

BAND ADMINISTRATION MANUAL



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Cette publication peut aussi être obtenue
en français sous le titre:

Le guide d'administration des bandes

APPENDIX III:

**PUBLICATIONS AVAILABLE FROM THE DEPARTMENT OF INDIAN AFFAIRS
AND NORTHERN DEVELOPMENT**

INTRODUCTION

Departmental publications may be obtained from:

SELECTED LIST OF AVAILABLE PUBLICATIONS

Indian Act (an office consolidation)

- Text of the Act, with amendments, normally distributed by the Department to Native people only.

- QS-1131-000-BB-A8 1989 62 pp.

Changes to the Indian Act

- Important changes to Canada's Indian Act resulting from the passage of Bill C-31.
- OS-5214-000-BB-A2 1985 7 pp.

- Indian Act Regulations

- Separate texts of chapters 947 to 962 of the Indian Act, produced in leaflet form, regulating the following areas:
- Chapter 947: Schedule of Administrative Fees
 - QS-5118-000-BB-A1
- Chapter 948: Disposal of Forfeited Goods and Chattels
 - QS-5119-000-BB-A1
- Chapter 949: Borrowing by Band Councils
 - QS-5120-000-BB-A1
- Chapter 950: Band Council Meetings
 - QS-5121-000-BB-A1
- Chapter 951: Band Election Order
 - QS-5122-000-BB-A1
- Chapter 952: Band Election Procedures
 - QS-5123-000-BB-A1
- Chapter 953: Band Revenue Moneys
 - QS-5124-000-BB-A1
- Chapter 954: Estates
 - QS-5125-000-BB-A1

- Chapter 955: Health
 - QS-5126-000-BB-A1
- Chapter 956: Mining
 - QS-5127-000-BB-A1
- Chapter 957: Referenda
 - QS-5128-000-BB-A1
- Chapter 959: Traffic
 - QS-5130-000-BB-A1
- Chapter 960: Waste Disposal
 - QS-5131-000-BB-A1
- Chapter 961: Timber
 - QS-5132-000-BB-A1
- Chapter 962: Places of Amusement
 - QS-5133-000-BB-A1

Indian Band Membership

- An information booklet concerning new Indian Band membership laws and the preparation of Indian Band codes.
 - QS-5217-000-BB-A2

1986

26 pp.

APPENDIX IV:
GENERAL GUIDELINES FOR PREPARING FUNDING PROPOSALS

Introduction to Real Property Taxation on Reserve

- A basic introduction to property taxation under the Indian Act, primarily for the benefit of First Nations/Bands who are contemplating the use of their taxation powers.

- QS-5260-000-BB-A1 1990 34 pp.

Indian Management Courses 1990/91

- Descriptions of Indian management development courses designed for Native leaders, and available at Native and non-Native institutes across Canada.

- QS-5252-000-BB-A1 1990 82 pp.

In Print

- In Print provides a comprehensive list of publications available from the Department of Indian Affairs and Northern Development, and is produced annually.

- QS-6030-000-BB-A4

GENERAL GUIDELINES FOR PREPARING FUNDING PROPOSALS

Introduction

This section provides general guidelines for Bands on preparing proposals for funding. In addition to the primary source of Band revenue funds, Indian and Northern Affairs, and Health and Welfare Canada, many Bands avail themselves of project funding for employment creation programs and special initiatives sponsored by various governmental agencies, as well as project grants from foundations. (Types and sources of Band revenue are listed in part E. of the Financial Administration Manual.)

Band Councils should be on the mailing lists for governmental program funding initiatives. By applying to these additional funding sources, Band Councils are able to provide additional employment and training opportunities in their communities, expand services or programs, and sponsor cultural events.

In developing a Band submission for funding, those involved should read through the funding agency's criteria carefully, to ensure that they develop the project proposal to fit within the funding agency's guidelines. In addition to providing general guidelines for project submissions, funding agencies may also specify certain restrictions on the length of the project, and on funding. For example, some agency initiatives will not fund capital costs, purchase of equipment (although leasing may be permissible), etc. It is advisable to call the funding agency while still in the development stage of the proposal, to discuss particulars with them.

The advantages of a well-prepared submission include:

- a) There is a greater chance of the proposal being approved and funded.
- b) The submission is useful as a planning and management tool, and provides guidelines for project administrators.
- c) It provides direction and structure for project staff, helps to ensure that they complete activities on schedule, and meet project objectives, as defined in the submission.

Some agencies request specific information for project proposals, and supply forms on which this information must be provided. Others provide only general criteria to qualify for funding, and budgetary or funding restrictions, and leave it to the applicant to prepare the submission without any additional specific guidance. Many funding agencies also have firm time deadlines for submitting proposals, which may be annual or semi-annual. It is important to allow sufficient lead time to properly plan and prepare a proposal, to ensure that it is able to be completed thoroughly, and submitted on time.

