so that he/she understands the necessary payment amount, deadline for making payments, and consequences of non-payment.

When both parties understand each other's needs and wants, a negotiated solution is more likely to be reached.

(4) Commitment to Action:

Each time the delinquent account is worked on, the collector makes a commitment to action thus moving the account closer to completion. The commitment to action can be:

- (i) writing a letter;
- (ii) making a phone call;
- (iii) obtaining a Credit Bureau report; or
- (iv) contacting a guarantor or reference person.

(5) Documentation:

Documentation of the collections process is vitally important. Accurate records of correspondence, telephone calls, promises for payment and agreements for payment alterations are essential to maintain the integrity of the account file. Fern best practices have been built into each of the collection steps.

A file that has been well documented is:

- (i) easy for another collector to pick up and begin working on because all the details of the account are disclosed; and
- (ii) more legally enforceable, should a security realization become necessary.

A file that has not been well documented is:

- (i) confusing due to the omission or inadequate description of the steps taken to collect; and
- (ii) not legally enforceable because without proper documentation of the loan agreement, security agreement, and collections activities, the courts may be reluctant to award judgement to the lender.

Therefore, the collector is required to make copies of letters sent to the borrower and make notes of telephone calls and details of all promises of payment. Records of these events will be kept in the loan file.

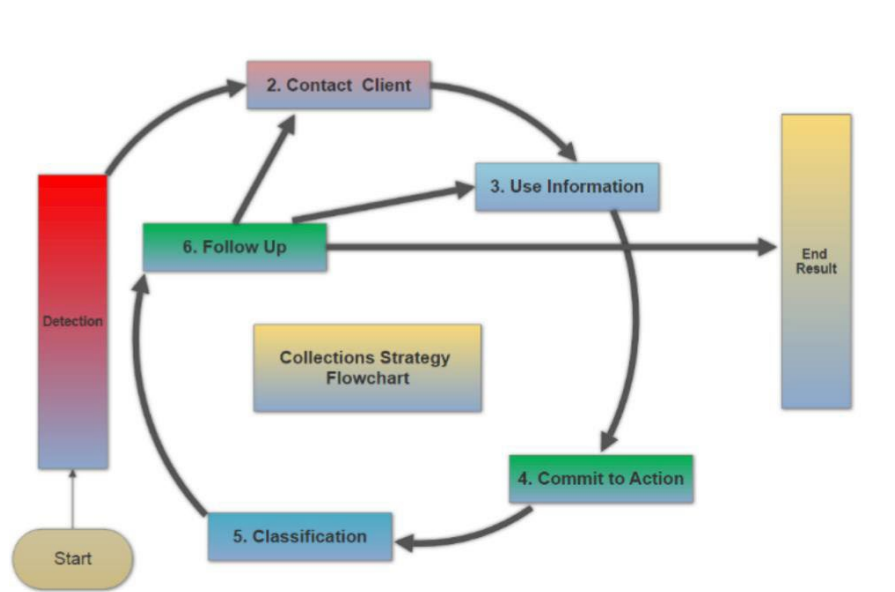
(6) Follow Up:

The most important principle of collections is the follow up. The collector must revisit delinquent accounts to ensure that:

- (i) telephone messages have been returned;
- (ii) promises for information have been fulfilled;
- (iii) commitments to pay have been fulfilled; and
- (iv) payments have been received.

When a collector fails to follow up, the borrower is more likely to pay other creditors who are more persistent in their efforts to recover funds.

These six principles are shown in the schematic below:



2.4 The Monitoring Process

- (1) The monitoring process is the mechanism for alerting the lender of loans with delinquent payments.
- (2) A report is generated by the CFDC's loans software to alert the staff of transactions that have failed to take place (i.e., NSF cheques, insufficient funds for pre-authorization payments, etc.).
- (3) The lender is responsible for contacting the borrower as soon as possible for the purpose of obtaining the missed payment.

2.5 The Collections Process

2.5.1 A Collector's Approach to the Borrower

- (1) When the borrower takes out a new loan, the lender should make the payment terms very clear.
- (2) When a payment is missed, it is important to contact the borrower to remind him/her of the agreed upon terms. It is the collector's responsibility to convey to the borrower that the loan delinquency is not acceptable, and that all means necessary will be employed to bring the loan into good standing.

- (3) Contacting the borrower immediately reinforces the importance of making timely payments, resulting in:
 - (a) a quicker resolution of overdue accounts; and
 - (b) fewer instances of missed payments in the future.
- (4) Generally, a collector begins a dialogue with the delinquent borrower using a good-natured, problem-solving approach. Drawing on the trust established in the application development, the lender can usually get a commitment for payment without being aggressive.
- (5) As the delinquency ages, it is necessary for the collector to become increasingly firm with the borrower. This can include:
 - (a) demanding payment in full; and/or
 - (b) establishing a deadline for action.
- (6) The procedures to be used in each step of the collections process are described in the subsequent sections and may vary with each individual client. The steps describe the negotiation and communication tactics used in a typical collections file. Depending on the situation, the collector may decide not to follow the negotiation/communication tactics exactly as set out. However, the collector should still comply with policy requirements

2.5.2 Tactic 1

- (1) The lender will phone the borrower at his home or place of business. In the first call the collector will:
 - (a) identify himself or herself as a CFDC representative;
 - (b) speak with the borrower directly;
 - (c) identify the loan being collected;
 - (d) state the amount owing; and
 - (e) ask for a payment in full.
- (2) The single largest failing of collectors is the failure to say: "We require payment in full." It is imperative that that this key message is delivered to the borrower.
- (3) When in speaking with the borrower:
 - (a) record all the information the borrower provides on a Collections Worksheet; and
 - (b) obtain a commitment from the borrower to remedy the situation.
- (4) If the borrower's bank has insufficient funds for a pre-authorized transfer:
 - (a) ask the borrower to call his bank to check the balance;
 - (b) ask the borrower to deposit funds to the account (if necessary);
 - (c) establish a date and time when the funds will be available; and
 - (d) diarize the account for follow up.
- (5) If the borrower's cheque is returned by the bank as an NSF item:
 - (a) explain what has happened to the borrower;

- (b) provide the borrower with options to achieve restitution;
 - (c) establish a deadline for payment; and
 - (d) diarize the account for follow up.
- (6) If the borrower says the cheque is in the mail:
- (a) ask the borrower for the cheque number, the dollar amount, and the date of the cheque;
 - (b) determine the date the cheque was mailed;
 - (c) explain to the borrower that Canada Post takes less than 5 business days to deliver mail within BC, and if the cheque has not arrived by that time, a replacement cheque must be sent by courier to CFDC of CIFN; and
 - (d) diarize the account for follow up.

2.5.3 Fern Best Practices:

- (1) Document each interaction with the client when a missed payment occurs.
- (2) Emails can be sent directly from Fern: click on email, choose the client's contact name and use a subject outlining the topic specifically to find it easily in the future, such as "Missed Payment dated month/date/year". The email will be housed within Fern and an 'Interaction' window will pre-populate with much of the necessary information. Use the same subject: "Missed Payment dated month/date/year" to find it easily.
- (3) Telephone conversations will also be documented in Fern: open 'Interaction' and 'Add Activity'. Use the same subject format: "Missed Payment dated month/date/year".
- (4) Set a 'Task' for follow up with the client at a pre-determined time. This will allow for another 'Interaction' to be documented.

2.5.4 Tactic 2

- (1) If the collector is not able to reach the borrower by telephone within one week, a collection notice should be sent to the borrower stating:
 - (a) the amount past due;
 - (b) the payment due date;
 - (c) a deadline for payment; and
 - (d) the name and telephone number of the collector.

See Letter #3.

