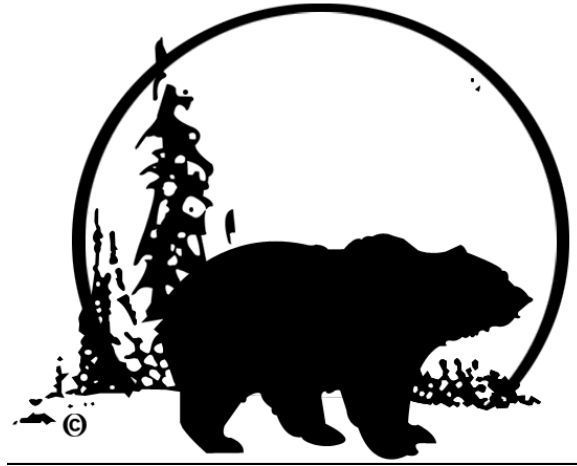


3.0 Financial Policy

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.