Guidelines in point form for the components of a good proposal follow. These components may not all be necessary for all funding applications, (i.e. those which provide application forms and request specific information), but for those which do not, and for planning purposes, many of these components are very useful to consider.

Components of a Good Proposal

1. Summary page, which should include:
 - Project name;
 - Sponsoring agency (Band) name, address, telephone number, and contact person(s)/title;
 - Agency the proposal is being submitted to;
 - Length of project: beginning and ending date;
 - Brief summary of project (two sentences max.);
 - Total project cost, and amount requested;
 - Date of proposal submission.
2. Cover letter from the Chief regarding the submission, highlighting the need for and importance of the project/program, and the benefits it will provide to the community.
3. Table of Contents.
4. Executive Summary: brief one to two page summary of the proposal.
5. Background of applicant (Band/Council). This could include such things as:
 - Location of Reserve.
 - Population (on and off Reserve), population growth, age breakdowns, unemployment rates (if applicable).
 - Band Government's organizational structure; management and administrative experience of Band Council/Project Supervisor.
 - Previous projects successfully undertaken by the Band.
6. Demonstration of project need: why is the project important to or needed by the community? (Both statistics and narrative may be useful here.)
7. Project/program goals and objectives (general objectives; specific goals): What will be accomplished as a result of the project or program?
8. Anticipated benefits of the project/program: what positive effects are expected to result from the program?
9. Indication of Band Council/community support for project (copy of Band Council Resolution in support of the project, consensus of need as expressed in community meetings, etc.).
10. Project Implementation:
 - When project will begin; length of project (i.e. one year).

- Details on how project will be undertaken, including components listed below.
- Staff/volunteer components - job qualifications/skill requirements; job descriptions and responsibilities/role in project/program; hiring procedures.
- If the personnel for the project will come from the existing staff, or have been already selected, the experience of these people should be highlighted. Their resumes could be included in the project application appendices.
- If the project will be administered by the Band Council, the experience of Band Council members could be highlighted. (An appendix might list Band Council members and their experience, memberships/affiliations, etc.)
- If a Community or District Committee(s) will be involved, how will members be selected? If the Committee is already in place, who are the members? What is the background of the Committee? What activities has the Committee undertaken to date?
- Project administrative structure - financial, supervisory, responsibilities etc. - tied in with project staff responsibilities.
- Research and community consultation procedures which will be undertaken, if applicable.
- Location: Will project be operated from the Band Office or from another existing building? Will there be need for office rental, improvements, utilities? In cases where a new building is involved, details on capital costs must be provided - architect's plans, cost breakdowns, operating costs, etc.
- Equipment and material requirements: the need or use for equipment and materials on the project might warrant explanation.
- Schedule of project activities (month by month), and purpose.
- Reporting structure and project evaluation - how will the project be evaluated? Provide details of internal reporting procedures and evaluation criteria, as well as how frequently reports will be provided to the funding agency(ies), if this is not already specified by the agency. What information will be included in the final report?
- If any published material (such as booklets, brochures, or reports) or media releases/ interviews are involved, will the funding agency(ies) be acknowledged?

11. Project Budget:

- Details of project costs: personnel cost breakdown (including benefits), equipment/ materials and supplies, travel costs, administrative costs (mailing, photocopying, financial administration, office rental and utilities, if applicable), printing costs, advertising/promotional costs, honoraria for volunteers, etc.
- Total funding required for project.
- Amount requested from agency; amount contributed by Band/applicant (this can include materials, personnel, and other value-in-kind), amount contributed by or requested from other agencies.
- Cash flow schedule: shows the amount of cash required during each month during the project, by category. The seasonal activity of certain activities must be taken into account when cash flow schedules are prepared.
- For further information on budgets, see F. in Financial Administration, Section Three.

12. Appendices:

- Could include such things as the Band's organizational chart and structure, a list of Band Council/Committee members and highlights of their experience, list of Councillors Portfolios, and business, committee and organizational affiliations.
- Resumes of key participants/personnel.
- The Band's audited financial statements for the past two years, and Financial Regulations, could be useful support materials, enclosed under separate cover.

APPENDIX V:
SAMPLE BAND COUNCIL RESOLUTIONS



**BAND COUNCIL RESOLUTION
RÉSOLUTION DE CONSEIL DE BANDE**

Page 1 of 1

The Council of the LA Council of		Cash and balance - Since 6-30-2020 Cash account Current balance \$ _____
Date of last convened meeting Date of next convened meeting	6-30-2020 6-30-2021	Revenue account Current revenue \$ _____

DO HEREBY RESOLVE
DECIDE. PAR LES PRESENTES

(EXAMPLE - SECTION 69 - "In Whole")

That approval be granted by the Minister for the Department of Indian Affairs and Northern Development, to transfer authority to the _____ Band to control, manage, and expend in whole the _____ Band revenue moneys under the provisions of Section 69 of the Indian Act.