- (2) After 15 days, the collector should have a good understanding as to whether the delinquency will be resolved quickly.
- (3) In conversation with the borrower, the collector should ask six questions.
 - (1) Why didn't you pay?
 - (2) Why didn't you phone the office?
 - (3) How much can you pay?

(4) When can you pay?

- (5) Where is the payment money coming from?
- (6) When can you pay again?

When the collector knows the answer to these six questions, the seriousness of the delinquency can be judged more accurately.

- (4) If the borrower indicates payment.

If the collector has:

- (a) made telephone contact with the borrower who has indicated that a payment will be made; and
- (b) payment has not been received before the account becomes 15 days past due,

the collector should send a letter confirming the arrangements for repayment, including the promised amount to be paid and the date promised for payment.

See Letter #2.

- (5) If the borrower Indicates Non-Payment.

If collector has made telephone contact with the borrower who has not indicated that a payment will be made, the collector should send a letter stating:

- (a) the amount past due;
- (b) the payment due date;
- (c) a deadline for payment; and
- (d) the name and telephone number of the collector.

See Letter #1.

- (6) Promises for payment must be followed up diligently. If the borrower promises to make a payment of a specified amount on a specific date, it is important the collector confirm whether this promise has been kept. If the borrower defaults on the promise, the collector must contact the borrower immediately for an explanation and insist on an immediate payment. This firm approach to broken promises indicates that:

- (i) CFDC is serious about collecting delinquent loans; and
- (ii) CFDC makes records of borrower's promises to ensure those promises are kept.

2.5.5 Fern Best Practices:

- (1) Document each interaction with the client when a missed payment occurs.
- (2) Emails can be sent directly from Fern: click on email, choose the client's contact name and use a subject outlining the topic specifically to find it easily in the future, such as "Missed Payment dated month/date/year". The email will be housed within Fern and an 'Interaction' window will pre-populate with much of the necessary information. Use the

same subject: "Missed Payment dated month/date/year" to find it easily.

- (3) Telephone conversations will also be documented in Fern: open 'Interactions' and 'Add Activity'. Use the same subject format: "Missed Payment dated month/date/year".
- (4) Set a 'Task' for follow up with the client at a pre-determined time to allow for another 'Interaction' to be documented.
- (5) If you are sending collection letters: document this as an 'Activity' and set a 'Task' for follow-up.

2.5.6 Tactic 3

- (1) The first 30 days are a critical time for collections. During this period, the collector must ensure that the borrower knows that his/her obligation to CFDC is a top priority.
- (2) Credit Reporting takes is required for all delinquent accounts. The collector must explain to the borrower that all loans more than 30 days in arrears are reported to the Credit Bureau. The consequences of reporting credit information should be spelled out.
- (3) Credit information stays on record for seven years.
- (4) Future creditors can obtain this information from the Credit Bureau.
- (5) Derogatory credit ratings can make it difficult to borrow in the future.
- (6) Missed payments on loans advanced to corporations cannot be reported on an individual's personal credit report (even if the loan is secured by the business owner's personal guarantee). However, if the CFDC obtains a judgement against the individual guaranteeing the loan, credit reporting is permitted.
- (7) For loans advanced to proprietorships and partnerships, the borrowers are personally liable for payments and should have non-payment reported to the Equifax.

Equifax has recently merged with the Credit Bureau and is responsible for collecting credit information for individuals and businesses.
- (8) Some borrowers may be inexperienced users of credit and may not understand the repercussions of missed payments on their credit. Part of CFDC's community mandate is to teach clients how to manage a business. Collecting (and the negative effects of credit reporting) are a part of the teaching.
- (9) While being respectful to the borrower, the collector must ensure that the client understands loan delinquency is unacceptable, and payments must be maintained to keep the account in good standing.

2.5.7 Fern Best Practices:

- (1) Document each interaction with the client when a missed payment occurs.
- (2) Emails can be sent directly from Fern: click on email, choose the client's contact name and use a subject outlining the topic specifically to find it easily in the future, such as "Missed Payment dated month/date/year". The email will be housed within Fern and an 'Interaction' window will pre-populate with much of the necessary information. Use the same subject: "Missed Payment dated month/date/year" to find it easily.
- (3) Telephone conversations will also be documented in Fern: open 'Interactions' and 'Add Activity'. Use the same subject format: "Missed Payment dated month/date/year".
- (4) Set a 'Task' for follow up with the client at a pre-determined time to allow for another 'Interaction' to be documented.
- (5) If you are sending collection letters: document this as an 'Activity' and set a 'Task' for follow-up.

2.5.8 Tactic 4

- (1) The emotional appeal is a useful technique for influencing borrowers to make payments. The collector can try to appeal to the borrower's emotional side by using some of the following arguments:
 - (a) explaining to the borrower that non-payment of loan erodes CFDC's ability to advance loans to other community businesses, thus preventing them from getting the necessary financing;
 - (b) loans that become far past their due date will be presented to CFDC's Executive Committee and Board of Directors who will discuss strategies to collect the loan;
 - (c) non-performing loans may require legal action (i.e., a matter of public record) which can be personally embarrassing and result in the loss of personal assets (i.e., house, car, etc.); and
 - (d) a more aggressive letter outlining consequences of not cooperating should be sent before 45 days.

See Letter #3.

2.5.9 Tactic 5

- (1) After approximately 45 days, the relationship-based approach used by the lender will normally be changed to a more direct and impersonal approach.
- (2) The lender may turn over the account to a second collector who has no personal relationship with the borrower. In this event, the first collector will indicate to the borrower that the collections department will be handling the account until it is brought into good standing.

See Letter #4.

- (3) If the first collector feels that his collections work is close to generating a payment, he may choose to keep the file and continue to work with the borrower.
- (4) After approximately 45 days, the second collector will begin looking at alternatives to collect the debt. If the borrower is cooperative, but unable to make payments, the collector will stay in contact by telephone, and will research options.

Questions include:

- (a) Is there a relative or family member that can lend money to the borrower in order to make payments?
- (b) Are there other sources of income that can be used?
- (c) Are there assets that can be sold to make payments (i.e., vehicles, trailers, land, etc.)?

In addition to helping the borrower find a solution to the problem, asking these questions provide CFDC with information that can be useful should legal action become necessary.

2.5.10 Fern Best Practices:

- (1) Document each interaction with the client when a missed payment occurs.
- (2) Emails can be sent directly from Fern: click on email, choose the client's contact name and use a subject outlining the topic specifically to find it easily in the future, such as "Missed Payment dated month/date/year". The email will be housed within Fern and an 'Interaction' window will pre-populate with much of the necessary information. Use the same subject: "Missed Payment dated month/date/year" to find it easily.
- (3) Telephone conversations will also be documented in Fern: open 'Interactions' and 'Add Activity'. Use the same subject format: "Missed Payment dated month/date/year".
- (4) Set a 'Task' for follow up with the client at a pre-determined time to allow for another 'Interaction' to be documented.
- (5) If you are sending collection letters: document this as an 'Activity' and set a 'Task' for follow-up.

2.5.11 Leverage – An Example

A collector may learn something from the borrower that can be used as leverage to collect payment. For example:

The borrower says: "I need to use the equipment for a job that begins in November, but I won't be making payments until that job is finished."

The collector says: "You are two months behind on your payments at the present time. We would prefer to have you sell the equipment to pay the loan now. If you are not able to make payments now, you must sell the equipment."

The borrower says: "I can't sell the equipment, because I need it for the job!"

The collector says: "We need to receive payments. If you can't make the required payments, we'll have to come and repossess the equipment."

The collector used leverage to pressure the borrower to make payments. Faced with the prospect of having the equipment seized before the job begins, the borrower has an additional incentive to find the money to make the payments.