In consideration of the transfer of this authority under Section 69, the Band Council of the _____ Band agrees to the following:

1. All funds will be managed in the best interests of the Band membership.
2. Proper books of account and accounting records will be maintained in respect of all financial and other transactions of the Band.
3. The Band Council will appoint an auditor, who shall hold office continually, until a new auditor is appointed, as required.
4. The Department of Indian Affairs and Northern Development will be provided with an annual audited financial statement of all transactions of the Band.

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FOR DEPARTMENTAL USE ONLY - RESERVE AU MINISTRE			
Classification - Classification	Number under Act 1990 Number under Act 1990	Number under Act 1990 Number under Act 1990	Number under Act 1990 Number under Act 1990
	<input type="checkbox"/> 1990 <input type="checkbox"/> 1990		<input type="checkbox"/> 1990 <input type="checkbox"/> 1990
Responsible Officer - Responsable de		Responsible Officer - Responsable de	
Signature	Date	Signature	Date
Responsible Officer - Responsable de		Responsible Officer - Responsable de	
Signature	Date	Signature	Date

Band Government Administration
Appendix V: Sample Band Council Resolutions

 Indian and Northern Affairs Canada
Affaires indiennes et du Nord Canada

BAND COUNCIL RESOLUTION
RESOLUTION DE CONSEIL DE BANDE

Resolution No. - N° de résolution
Date of Resolution - Date de résolution

NOTE: The words "Band Council", "Council", or "Resolution" wherever they appear in this form shall apply to all resolutions relating exclusively to Band funds.
NOTA: Les mots "Conseil de bande", "Conseil", ou "Résolution" partout où ils apparaissent dans ce formulaire s'appliquent à toutes les résolutions relatives exclusivement aux fonds de bande.

The Council of the Le conseil de	Cash free balance - Solde disponible	Capital account Compte capital	\$	
		Revenue account Compte revenu	\$	
Date of duly convened meeting Date de l'assemblée dûment convoquée	D. / M. / A.	Province		

DO HEREBY RESOLVE
DECIDE PAR LES PRESENTES

(EXAMPLE - SECTION 69 - "In Part")

That approval be granted by the Minister for the Department of Indian Affairs and Northern Development, to transfer authority to the _____ Band to control, manage, and expend in part the _____ Band revenue moneys under the provisions of Section 69 of the Indian Act.

The transfer of authority is for the management of expenditures for the following purpose(s) only:

Item 1. (Describe the item, purpose, and amount) \$ _____

In consideration of the transfer of this authority under Section 69, the Band Council of the _____ Band agrees to the following:

1. All funds will be managed in the best interests of the Band membership.
2. Proper books of account and accounting records will be maintained in respect of all financial and other transactions of the Band.
3. The Band Council will appoint an auditor, who shall hold office continually, until a new auditor is appointed, as required.
4. The Department of Indian Affairs and Northern Development will be provided with an annual audited financial statement of all transactions of the Band.

Quorum	Chairman - Président	Secretary - Secrétaire
Member - Membre	Member - Membre	Member - Membre
Member - Membre	Member - Membre	Member - Membre
Member - Membre	Member - Membre	Member - Membre

FOR DEPARTMENTAL USE ONLY - RESERVE AU MINISTRE					
Signature - Signature	Signature - Signature	Signature - Signature	Signature - Signature	Signature - Signature	Signature - Signature
Signature - Signature	Signature - Signature	Signature - Signature	Signature - Signature	Signature - Signature	Signature - Signature
Signature - Signature	Signature - Signature	Signature - Signature	Signature - Signature	Signature - Signature	Signature - Signature

APPENDIX VI:
ELECTION REGULATIONS

REGULATIONS COVERING BAND ELECTIONS

(P.C.1954-1367, SEM.1954)

1. These regulations may be cited as the "Indian Band Election Regulations".
2. In these regulations,
 - (a) "Act" means the Indian Act;
 - (b) "deputy electoral officer" means any person appointed by the electoral officer for the purposes of an election;
 - (c) "Director" means the Director of Indian and Northern Affairs Canada;
 - (d) "election" means a Band election held pursuant to the provisions of the Act;
 - (e) "elector" means a person who
 - (i) is registered on a Band List;
 - (ii) is of the full age of twenty-one years, and
 - (iii) is not disqualified from voting at Band elections;
 - (f) "electoral officer" means the Superintendent or the person appointed by the Council of the Band with the approval of the Minister;
 - (g) "Minister" means the Minister of Indian and Northern Affairs Canada;
 - (h) "Superintendent" means the Superintendent or senior field officer of Indian and Northern Affairs Canada, or any officer acting under the instructions of the Minister or Director.

Definition of Residence for the Purpose of Determining the Eligibility of Voters

3. The following rules apply to the interpretation of the words "ordinarily resident" in respect of all matters pertaining to the right of an elector to vote in an election:
 - (a) Subject to the other provisions of this section, the question as to where a person is or was ordinarily resident at any material time or during any material period shall be determined by reference to all the facts of the case;
 - (b) The place ordinary residence of a person is, generally, that place which has always been, or which he has adopted as, the place of his habitation or home, whereto, when away therefrom, he intends to return and, specifically, where a person usually sleeps in one place and has his meals or is employed in another place, the place of his ordinary residence is where that person sleeps;

- (c) A person can have one place of ordinary residence only, and he shall retain such place of ordinary residence until another is acquired,
- (d) Temporary absence from a place of ordinary residence does not cause a loss or change of place of ordinary residence.

Nomination Meeting

- 4. (a) When an election is to be held, the electoral officer shall post a notice in the form prescribed of a meeting of the electors for the purpose of nominating candidates for election; such notice shall be posted in one or more conspicuous places in each electoral section at least six full days prior to the date of the proposed nomination meeting, and at least twelve full days prior to the date set for the elections.
- (b) Where it is not practicable to hold a meeting for the nomination of candidates in accordance with the provisions of sub-section a), the Director may order that the meeting shall be held on a date less than six full days before the day on which the election is to be held.
- (c) At the time and place specified in the notice, the electoral officer shall declare the meeting open for the purpose of receiving nominations, and any person who is an elector may propose or second the nomination of any duly qualified person to serve as a Chief or Councillor, and the meeting shall remain open for not less than two hours after commencement when, if the number of persons nominated to serve on the Band Council does not exceed the requisite number, the electoral officer shall declare the persons so nominated duly elected.
- (d) The electoral officer shall not close the nomination meeting until such business as he considers may properly be brought before it has been disposed of.
- (e) In the event of more than the required number of persons being nominated for Chief and Councillors, the electoral officer shall declare that a poll will be held and shall name the time and the place where such poll shall be taken.
- (f) Whenever a poll is to be taken the electoral officer shall, without any unreasonable delay after the nomination, cause to be posted in one or more conspicuous places within the section a notice to that effect in the form prescribed.

Manner in Which Voting Shall be Carried Out

- 5. (a) The electoral officer shall prepare a voters' list containing the names, in alphabetical order, of all electors.

- (b) The electoral officer shall post one or more copies of the voters' list in a conspicuous place in the section, and where a Reserve is divided into more than one section, he shall post one or more copies of the voters' list in a conspicuous place in each section.
- (c) Any elector may apply to have the voters' list revised on the ground that the name of an elector has been omitted, the name of an elector is incorrectly set out, or the name of a person not qualified to vote is included.
- (d) If the electoral officer is satisfied that a list should be corrected, he shall make the necessary correction therein.
- (e) There shall be prepared ballot papers in the form prescribed containing the names of the candidates for Chief and Councillors, which shall be listed on the ballot papers in alphabetical order.
- (f) Any candidate who has been nominated may withdraw at any time after his nomination, but not later than forty-eight hours before the time of the opening of the poll, by filing with the electoral officer a written withdrawal of his nomination, signed in the presence of the electoral officer, a justice of the peace, a notary public, or a commissioner for oaths, and any votes cast for any such candidate shall be null and void.
- (g) The electoral officer shall procure or cause to be procured as many ballot boxes as there are polling places, and shall cause to be prepared a sufficient number of ballot papers for the purpose of the election.
- (h) The electoral office shall, before the poll is open, cause to be delivered to his deputy the ballot papers, materials for marking the ballot papers, and a sufficient number of directions-for-voting as may be prescribed.
- (i) The electoral officer or his deputy shall provide a compartment at each polling place where the electors can mark their ballot papers free from observation, and he may appoint a constable to maintain order at such polling places.
- (j) The poll shall be kept open from nine o'clock (standard time) in the forenoon until six o'clock (standard time) in the afternoon of the same day, but where it appears to the electoral officer that it would be inconvenient to the electors to have the poll closed at six o'clock, he may order that it be kept open until not later than eight o'clock, (standard time) of the afternoon of the same day.
- (k) A candidate shall be entitled to not more than two agents in a polling place at any one time.
- (l) Voting at all elections shall be by ballot in the manner set forth in section six.

- (m) The electoral officer or his deputy shall immediately before the commencement of the poll open the ballot box and call such persons as may be present to witness that it is empty; he shall then lock and properly seal the box to prevent it being opened without breaking the seal, and shall place it in view for the reception of the ballots, and the seal shall not be broken, nor the box unlocked, during the time appointed for taking the poll.
- (n) At the request of any candidate or his agent or any elector, an oath or affirmation in the form prescribed as to his right to vote shall be administered to any person tending his vote at any election.