2.5.12 Ultimatums – An Example

A collector may give an ultimatum to carry out an action against the borrower if the payments are not received by a certain date. When the ultimatum is given, it is important that it be followed through. For example:

The collector says: "If we don't have a payment in our office by the last day of the month, we will contact our lawyers and ask for a foreclosure action be initiated against your property..."

To maintain credibility, the collector must follow through and initiate a foreclosure as promised.

2.5.13 Tactic 6

- (1) All delinquent accounts will be reviewed at approximately 90 days. At this time, the collector will evaluate the likelihood of recovery and CFDC's loan recovery options. A decision will be made about the disposition of the account considering the following issues:
 - (a) security position;
 - (b) if there a deficiency;
 - (c) security condition;
 - (d) if the security can be located;
 - (e) if the security is sizeable;
 - (f) cost of collections;
 - (g) the amount of time and money that has been spent to date; and
 - (h) the most cost-effective way to recover the account.
- (2) Once an account has aged to approximately 90 days, CFDC should take steps to recover the loan by means of realizing security, initiating a foreclosure, referral to a collection agency or other legal action to bring the account towards closure.
- (3) Each case of loan delinquency presents its own set of circumstances. Individual situations must be scrutinized before deciding to proceed with a loan recovery strategy. If the use of legal remedies to collect the account is to be delayed, the General Manager should be informed of the reason.

- (4) Unless there is an exception to policy, a final demand letter will be sent at approximately 90 days.

See Letter #5.

2.5.14 Tactic 7

- (1) The Final Demand letter provides the borrower with 20 days to plan for payment. After this grace period has expired, CFDC may recover the balance owing by realizing on the security in several ways.
 - (a) Initiating a foreclosure - if CFDC holds a mortgage document as security and wishes to initiate a foreclosure, the file will be turned over to a lawyer who will seek an Order Nisi.
 - (b) Seizing Goods which CFDC has a Registered Security Interest - if CFDC holds valid security on specific or general goods, a bailiff may be commissioned to repossess the specific goods for storage and subsequent sale.
 - (c) Seeking a Judgement Against Borrower - a lender may prepare a claim for the BC Small Claims Court. The maximum amount of the claim shall not exceed \$35,000. To claim an amount greater than \$35,000, [Small claims - what is Small Claims Court? - Province of British Columbia \(gov.bc.ca\)](#) a lawyer must be retained to initiate a Supreme Court action.
- (2) Note: This manual does not provide the detailed steps to be followed when realizing security.

2.5.15 Fern Best Practices:

- (1) Document each interaction with the client when a missed payment occurs.
- (2) Emails can be sent directly from Fern: click on email, choose the client's contact name and use a subject outlining the topic specifically to find it easily in the future, such as "Missed Payment dated month/date/year". The email will be housed within Fern and an 'Interaction' window will pre-populate with much of the necessary information. Use the same subject: "Missed Payment dated month/date/year" to find it easily.
- (3) Telephone conversations will also be documented in Fern: open 'Interactions' and 'Add Activity'. Use the same subject format: "Missed Payment dated month/date/year".
- (4) Set a 'Task' for follow up with the client at a pre-determined time to allow for another 'Interaction' to be documented.
- (5) If you are sending collection letters: document this as an 'Activity' and set a 'Task' for follow-up.

2.6 Loan Alterations and Rewrites

- (1) In certain situations, the best solution for dealing with a delinquent account may be to alter the terms of the loan or rewrite the loan.

2.6.1 Payment Alterations

- (1) Payment alterations are alterations to an existing loan not including extension of due date or new funds.

For example:

- (a) Suspension of Payments - the borrower is permitted to stop making payments on date X and is required to resume the payments later a date Y. The borrower may be required to make larger payments starting on date Y until the loan arrears are caught up.
- (b) Temporary Reduction of Payments - the borrower is permitted to make reduced payments starting on date X (i.e., interest plus a portion of the regular principal payment or just interest only) and is required to resume making payments of the original amount on a later date Y. The borrower may be required to make larger payments starting on date Y until the loan arrears are caught up.
- (c) Reduction of Interest Rate - the interest rate charged on the loan is reduced.

These payment alterations are material changes to the loan agreement. Such changes must be documented in the loan file.

- (2) The following questions should be considered when assessing a request for an alteration in loan terms.
- (a) Why does the borrower wish to change the repayment terms?
 - (b) Who are the other creditors? How much is each one owed? How does the borrower intend to repay them?
 - (c) Is the proposal temporary (i.e., the borrower incurred unexpected expenses, but is employed and has capacity to pay)?

2.6.2 Loan Rewrites

- (1) Loan rewrites involve a renegotiation of terms, and possibly new funds of new security. They require a new loan agreement, payout of the old loan and an advance of a new loan.
- (2) A rewrite may involve:
- (a) a capitalization of arrears - CFDC may permit the arrears to be added to the loan balance; and/or
 - (b) a longer amortization period - monthly payments are adjusted to meet the borrower's capacity to pay.

- (3) Rewriting is only appropriate if the borrower has a temporary financial setback (i.e., unemployed, strike) and has realistic chance to comply with the terms of the rewritten loan.
- (4) Because loan rewrites might be used inappropriately (i.e., to manipulate delinquency ratios or to assist a borrower to delay bankruptcy), lending policies, internal controls, and audits should pay special attention to this area. Refer to CFDC's Investment and Lending Policy and Commercial Loans, Procedures Manuals for more information on preparing loan rewrites.
- (5) If a borrower declares bankruptcy within three months of a loan rewrite and the pledging of new assets, the security will be set aside by the bankruptcy court. CFDC will not have the right to seize the new assets. When rewriting a loan for a delinquent borrower and taking additional collateral or altering the collateral, the CFDC must do so with extreme caution while carefully analyzing the borrower's financial position.
- (6) Certain questions should be considered when assessing a request for a loan rewrite.
 - (a) Will the borrower's financial situation improve or stabilize in the immediate future?
 - (b) Is the borrower of good character and has he/she shown an honest willingness to repay the loan?
 - (c) Are the borrower's prospects for continued employment good?
 - (d) Is the security pledged against the loan in good condition?
 - (e) Does the borrower have the capacity to meet the new debt service requirements?
 - (f) Does the borrower have a strong recovery plan, and can they realistically meet all debt obligations in the future?

2.6.3 Monitoring the Loan Rewrite

- (1) Once the loan is rewritten, the loan must be monitored to ensure that the borrower meets the terms stipulated in the rewrite.
- (2) Monitoring should continue until the collections officer feels confident that the borrower will continue to meet his obligations.

2.7 Writing-Off Loans

- (1) A loan should only be written off after exhausting all possibilities of recovery and when there is little or no chance of recovering further amounts.
- (2) Although the loan is no longer on the books, CFDC may still endeavor to collect the loan.

2.7.1 When to Write-Off a Loan

- (1) A loan should only be written off when:
 - (a) every reasonable, cost-effective effort has been made to collect it.
 - (b) all security that can be seized has been realized and the proceeds have been applied

to the loan.

- (c) the borrower has declared bankruptcy and/or the loan is unsecured; or
- (d) the borrower appears to have no means of repaying the loan now or in the future.

2.7.2 Writing-Off a Loan – The Process

- (1) Once a loan is determined to be uncollectable, the following procedure is followed to write-off the loan.
 - (a) Prepare a Resolution- the collections staff will recommend to the Executive Committee that the loan be written off. The Executive Committee will approve the write-off and forward it to the Board of Directors for final approval.
 - (b) Notify the Credit Bureau - the Credit Bureau should be notified that the loan has been written-off. If the borrower wants to obtain a new loan from another lender, the new lender will insist that all previous bad debts be paid before advancing new money.