The Poll

- 6. (a) On a person presenting himself for the purpose of voting, the electoral officer or his deputy shall, if satisfied that the name of such person is entered on the voter's list at the polling place, provide him with a ballot paper on which to register his vote.
- (b) The electoral officer or his deputy shall cause to be placed, in the proper column of the voters' list, a mark opposite the name of every voter receiving his ballot paper.
- (c) No person who has refused to take the oath or affirmation referred to in sub-section n) of section five when requested to do so shall receive a ballot paper or be permitted to vote.
- (d) The electoral officer or his deputy may and when requested to do so shall explain the mode of voting to a voter.
- (e) Each person receiving a ballot paper shall forthwith proceed to the compartment provided for marking ballots, and shall mark his ballot paper by placing a cross opposite the name of the candidate or candidates for whom he desires to vote; he shall then fold the ballot paper so as to conceal the names of the candidates and the marks on the face of the paper, but so as to expose the initials of the electoral officer or his deputy, and on leaving the compartment shall forthwith deliver the same to the electoral officer or his deputy, who shall without unfolding the ballot paper verify his initials, and at once deposit it in the ballot box in the presence of the voter and of all other persons entitled to be present in the polling place.
- (f) While any voter is in the compartment for the purpose of marking his ballot paper, no other person shall, except as provided in sub-section g), be allowed in the same compartment or be in any position from which he can see the manner in which such voter marks his ballot paper.
- (g) The electoral office or his deputy, on the application of any voter who is unable to read, or is incapacitated by blindness or any other physical cause from voting in the manner prescribed by sub-section e), shall assist such voter by marking his ballot paper in the manner directed in the polling place and of no other person, and place such ballot in the ballot box.

- (h) The electoral officer or his deputy shall state in the voters' list, opposite the name of such elector in the column for remarks, the fact that the ballot paper was marked by him at the request of the voter and the reason therefore.
 - (i) A voter who has inadvertently dealt with his ballot paper in such a manner that it cannot be conveniently used shall, upon returning it to the electoral officer or his deputy, be entitled to obtain another ballot paper, and the electoral officer or his deputy shall thereupon write the word "cancelled" upon the spoiled ballot paper and preserve it.
 - (j) Any person who has received a ballot paper and who leaves the polling place without delivering the same to the electoral officer or his deputy, in the manner provided, or if, after receiving the same, refuses to vote, shall forfeit his right to vote at the election, and the electoral officer or his deputy shall make an entry in the voters' list, in the column for remarks opposite the name of such person, to show that such person received the ballot paper and declined to vote, in which case the electoral officer or his deputy shall mark upon the face of the ballot paper the word "declined", and all ballot papers so marked shall be preserved.
 - (k) An elector whose name does not appear on the voters' list may vote at an election, providing that the electoral officer or his deputy is satisfied that such person is qualified to vote.
 - (l) Every elector who is inside the polling place at the time fixed for closing the poll shall be entitled to vote before the poll is closed.
7. Immediately after the close of the poll, the electoral officer or his deputy shall in the presence of such of the candidates or their agents as may be present, open the ballot box and
- (a) Examine the ballot papers and reject all ballot papers,
 - 1) which have not been supplied by him; or
 - 2) by which votes have been given for more candidates than are to be elected; or
 - 3) upon which anything appears by which the voter can be identified, but no word, letter or marks written or made or omitted to be written or made by the electoral officer or his deputy on a ballot paper shall void it or warrant its rejection;
 - (b) Declare a ballot paper containing the names of candidates for more than one office, on which votes are given for more candidates for any office than are to be elected, to be void as regards all the candidates for such office; but such ballot paper shall be good as regards the votes for any other offices in respect of which the voter has not voted for more candidates than are to be elected;
 - (c) Subject to review on recount or on an election appeal, take a note of any objection made by any candidate or his agent to any ballot paper found in the ballot box, and decide on any question arising out of the objection.

- (d) number such objection and place a corresponding number on the back of the ballot paper with the word "allowed" or "disallowed", as the case may be, with his initials;
 - (e) Count the votes given for each candidate from the ballot papers not rejected, and make a written statement of the number of votes given to each candidate, and of the number of ballot papers rejected and not counted by him, which statement shall be then signed by him and such other persons authorized to be present as may desire to sign the same.
8. Immediately after the completion of the counting of the votes, the electoral officer shall publicly declare to be elected the candidate or candidates having the highest number of votes, and he shall also post, in some conspicuous place, a statement signed by him showing the number of votes cast for each candidate.
9. Where it appears that two or more candidates have an equal number of votes, the electoral officer shall give a casting vote for one or more of such candidates, but the electoral officer shall not otherwise be entitled to vote.
10. (a) The electoral officer shall prepare a statement in triplicate showing the total number of votes cast for each candidate, the number of rejected ballots, and the names of the candidates duly declared elected.
- (b) One copy of such statement shall be forwarded to the Director, one to the Regional Supervisor or the Indian Commissioner for the Province of British Columbia, and one copy filed in the Agency Office.
- (c) The statement shall be signed by the electoral officer and such of the candidates or their agents as are present and desire to sign it.

Disposition of Ballot Papers

11. The electoral officer shall deposit all ballot papers in sealed envelopes with the Superintendent, who shall retain them in his possession for eight weeks, and unless otherwise directed by the Minister or by a person authorized by him, shall then destroy the ballot papers in the presence of two witnesses, who shall make a declaration that they witnessed the destruction of them.

Election Appeals

12. (a) Within thirty days after an election, any candidate at the election, or any elector who gave or tendered his vote at the election who has reasonable grounds for believing that:
 - 1) There was corrupt practice in connection with the election;
 - 2) There was a violation of the Act or these regulations that might have affected the result of the election; or
 - 3) A person nominated to be a candidate in the election was ineligible to be a candidate, may lodge an appeal, by forwarding by registered mail to the Director particulars thereof, verified by affidavit.
- (b) Where an appeal is received by the Director pursuant to sub-section a), the Director shall, within seven days of the receipt of the appeal, forward a copy of the appeal, together with all supporting documents by registered mail to the electoral section.
- (c) Any candidate may, within fourteen days of the receipt of the copy of the appeal, forward to the Director by registered mail a written answer to the particulars set out in the appeal, together with any supporting documents relating thereto, duly verified by affidavit.
- (d) All particulars and documents filed in accordance with the provisions of this section shall constitute and form the record.
13. (a) The Minister may, if the material that has been filed is not adequate for deciding the validity of the election complained of, conduct such further investigation into the matter as he deems necessary, in such manner as he deems expedient.
- (b) Such investigation may be held by the Minister, or by any person designated by the Minister for the purpose.
- (c) Where the Minister designates a person to hold such an investigation, such person shall submit a detailed report of the investigation to the Minister for his consideration.
14. Where it appears that,
 - (a) There was corrupt practice in connection with an election;
 - (b) There was a violation of the Act or these regulations that might have affected the result of an election; or
 - (c) A person nominated to be candidate in an election was ineligible to be a candidate, the Minister shall report to the Governor in Council accordingly.

Secrecy of Voting

15. (a) Every person in attendance at a polling place or at the counting of the votes shall maintain and aid in maintaining the secrecy of the voting.
(b) No person shall interfere with a voter when marking his ballot paper, or obtain or attempt to obtain at the polling place, information as to how a voter is about to vote or has voted.
16. The Minister may make such orders and issue such instructions as he may deem necessary from time to time for the effective administration of these regulations.
17. Such forms as are required for the purpose of these regulations shall be as are prescribed by the Minister.
18. Any person who violates any of the provisions of these regulations is subject to the penalties provided by section one hundred of the Act.

P.C. 2604-May 9, 1952, as amended by P.C. 4214 October 9, 1952.

Note: Section 100 of the Indian Act:

"Every person who is guilty of an offence against any provision of this Act or any regulation made by the Governor in Council or the Minister for which a penalty is not provided elsewhere in this Act or the regulations, is liable on summary conviction to a fine not exceeding two hundred dollars or to imprisonment for a term not exceeding three months or to both fine and imprisonment".

Section Two: Personnel Administration

A. INTRODUCTION

This section is designed to provide sample policies in the area of Personnel Administration, which Band Councils may use as guidelines in developing their own Personnel Administration policies. It includes such areas as hiring policies, orientation, salary administration, staff development, performance reviews, employee leave and benefits, hours of work, lateness or absence, overtime, discipline and grievance policies, and termination of employment.

The appendices to this section include a sample Band Employment Application, Employee Code of Ethics Contract, Contract of Employment, Performance Appraisal Review Form, and other sample Personnel Administration Forms.

Clearly defined personnel policies are important for Band employees, as well as for the Band Council and administration. They provide a clear indication of policies and procedures to follow with regard to various aspects of personnel administration, ensure that policies are consistent, and that the Band Council and/or Band Manager are not required to spend time making decisions for each individual situation which arises.

Once the Band has developed its own Personnel Administration Manual, staff members should have the opportunity to familiarize themselves with this and other Band Administration Policy Manuals. New employees should be familiarized with all Band policies upon beginning employment with the Band.

B. HIRING OF EMPLOYEES

1. Recruitment and Hiring Procedures

This section covers suggested policies and procedures for the recruitment and hiring of Band employees.

- a) All permanent jobs shall be advertised by means of notices and the media, wherever possible. Notices issued by the Band Administration shall be posted in places accessible to all Band membership, and may be made in writing to suitable advertising resources locally, provincially, or nationally.
- b) Such notices shall include job description, minimum qualifications, salary or salary range, and closing date for applications.
- c) Applications for employment shall be submitted on Band application forms, provided by the Band Office. Applications shall include information on personal history, previous experience, references, and any other relevant information applicable to the position. (See Appendix I, Sample Band Employment Application Form.)
- d) The Chief and Council* will appoint a Selection Committee to screen applications. Selection Committees will include at least three members and will review all applications received.
- e) The Committee Chairperson, who will be the relevant Program Manager or Portfolio Councillor, and an additional Committee member, will independently check references of applicants who meet minimum requirements for the position before interviews are scheduled.
- f) Candidates who meet the requirements, standards, and qualifications for the position will be given the opportunity for employment interviews.
- g) Competitions will have deadlines, and applications by candidates must be received by the day of the competition deadline, in order to qualify.
- h) Employment positions will be filled from within the reserve, if a candidate from the reserve has the necessary skills.
- i) Where possible, it is advisable to promote current staff members to more responsible positions. Such promotions require the majority decision of the Chief and Council, and should be based on the individual being considered for promotion having demonstrated capabilities for the job.