2.7.3 Continuing Collection Efforts After Write-off

- (1) After a loan has been written-off the books of CFDC, the following collection efforts should be continued.
 - (a) Pursue the Account - continue pursuing the account until such time as it is deemed completely uncollectable is fully collected, or a settlement has been reached. Revisit the account once a year to determine if there are opportunities to collect.
 - (b) Record any Recoveries - post the payment information to the appropriate ledger and document the payment amount received in the borrower's loan file.
 - (c) Close the Account - close the account when the loan is deemed completely uncollectable, is fully collected or when a settlement has been reached.

2.8 Reporting and Monitoring

- (1) A report showing delinquent accounts that have aged more than 30 days will be prepared monthly/quarterly for review by the Executive Committee/Board of Directors.
- (2) Loans recommended for write-off must be presented to the Executive Committee. The Executive Committee will approve the write-off and forward it to the Board of Directors for final approval.

3 Letter Examples – The Collections Process

3.1 Letter # 1 – Loan Account

Today's Date

Borrower's Name

Borrower's Address

City, Province, Postal Code

Re: Loan Account

Please be advised that we have been unsuccessful at processing your loan payment for the month of _____, as your (Cheque/Pre-Authorized Payment) has been returned to because of (Insufficient funds/Closed Account). Please refer to the attached loan account transaction history report and note that you are currently _____ days in arrears.

In order to bring your account up to date we require that you forward a cheque or money order in the amount of \$ _____ to our office within five (5) business days.

If you are unable to provide full payment to our office within the above specified time period, please contact our office to make alternative arrangements.

We expect this unsuccessful processing of your loan payment is merely an unintentional oversight. We ask that upon receipt of this letter you forward payment in the amount of \$ _____ to our office via cheque or money order. If it is more convenient for you to have us deduct this payment directly from your bank account, please provide us with your current banking information and the earliest date we may process your payment.

Once again, we would like to encourage you to contact our office if you have any questions regarding your loan account.

Yours truly,

[Collector's Name]

[Collector's Title]

Email: [Inset Email]

Telephone: [XXX-XXX-XXXX]

3.2 Letter # 2 – Promise for Payment

Today's Date

Borrower's Name

Borrower's Address

City, Province, Postal Code

Re: Promise for Payment

I am writing to follow up on our telephone call on _____, 20___. On that date you promised to make a payment of \$_____, to be (mailed to us/deposited to your account). More than 15 days have passed since this payment was to have been received. Because of this, your account remains in arrears.

It is important that this situation is remedied immediately. Please contact me as soon as possible to make arrangements for payment.

Yours truly,

[Collector's Name]

[Collector's Title]

Email: [Inset Email]

Telephone: [XXX-XXX-XXXX]

3.3 Letter # 3 – Overdue Loan Payment

Today's Date

Borrower's Name

Borrower's Address

City, Province, Postal Code

Re: Overdue Loan Payment

As we have been unable to contact you by telephone, we are writing to bring your immediate attention to the difficulties we have experienced in processing your loan payment. Please refer to the attached loan account transaction history report and note that you are currently _____ months in arrears.

To bring your account up to date we require that you forward a cheque or money order in the amount of \$ _____ to our office within five (5) business days.

If you are unable to provide full payment to our office within the above specified time, please contact our office to make alternative arrangements.

Your attention to this matter is strongly advised.

Yours truly,

[Collector's Name]

[Collector's Title]

Email: [Inset Email]

Telephone: [XXX-XXX-XXXX]

3.4 Letter # 4 – Loan Arrears

Today's Date

Borrower's Name

Borrower's Address

City, Province, Postal Code

Re: Loan Arrears

We have not received the payments required to keep your loan account in good standing. The present amount in arrears is \$_____. The account is _____ days in arrears.

Because of this, your account is being referred to our Collections Specialist who will be handling your account until the payments have been made.

Any questions you may have about this account should be directed to [Collections Specialist's Name] (telephone: [XXX-XXX-XXXX]).

Please contact her as soon as possible to plan for payment.

Yours truly,

[Collector's Name]

[Collector's Title]

Email: [Inset Email]

Telephone: [XXX-XXX-XXXX]

3.5 Letter # 5 – Final Demand

Today's Date

Borrower's Name

Borrower's Address

City, Province, Postal Code

Re: Final Demand

You have not responded to our letters and telephone calls. Your account has become exceedingly past due.

We demand full payment in the amount of \$_____._____by_____,20__.

Failure to pay the full amount will result in the commencement of proceedings against you without further notice.

THIS IS A FINAL DEMAND

Govern yourselves/yourself accordingly,

Yours truly,

[Collector's Name]

[Collector's Title]

Email: [Inset Email]

Telephone: [XXX-XXX-XXXX]

APPENDIX 2: LENDING POLICIES

Lending Circles

Purpose

“To provide for the incubation of microbusiness which are community controlled and responsive, while providing for additional training and understanding of financial management and responsibility”.

Maximum Loan: Percent Financed: Term: Amortization: Interest Rate (Compounded monthly) Prime: Prime: Prime: Prime: Prime: Repayment:	\$4,000 80% 1 year 6 years Year 1: 0% Year 2: 25% of BMO Year 3: 50% of BMO Year 4: 75% of BMO Year 5: 100% of BMO Year 1: Optional plus negotiate for timely liquidation.
Security Required: BCR for CFDC of CIFN to do business on reserve (if applicable). Promissory Note Lending Agreement Pre-Authorized debit system. Understanding: Establish a band account Maintain an accounting/bookkeeping system; and Responsible for collection and reporting to CFDC of CIFN	

Direct Loans

Purpose

“To assist with the establishment of an Indigenous business”.

Maximum Loan: Percent Financed: Term: Amortization: Interest Rate (compounded monthly) Repayment:	Depends on type, up to limit of \$125,000 90% 1 year 5 years 12% Negotiable
Security Required: BCR for CFDC of CIFN to do business on reserve (if applicable). Promissory Note	

<p>Lending Agreement Life Insurance Guarantor Pre-Authorized debit system General Security Agreement (may be waived)</p> <p>Understanding:</p> <p>Maintain an accounting/bookkeeping system Provide financial records, statements, and monthly reports; responsible for collection and reporting to CFDC of CIFN No capital expenditure, withdrawals, or unusual expenses without our consent; Other specific requirement to properly monitor business eligibility and viability.</p>

Loan Guarantees

Purpose

“To assist with the establishment of Indigenous business”.

<p>Maximum Loan: Percent Financed: Term:/Maturity Guarantee Fee</p>	<p>\$125,000 90% 1 year 5% of Guarantee Issued</p>
<p>Security Required: BCR for CFDC of CIFN to do business on reserve (if required) Indemnity Agreement. Life Insurance; Guarantor. Pre-authorized debit system; and General Security Agreement (may be waived).</p> <p>Understanding: Maintain an accounting/bookkeeping system. Provide financial records, statements, and monthly reports. No capital expenditure, withdrawals, or unusual expenses without our consent; and Other specific requirement to properly monitor business eligibility and viability. Work with CFDC of CIFN staff to enhance skills i.e.. Workshops, training, etc.</p>	

APPENDIX 3: CFDC of CIFN LOAN PROCEDURES

Client Meeting

- (1) Conduct an initial interview with the applicant.
- (2) Complete and obtain a detailed, signed, and personal:
 - (a) financial statement;
 - (b) business plan;
 - (c) projection of revenues for at least one year; and
 - (d) projection of expenses for at least one year.
- (3) Communicate CFDC of CIFN's needs and policy to the client.

Client Intake

- (1) A personal net worth statement will be obtained from the client and used to gather information to begin the loan application.
- (2) Loan number. Loan numbers can be manually entered by the user, or automatically generated by Fassbank or Fern. Most of the time loan numbers are entered manually. Fassbank or Fern can auto-generate loan numbers by going to Settings > Loans > Numbering. For manual loan numbers, simply click into the field and type in the loan number. Loan numbers may be a mix of characters, numbers, and symbols.