* "Chief and Council" may be substituted with the "Band Manager" or "Program Manager", if hiring is delegated to either.

- j) In the event that there is a suitable Band staff member currently employed in another Department, a transfer may be approved, with a majority decision of the Chief and Council.
- k) Members on the Committee or Council who are directly related to applicants (members of their immediate family) cannot participate in the decision related to that applicant, nor vote on that candidate's acceptance or rejection.
- l) The approval of the successful candidate by the Selection Committee shall be record-ed in the Committee minutes, outlining the name, position, salary and starting date.
- m) Steps in the selection of employees shall be as follows:
 - 1) The Secretary shall keep an up-to-date list of all applications received for any position, and shall keep all applications in an individual file. These will be considered (and stamped) confidential, and will be kept in a locked filing cabinet.
 - 2) The Supervisor in charge of the program shall assist the Selection Committee in preparing a qualifying list from applications received. (The Committee shall review all applications received).
 - 3) Two members of the Selection Committee shall independently check the references of qualifying applicants.
 - 4) Committee members will interview applicants who have been pre-screened, and recommend who should be hired. The recommendation for the chosen candidate shall be subject to approval by the Band Council.
 - 5) The Band Council will then confirm the offer and acceptance by a motion at the next Band Council meeting, and the Chief will ratify the appointment by signing the "Confirmation of Employment" form.
 - 6) If the Council rejects the Selection Committee's recommendation, their reasons will be included in the Minutes of the Council's meeting dealing with this issue.
 - 7) The successful applicant(s) will be notified as soon as possible, first by telephone, and then provided with a written offer of employment, signed by the Band Manager. This written offer of employment shall include the job title, the starting salary, the date employment is to start, a copy of the job description, and any other information relevant to the appointment.
 - 8) The successful applicant must sign the "Acceptance of Employment" within a designated period of time stated on the offer.
- n) Notification to Applicants - Unsuccessful applicants will be notified in writing as soon as possible after the successful candidate has accepted the employment position.

Note: See also B. - 4. Employee Orientation.

2. Employee Salaries

- a) The starting salary of new employees will be stated in the employee's offer of employment. Salary will be commensurate with the employee's experience and education, and will also take into account the level of responsibility of the position, and the budget appropriations of the Band Council.
- b) The Band Council may approve a salary range/scale for each position, which will usually approximate salary levels for similar positions in the area.
- c) Employee salaries will be reviewed on an annual basis in March, for implementation beginning April 1st (with the exception of teaching staff and bus drivers, whose pay schedules will be reviewed and approved by August 15, and will take effect on September 1 of each year). Salary adjustments will be determined on the basis of staff performance evaluation reviews, as well as available funding. (See also: C. Employee Performance Reviews and E. Salary Administration.)

3. Sample Employee Code of Ethics

This section provides a sample Code of Ethics for Band employees. A Code of Ethics Contract is also suggested, to formalize the expectations of all Band employees. Employees would then realize what is expected of them in terms of general attitudes, confidentiality, etc., in addition to their specific job responsibilities. A Code of Ethics Contract also provides a degree of legal protection to the Band, since non-adherence to the Code of Ethics could be justification for terminating employment. (See Appendix II for a Sample Code of Ethics Contract.)

Upon hiring, new Band employees would be required to sign a personal contract, whereby they would agree to abide by the Band's Code of Ethics. (The Band could design their own Code of Ethics from this sample Employee Code of Ethics.)

- a) Carry out the duties of their positions conscientiously, loyally, and honestly, remembering that the primary work task is to serve the Band membership.
- b) The integrity and dignity of the Band, and its programs, government and staff are to be maintained at all times.
- c) Be prompt, courteous, and temperate in the performance of their duties.
- d) Use initiative to find ways of doing their work more efficiently, effectively, and economically.
- e) Develop a positive attitude in dealing with fellow employees, other Band members, and the Chief and Council.
- f) Follow supervisor's instructions attentively, be cooperative, and work as team members with other Band employees.