For example:

1234 – ELP (Emergency Loan Program)
1235 – EELP (Expanded Emergency Loan Program)
1236 – GLP (General Loan Program)

- (3) Create file folders.
- (4) Next steps and recommendations will be given to client.

Loan Application Process

Assessment and Evaluation of Applicants

Ask yourself the following in assessing an individual applying for a loan:

(1) Is the applicant capable of successful operation of this venture?

Consider:

- (a) work experience;
- (b) previous training;
- (c) age and health;
- (d) initiative and ambition;
- (e) industry; and
- (f) management of personal affairs.

- (2) Where the applicant's experience and capability appear to be less than adequate, has provision been made to supply assistance on a continuing basis?

Consider:

- (a) technical knowledge;
- (b) business management;
- (c) bookkeeping and accounting;
- (d) auditing and financial advice;
- (e) legal counsel;
- (f) marketing and sales promotion; and
- (g) willingness to work with CFDC of CIFN staff.

- (3) If the applicant has debts now, what are the repayment terms? Is the applicant presently:

- (a) a guarantor;
- (b) a co-signer; or
- (c) an endorser of anyone's debts.

If so, will this effect this business proposal?

- (4) Does the applicant have any other business interest or connections? If so, will this assist them in their business venture?
- (5) Has the applicant ever declared bankruptcy? Are they under financial administration or debt counselling?
- (6) Does the applicant have any legal proceedings or lawsuit(s) presently outstanding against them?
- (7) An assessment of the applicant's character and credit risk involved in giving financial assistance should be conducted using the criteria described in (1) – (6). This assessment should be created and placed in the applicant's file to help guide in the final decision on the applicant.
- (8) A Credit Bureau report from Equifax should be obtained. The details in the Equifax report should be compared to the declared liabilities from the applicant. Any variances should be investigated and confirmed. If there are material differences between the Equifax report and what has been declared, consider whether the applicant is deliberately being deceptive

or if there are other circumstances.

- (9) It is required by law for a lender to obtain the applicant's approval by way of a signature prior to verification of credit.

Character and Credit Rating

- (1) The three "C's" of credit are:
 - (a) Character: The applicant's character or integrity will generally provide a guide to their future performance.
 - (b) Capacity: The applicant's capacity or ability to manage successfully and repay the loan.
 - (c) Capital: Without character and capacity the capital does not, of itself, ensure success.

Character References

- (1) Potential character reference sources for a client are:
 - (a) their band or association affiliations;
 - (b) their past and present employers; and
 - (c) other local agencies who regularly deal with Ingenious peoples.
- (2) The applicant should present references at the time they make their application.
- (3) A character reference should not be from persons with a specific interest in the project for which assistance is being sought. Character references should ideally be from persons who know the applicant well and who occupy a position of trust in the community such as band leaders, bankers, or former employers.
- (4) Character references from small, non-public companies should be identified and investigated.

Sources of Credit Ratings

- (1) Equifax Canada Inc. provides a credit rating on individuals.
- (2) Individuals or businesses that have previously engaged in lending with the applicant.
- (3) Major suppliers in situations where the applicant has been involved in business.

Financial and Risk Management

Business Feasibility and Viability

- (1) In assessing a business proposal, remember that the purpose is to aid in obtaining financing and meet the goals of establishing a successful and viable business enterprise.

- (2) There are three key questions an assessment must answer to form an accurate opinion on the viability of a business.
 - (a) Can the applicant plan, develop, and economically operate the proposed business?
 - (b) Does the proposal indicate that the business can generate enough funds to repay the loan, provide a reasonable return on money invested, and provide the owner sufficient monetary benefits to make the venture worthwhile?
 - (c) Is the applicant willing to work with CFDC of CIFN and other potential resources cooperatively?
- (3) Keep in mind that establishing criteria and procedures to assess the applicant's ability and the viability of their proposal is not easy. This process is a question of personal judgement. The assessment must consider all information necessary to form an opinion and recommendations. Being thorough in collecting applicant information can aid this process.
- (4) A business plan is viable if it can:
 - (a) meet its liabilities as they become due; and
 - (b) when cash receipts cover expenses including interest on capital risk and taxes.
- (5) Other factors of a viable business plan.
 - (a) Wages and salaries are at reasonable rates for all persons who contribute, including proprietors.
 - (b) The business plan provides for an excess in funds to allow the enterprise to take advantage of opportunities for growth.
 - (c) The business plan accounts for emergency situations or uncertainties during business.
 - (d) The business plan accounts to fix and repair assets such as equipment.
 - (e) If the business plan accounts for making payments to the term loan principal.
 - (f) If the business plan provides a return to the owners or proprietor on their investment.
- (6) Where a proposed business plan does not meet the formal criteria outlined above, consideration should be given to the use of grants to assist in the initial capitalization and extra costs associated with start-up of operations. Such consideration is made to ensure ultimate viability of the business proposal.

Equity

- (1) The following may be considered as equity for the purposes of determining eligibility for direct loans and direct loan guarantees:
 - (a) cash or equivalent liquid assets, including common stock or bonds;
 - (b) equity in land and real estate, verified upon appraisal;
 - (c) appraised value of land held on certificate of possession;
 - (d) verifiable equity in unencumbered equipment; and

- (e) letters of commitment from agencies that provide equity contributions to Indigenous businesses.
- (2) The preferred amount of equity to render an applicant eligible for a loan is 10% of total the project costs.
- (3) In some instances, sweat equity may be assigned a value in the source and use of funds in the business plan to satisfy other equity and loan capital requirements.

Other Revenue Sources

- (1) The General Manager will review other sources of revenue considering a client's capacity, capability, and conditions.

Economic Environment

- (1) A substantial amount of the risk associated loans are the broad economic forces which individuals and businesses have little control over. To perform a reasonable risk assessment, CFDC of CIFN must be aware of the current economic environment and the probable impact of economic conditions on a client.
- (2) CFDC of CIFN will continually monitor the economic environment by paying attention to the economic factors that are most likely to affect the institution's portfolio of clients.

Community and Business Environment

- (1) A borrower's financial performance depends on the general conditions in its industry, community, and marketplace as well as how effectively the company meets competition.
- (2) An industry or community analysis is a critical component in a lender's assessment of the risks facing the client and CFDC of CIFN if a loan is approved.
- (3) Understanding the risks and opportunities for the community or the major industry sectors in CFDC of CIFN's trading area is essential in effectively managing the overall loan portfolio.

Legislative Issues

- (1) Through legislation, governments can make an immediate impact on creditor's risk, business operation and loan portfolios. CFDC of CIFN must be alert when learning and interpreting new laws and legislative amendments.

Interest Rate

- (1) Establishing an interest rate for clients is an important decision to sustain the investment fund.
- (2) The interest rate set by CFDC of CIFN must be competitive with the rates offered in the marketplace while providing a return that is reasonable considering:

- (a) costs of administration;
- (b) costs of funds;
- (c) costs of servicing the account; and
- (d) loan risk assumed.

Terms of Financing

- (1) In recommending loan terms, the CFDC of CIFN must consider the following:
 - (a) at minimum, a borrower must make payments on the principal amount once a month;
 - (b) how interest rates will be set;
 - (c) working capital loans may be subject to a one-year term or less at which time they will be reviewed;
 - (d) loan terms should be set for the shortest term possible without creating undue hardship on the business;
 - (e) the loan repayment period should not exceed the estimated lifetime of the assets being purchased with the loan proceeds;
 - (f) the first repayment date will normally be within 30 days of the date the loan is granted: and
 - (g) interest-only payments may be permitted a maximum of 4 times per year and at the discretion of CFDC of CIFN.

Covenants and Understanding

Conditions

- (1) Conditions will be included in the commitment letter, and with consideration of the following:
 - (a) the security presently held by creditors;
 - (b) the effect of the security on future borrowing;
 - (c) maximum protection for CFDC of CIFN and the applicant; and
 - (d) the time required to complete the security to allow for disbursement.

Restrictive Covenants

- (1) Restrictive covenants include:
 - (a) limits on future borrowing;
 - (b) limits on future capital expenditures;
 - (c) prohibition of dividends or repayment of owners' capital; and
 - (d) accurate and timely financial information.

Other Conditions and Terms

- (1) Other loan conditions should include:

- (a) disbursement of funds;
- (b) purposes for which funds are advanced;
- (c) time limit imposed to accept an offer;
- (d) permission to access the books and accounts of the borrower when considered reasonable;
- (e) repayment terms;
- (f) interest rate;
- (g) borrower's duty to provide regular financial statements;
- (h) borrower's pledge to insure their business and proof of same prior to disbursement;
- (i) provision of incorporation documents (if applicable);
- (j) provision of director's borrowing resolution (if applicable);
- (k) evidence of ownership of, inventory, land, machinery, equipment, and vehicles (whichever apply);
- (l) manner of loan payment; and
- (m) proof of Indigenous ancestry as approved by the CFDC of CIFN unless a specific type is required.

Sample Loan Application Format

Note to Reader: This sample loan application procedure will be set by the General Manager and is subject to change. As such, the application format may change from time to time.

Community Futures Development Corporation of the Central Interior First Nations Loan Application

Borrower Profile:

See section 5.3.1 titled 'Assessment and Evaluation of Applicants' for more details.

- (1) A borrower's profile should typically include:
 - (a) a general profile (i.e., name, age, etc.);
 - (b) a personal life; and
 - (c) any professional experiences.

Business Profile:

- (1) A business profile should typically include a detailed analysis of:
 - (a) The business concepts;
 - (b) any benefits associated with the industry, economy, etc.; and
 - (c) any risks associated with the industry, economy, etc.

Purpose:

Describe the project and identify the sources and uses of funds using the chart below:

Sources		Uses	
CFDC of CIFN Loan	\$		
Total		Total	

Loan Details:

Loan Amount: \$_____.

Interest Rate: Compounded monthly at ____%.*

Amortization: _____months/years.

Repayment: Monthly blended principal and interest payments of \$_____ over _____months/years.

Prepayment: The Borrower shall have the privilege of paying the whole amount owing, or any part hereof, without penalty.

Interest only payments: Four per year, at the discretion of CFDC OF CIFN.

Interest refund: The Borrower may qualify for a refund of ____%* of the interest paid on the proposed loan, provided that the various terms and conditions are met. This determination will be made at the sole discretion of CFDC of CIFN as of the anniversary date of the Promissory Note representing the debt. In the event the Borrower qualifies, the amount calculated will be credited by CFDC of CIFN as a principal reduction to the amount then owing

Fees:

Application fee: \$_____.

Legal Fees \$_____.

* The interest rate value will be set at the discretion of CFDC of CIFN and will need to be confirmed.

* The refund amount value will be set at the discretion of CFDC of CIFN and will need to be confirmed.

Total Fees \$_____.

Disbursement of Funds:

Enclose the full disbursal amount upon completion of conditions precedent.

Corporation Balance Sheet:

Attach the balance sheet prepared by an accountant if available.

Assets			Liabilities	
			Retained Earnings	
			Total Liabilities:	
Total Assets:			Net Worth:	

Personal Net Worth Statement:

Assets			Liabilities	
Business Equity				
Personal Income				
CPP				
Total Assets:			Total Liabilities:	
			Total Personal Net Worth:	

Credit Investigations:

Enclose copies of any credit investigations.

References:

Enclose copies of any references the lender may produce.

Reporting Requirements:

- (1) Annual financial statements are to be provided to CFDC of CIFN within 90 days of fiscal yearend.
- (2) Any changes in location or company structure are to be reported to CFDC of CIFN.
- (3) (Optional) The client will agree to provide quarterly financial statements to CFDC of CIFN, which includes bank statements, bank reconciliation, and revenue and expense statements.

Conditions Precedent:

***Include/exclude as necessary*

- (1) Copy of driver's license and status card for [full name of borrower].
- (2) Letter of Undertaking signed by [full name of borrower] acknowledging that this proposed loan is not insured by life insurance.
- (3) Letter of Undertaking signed by [full name of borrower] agreeing not to incur any further monthly installment debt while CFDC of CIFN loan is outstanding.
- (4) Copy of Income Tax assessment – Current Year
- (5) Copy of Certificate of Possession.

- (6) Copy of Bank Statement (volunteered by client).
- (7) Copy of Bill of Sale.
- (8) Void cheque of financial institution.
- (9) Copy of ICBC registration of the vehicle used for security.

Covenants:

***Include/exclude as necessary*

- (1) Pre-Authorized Debit to be implemented.
- (2) The borrower will not, without the prior consent of CFDC of CIFN, make or commit to make capital purchases or leases more than \$5,000 in any fiscal period.
- (3) The borrower will not incur further indebtedness, other than trade transactions in the normal course of business, without the prior written consent of CFDC of CIFN.
- (4) The borrower will not declare or pay dividends, management bonuses or management salaries, in excess of normal annual management salaries of \$18,000 without the prior written consent of CFDC of CIFN.
- (5) The borrower will not make or repay loans to shareholders or related or affiliated entities, without the prior written consent of CFDC of CIFN.
- (6) The borrower will not invest in or make loans to any other entity, without the prior written consent of CFDC of CIFN.
- (7) The borrower will give CFDC of CIFN prompt notice of any known event of default or any known event, which, without notice or lapse of time or other, would constitute an event of default.
- (8) No security will be granted by the borrower, to other creditors, and/or affiliated companies or entities without CFDC of CIFN's prior consent.
- (9) The borrower shall co-operate fully with the direction and supervision of the CFDC of CIFN Business Development Officer and the CFDC of CIFN.

Account Strategy:

- (1) Monthly monitoring by the Business Development Officer to ensure the account is in goodstanding.
- (2) Provide assistance and advice as necessary.
- (3) Quarterly management financial statements are to be provided.

Financial Commentary:

- (1) Balance sheet and Income Statement for up to December current year
- (2) Projections: We have been provided with an acceptable business plan and a revenue/expense projection which demonstrates the potential to realize revenues, plus expenses.

Security Evaluation:

List security.

Strengths:

List strengths.

Weaknesses:

List weaknesses.

Risk Assessment:

Choose one of High/Medium/Low.

Employment:

Maintained:	F/T ** P/T **
Created:	F/T ** P/T **
Seasonal:	n/a

Conclusion:

Outline why this loan is recommended.

We recommend,

Business Development Manager

General Manager

ATTACHMENTS:

Risk Assessment Summary	Attached
Collateral Security Panel	Attached

OTHER DOCUMENTS EXAMINED:

Equifax credit check	Attached
Credit check verification	Examined
Personal Financial Net worth statement	Examined
Letter of reference (owner(s)/operator(s)/key personnel)	Examined
Pro-forma statements including Revenue and Expense statements.	Attached

Risk Assessment Summary

CLASSIFICATION	BRR Assessment
Financial Performance: <i>[Insert commentary]</i>	Acceptable
Environmental Risk: None.	N/A
Security: <i>[Insert commentary]</i>	Acceptable
Management: <i>[Insert commentary]</i>	Acceptable
Industry Status: <i>[Insert commentary]</i>	Acceptable
Terms of Support: <i>[Insert commentary]</i>	Acceptable
Profile Community: <i>[Insert commentary]</i>	Acceptable
Competitor Actions: <i>[Insert commentary]</i>	Acceptable
Comments: <i>[Insert commentary]</i>	Acceptable

Rating Based on Above:

Acceptable

Debt Servicing Schedule for Borrower

Available Income	20XX/XX (estimated)
Total Available Income	
Monthly Expenses	
Total	
Installment Debt	
Total Installment Debt	
Total Debt	
Surplus	

Gross Debt Service (GDS) Ratio is:	
(28% is acceptable)	

Total Debt Service (TDS) Ratio is:	
(38% is acceptable)	

Collateral Security/Documentation

Sample Loan Checklist

Loan Processing Checklist

Name:	Date:	
Loan number:	Loan amount: \$	
	Date	Comments
<i>Application:</i>		
1. Client meeting, signed PFS		
2. Equifax		
3. Prepare application		
4. Signed Board approval		
5. Commitment Letter		
6. Promissory Note		
7. Letter of Undertaking		
<i>Security:</i>		
8. General Security Agreement		
9. GSA Schedule A (complete)		
10. Send request to register General Financing Statement to Fulton		
a. Attach necessary documentation		
11. Pay Fulton & Company for GSA Reg		
12. Creditors Life Insurance (applying / N/A)		
13. Enter GSA/Fire/Insurance into Diary System		
<i>Loan Processing:</i>		
14. Pre-Authorized Debit Form		
15. Diarize Anniversary Date		
16. Loan entered DEFT system		
17. Loan entered FERN system		
18. Application fee \$		
19. Legal fee \$		
20. Print loan amortization schedule		
21. Copy of Status confirmation & Driver's License		
22. BCR (for access)		
23. Direction to Pay & photocopy of cheque		
24. Copy of documentation for client		
25. Client Equity/Employment entered bFERN		
26. NRT Checklist		
27. Copy of Historical Financial Statements		
28. Copy of Tax Assessments		

APPENDIX 4: COMPANION OPERATIONAL GUIDE



Community Futures Development Corporation of Central Interior First Nations

This Operational Guide is approved by the General Manager and is subject to change.

Job Descriptions

The following positions are under the General Manager's discretion and may include the following:

Business Analyst - Loans

The purpose of the Business Analyst - Loans (BA-L) is to manage and develop a group of assigned borrowers in the CFDC of CIFN. The BA-L reports directly to the Administration Manager of CFDC of CIFN. While focusing on lending activities, reporting and collections of the organization, the BA-L is responsible for the daily input of computer entries for the accounting and loan programs.

The BA-L is the primary point of contact for all borrowing and loan accounting activities. It is the BA-L's duty to perform this function while simultaneously representing the CFDC of CIFN offices in a positive, professional, and business-forward manner.

The BA-L will oversee all lending activities for the purpose of ensuring that the risk management of lending activities are being monitored appropriately, new business is supported, and ensuring that secure and sound transactions are being collected and entered.

Loans Clerk

The Loans Clerk is a support position to the Business Analyst – Loans and takes day to day task direction from the Administrative Manager. The Loans Clerk is responsible for supporting the loans application verification process and carrying out clerical, and administrative responsibilities while simultaneously representing the CFDC of CIFN business and support function.

The Loans Clerk is a key point of contact to ensure all loans and financial application information is accurate and complete. The Loans Clerk position ensures that the CFDC of CIFN are represented professionally and in a business focused manner.

Client Management Practice

Scenario

An individual unknown to CFDC of CIFN calls looking for information about a program. The individual who answers the call will take the caller's contact information and offer a reply to the inquiry within a pre-determined amount of time (two business days is the recommended maximum).

Best Practice

- (1) The individual who answers the phone will enter the information in Fern immediately by completing the following tasks:
 - (a) Open a new 'General Inquiry,' click on 'Participant Name' and an 'Add Participant' box pops up. Type the name. Because they are a new client and do not exist in the database, click the '+' symbol to the right of their name; this enables the name to be added as a 'Participant' to the general inquiry. From here, select the Format, Program, Date, Duration, Analyst, Subject and Notes for the general inquiry.
 - (b) Once the contact inquiry has been saved, another window will appear indicating they have been added as a 'New Person.' More detailed contact information can be entered to their 'Person' tab. There are 7 tabs down the side of this section, Contact, Relationships, Demographics, Interactions, Notes and Attachments and each can be filled with as much or as little information as has been gathered.
 - (c) In the 'Interaction' tab, Activities, General Enquiries and Tasks can be added for that specific client. Set a Task for the analyst to follow up with the prospect at a future date.
- (2) Adding the task to the new prospect will now show there are two 'Interactions' with this individual.

Reporting Captures

- (1) Programs currently entered to Fern include entrepreneurship, lending, trading, and technical assistance.
- (2) Activities include correspondence, email, fax, other, phone call, seminar, site

visit, socialmedia, test messaging training session, walk-in/meeting, and workshop.

- (3) Ensure outcomes objectives for the activities are set.
- (4) For accurate general inquiry keep track of when Individuals call into the office.

Business Management Practice

Begin by inputting prospects and clients into the database to track metrics. Make sure to proceed to track loan applications from pre-application status (PacifiCan Reporting).

Scenario

The individual has called back and wants to discuss next steps toward a business loan. The Analyst has a conversation and wants to record the activity.

Best Practice

- (1) Open the 'Person' tab and begin typing a business name into the 'Business Name' line. Once it's been entered, click the '+' button to have it added as a 'Participant.' Once information has been added to this record and saved, a window will pop up indicating a new business has been added to Fern.
- (2) Once the business is in Fern, information about the business can be entered into the 'Business' tab.
- (3) In the 'Business' tab, choose 'Interactions' from the left-hand side menu and click on 'Activity' to add the conversation. If completed from within the Business tab, the Participants will automatically be included in the Activity. Remember to include a meeting Subject, Format, Program and the 'tick box' indicating whether the meeting was in-depth (i.e. whether confidential information was shared). From there enter Impact (i.e. whether the company is starting, being maintained, or expanding), Category, Start Time, Analyst, Participants, Comments, and all other pertinent information.
- (4) The 'Referrals' tab can be used for capturing incoming or outgoing referrals.
- (5) The 'Outcomes' tab will capture jobs or leverages.

- (6) The 'Attachments' tab can be used to include information received during the activity (e.g., financial statements, etc.).

Reporting Captures

- (1) Activities include correspondence, email, fax, other, phone call, seminar, site visit, social media, text message training session, walk-in/meeting, and workshop.
- (2) Ensure outcomes objectives for activities are set (jobs and leverages).

Pipeline Reporting

- (1) Inputting all client contact and requests will enable reporting of the organization's pipeline. This includes which clients have been spoken to and what the client is asking for.
- (2) Generate a loan status report by:
 - (a) clicking the three vertical dots at the top right of the Fern home page; and
 - (b) clicking 'Reports', 'Loans', 'Loan Status Report'.

Default setting for Status to Include is 'All', which will enable the reader to review all loan statuses including Application, Committed, Declined, Withdrawn, Closed Deal, Bad Debt, Paid in Full. Statuses can be chosen based on the information needed.

Loan Management Practice

Loan Application – Part I

Review the CFDC of CIFN Loan Checklist 2019. Preparing an application is found at Step 3 of the checklist. (Once Equifax has been connected, credit checks can be completed using Fern as well and process can be added to the steps below).

- (1) Click on the 'Loan Application' tab and select the 'Client' the application will relate to.
- (2) Owners will be populated into the 'Stakeholders' section of the 'Loan Application tab'.
- (3) Choose whether the individual is a primary borrower, a secondary borrower, or guarantor.

- (4) Enter a loan number (Fern can be set up to auto-populate these).
- (5) Populate, 'Loan Product' (this will determine how interest is calculated on the loan; newproducts can be inputted by choosing the 'Settings' button in the top right corner of the page) and 'Loan Fund' (identifies where the loan proceeds come from, also edited in 'Settings').
- (6) 'Business Impact' (start up, maintain, expand business), 'Loan Officer' and 'PaymentMethod' fields all need to be addressed:
 - (a) If 'EFT' is chosen as the payment type, there is the ability to input the client's bankaccount information (through the Business Record).
 - (b) If it turns out to be a good payment solution, Fern can debit the client's accounts byallowing the user to create EFT files to pull the payments out (CFDC of CIFN already has this set up through BMO and these payments are accounted for manually).
- (7) Save this information (it will now be searchable) and open the loan in a new tab.

Eight Areas of the Loan

The loan is broken down into eight areas (a few are hidden until the loan is disbursed):

- (1) Summary: loan status history is shown. When a loan is disbursed it will provide balances.
- (2) Participants: used to identify borrowers, guarantors, accountants, lawyers or any otherparties privy to the loan.
- (3) Calculator: creates amortization schedule based on loan terms such as amortization,interest rates and payment types. Enter the key dates, including:
 - (a) disbursal;
 - (b) initial payment;
 - (c) term date; and
 - (d) skip months (provides ability to skip payments or pay interest only in certainmonths).

Schedule Scripts: create specific payment types, such as a reduced payment amount at the outset of a loan. Click the 'Generate' button to create an amortization schedule. Once an amortization schedule is created, payments areautomatically generated for the loan. Print a copy for the file. If a copy is not generated at this point, the 'Pop Out Schedule' button in the 'Schedules' windowwill open it in a separate window to allow for

saving, emailing and printing.

Review the amortization schedule to ensure payments are accurate, then click the blue 'Add to Schedules' tab in the middle of the page. A pop-up window will appear asking to make the schedule current. Different schedules can be created for various circumstances. The current schedule will be used to populate payments.

- (4) Collateral: use this to track collateral. This includes creating tasks to follow up on expirations.
- (5) Interactions: all interactions relating to the loan.
- (6) Outcomes: jobs created and maintained, and money leveraged.
- (7) Notes: any notes relating to the loan.
- (8) Attachments: upload documents relating to the loan, scans, loan application forms, etc.

Loan Application – Part II

- (1) Add a 'Status' to the loan:
 - (a) 'Application' (allows the user to input an amount); or
 - (b) 'Committed' (loan has been approved); Status will depend on what stage the loan is in.
- (2) Once an Amortization Schedule has been saved and the loan is in 'Committed' status, the loan's initial disbursement can be initiated by pressing the 'Disburse' button in the top right-hand corner. A new window will appear, and changes can be made to the Disbursement Amount and the Date of Disbursement. Enter a cheque number for cross-reference and click 'Disburse'. Going back to the loan record will show the loan has been disbursed (the loan payment schedule is available to view, and the loan status has been automatically updated as Closed Deal).
- (3) 'Projections' tab can be used to create per diem interest amounts in the case of a payout.
- (4) 'Schedule' tab gives a historic perspective of loan transactions, such as disbursement and payments made. Once email is set up, reports and statements can be generated and emailed out from here.

- (5) Activities include correspondence, email, fax, phone calls, seminars, site visits, socialmedia, text messaging training sessions, walk-in/meetings, and workshops.
- (6) Ensure Outcomes objectives for Activities are set (jobs and leverages).

Loan Processing

- (1) Ensure legal and admin fees are entered to Fern as fees and not disbursals.
- (2) Check the amortization schedule. The amortization schedule generates automaticpayments for each loan and allows for interest only periods.
- (3) Bring forward amortization schedules to be created for clients whose schedules haveexpired or who have fallen behind on payments.
 - (a) Open client loan.
 - (b) Click 'Schedules'.
 - (c) Click 'Bring Forward'.
 - (d) Zero out the 'Principal Box' at the top left (this populates if there are undisbursedamounts on the loan).
 - (e) Zero out the 'Amortization' term.
 - (f) Enter the agreed upon payment amount.
 - (g) If there are schedule scripts to add, open 'Schedule Scripts' and enter the detailsfor the reduced or increased loan amounts.
 - (h) The interest rate should be brought forward. If the interest rate cannot be broughtforward, then enter the interest rate.
 - (i) Check the first payment date (the system will default to present day, and the usermust align the first payment date with the payment schedule).
 - (j) Click 'Calculate' and print a copy of the amortization schedule.
 - (k) Click 'Add To Schedules'. A window will pop up asking you to 'Add CurrentSchedule', click 'Yes'.
 - (l) Note: there will be an unprocessed transaction in the 'Summary' window. This is the accrued interest that needs to be posted:
 - (i) click on the red text and go to 'Transactions' tab; and
 - (ii) review the transaction and click 'Post'.
- (4) Payment amounts are automatically generated from the amortization schedule.

Processing Payments

- (1) 'Transactions' tab allows for the payments to be bulk reviewed and processed instead of manually entry.
- (2) Open the 'Transactions' tab. The Effective Sweep Date will generate expected payments from the last payment sweep to the current day. The transactions generated from the amortization schedules from clients will appear in this window. Highlight the transaction, review it at the bottom of the page, and then move on to the next transaction for review. Once payments are reviewed, ensure a checkmark in the post box, or ensure the box is left unchecked if the payment has not been received. Click the green 'Post' button in the top right-hand corner of the screen. Fern will post all payments that have been reviewed and marked for posting.
- (3) Manual Payments can be posted from either the client loan or the Transaction window by clicking the 'Add Manual Payment' button and completing all fields. Payments should be processed from the Transaction window using a Payment Sweep as the amortization schedule will pick up any payment amounts (this method can be used for one-off payment processing when necessary).

Collections

- (1) See CFDC of CIFN Collections Manual 2019 in Appendix 1 for specific procedures.
- (2) Fassbank allows all communication to be captured. It is important to document everything. Fern includes guidance about performing and non-performing loans and reporting same.

Loan Write Off Procedure

- (1) Review the Collection Manual for the entire process. A loan write off can be completed in one of two ways.
 - (a) Search for the loan in Fern, open the 'Statement' tab, click 'Transactions', click 'Write off/Doubtful'.
 - (b) Navigate to the 'Write Off' tab on the Fern home screen and enter the loan number.

- (2) Click the drop-down menu under the loan number for three choices about how to write the loan off.
 - (a) 'Regular Write Off' will write off both the principal and interest.
 - (b) 'Discard Interest' will only write off the principle. Keep in mind that it does not make sense to write off interest when you are not likely to recover it in the first place. This is the most used process when a loan has been written off.
 - (c) Doubtful – A Loan that is non-compliant and is flagged as doubtful to collect either principal or interest.

Fassbank Utility

- (1) Email: used to email loan statements from Fern to clients. Check organization settings in Fern to ensure SMTP Server (smtp.office365.com) and SMTP Port (587) information correct. Go to 'Permissions', then 'Users'. Ensure the user's information has been inputted by confirming the user's email address and password are correct. Send a "test email" to someone within the organization to ensure the statement is being properly sent. Emails sent from Fern will automatically generate an activity. Enter more information and click '**Save**' in the top right corner.

- (2) Equifax: ensure this is set up in Fassbank for proper reporting

- (3) Export to ACCPAC/QuickBooks – ensure contracted accountant works with CFDC of CIFN administration to upload into Fassbank

APPENDIX 5: PACIFIC ECONOMIC DIVERSIFICATION PERFORMANCE REPORTGENERATION MANUAL

Refer to approved 5-year contract with PacifiCan for performance reporting and operating guidelines.