- g) During work hours, devote themselves to their duties of employment, and adhere to Band policies and procedures.
- h) Recommend changes of policy to senior staff, when employees feel these are advisable.
- i) Conduct themselves while on duty and in public in a manner that will bring credit to themselves, their department, and the Band.
- j) Show respect for the authority and jurisdictional structures of the Band, Chief and Council.
- k) Work continually towards self-improvement, through self-evaluation and training.
- l) Be on the job punctually each day, unless there is a valid reason for absence or lateness, in which case the employee will contact his/her immediate supervisor at the start of the working day, and give an indication of when he/she expects to return to work.
- m) Maintain a satisfactory standard of dress and general appearance, appropriate to their duties.
- n) Profanity will not be accepted in dealings with the public; staff should be courteous and polite towards each other and the public.
- o) Give out official or confidential information acquired on the job only when the release of such information has been authorized by the Band Council.
- p) Use information obtained on the job for the intended purpose only, not for their own personal interests.
- q) Use equipment, property, or supplies which are owned or rented by the Band for authorized purposes only.
- r) Protect and care for all Band property entrusted to them, and report to the relevant senior employee any faulty equipment which requires repair.
- s) Refuse any fees, gifts, or other tangibles offered in reward for duties performed through their employment positions.
- t) Do not publicly criticize other employees, or the policies of the Band Council or individual departments; provide constructive criticism and suggestions through proper channels, and seek to make the workplace as harmonious as possible.
- u) Do not consume alcohol or take drugs (except for medical purposes) during the work day.

- w) Employees who wish to seek public office shall first notify the Band Council of their intentions to do so, in writing. Any Band employee elected to public office will automatically cease to be an employee of the Band.

4. Employee Orientation

When new employees begin work, they should be provided with a copy of the Band's Administration Manual(s) to familiarize themselves with Band policies and procedures. Employees will also be required to read through and sign a copy of their written job descriptions, (acknowledging that their job responsibilities are understood), as well as sign a contract guaranteeing adherence to the Employee Code of Ethics. (If the job description is later changed at any time, such changes should also be provided in writing, explained in person by the employee's Supervisor, and signed by the employee.)

New employees should be provided with an adequate amount of time to orient themselves, by looking through appropriate material and background files, etc. and training with their immediate Supervisor and fellow employees. If possible, some overlap time should be provided to allow the new employee to train with the previous employee in that position. The Band staff should cooperate fully with the new employee during this orientation process.

5. Probationary Period

- a) All employees shall be on probation for the first six months of employment. At the end of this six month probationary period, the Supervisor will advise the employee whether or not he/she has been promoted to permanent staff, based on a satisfactory level of performance and the budgetary appropriation for the position.
- b) Within this probationary period, the Band Council may terminate employment at any time. Should this occur, the termination will be given in writing, citing the reasons for the termination.
- c) A minimum of one, and preferably two performance assessments shall be conducted by the employee's immediate Supervisor during the probationary period (first six months). At the time of assessment, the Supervisor shall discuss the performance assessment with the employee, and outline any remedial action necessary. Both the employee and the Supervisor will sign the assessment. If an employee wishes to add his/her own observations/comments, these will be included in the employee's personnel file. The Band Manager, Program Manager, and the Chief and Council will also review the evaluation at the end of the six month probationary period.

- d) The evaluation form approved by the Band Administrator shall be used by the evaluator. (See Appendix IV for a Sample Employee Performance Evaluation Form.)
- e) If the employee's performance is satisfactory, the immediate Supervisor may recommend that the employee be placed on permanent status, and may also recommend an increase in salary.
- f) If the employee's performance is unsatisfactory, the immediate Supervisor may recommend that the employee be placed on an extended probation period, for the length of time required to fully evaluate the employee's performance. An evaluation and salary review would then be conducted upon completion of the extended probation period.
- g) Performance evaluations shall be performed on an ongoing basis every six months, either by the employee's Supervisor, or by an Evaluation Committee appointed by the Band Council or Band Manager. (Program Managers shall usually be evaluated by such Evaluation Committees.)
- h) Employee performance evaluations, like all personnel files, shall be considered confidential, and kept in a locked filing cabinet. Each employee will receive a personal copy. All surplus copies of these evaluations shall be destroyed.

6. Temporary Positions and Assignments

- a) The Chief and Council may select staff to fill temporary positions for a period of 10 weeks or less. Such temporary positions may not be renewed or extended. If such a position is reclassified to full-time or permanent, an open competition will be held.
- b) Employees who are required to perform the duties of a higher position on a temporary basis, for a period of at least 20 consecutive working days (4 weeks), will be paid at the same rate as that of the higher position, for the period in which they are on acting assignment.

C. EMPLOYEE PERFORMANCE REVIEWS

This section provides suggested policies and procedures with regard to employee performance reviews and evaluations. Employees should be evaluated primarily on the basis of their job descriptions, as well as on their work plans, (which are more specific and may involve concrete program and/or service achievements to be completed within a specific time frame). Employee attitudes towards their job and fellow employees, and their adherence to the Employee Code of Ethics should also be reviewed.

Performance evaluations should provide formal feedback to the employees, and evaluators should be specific with regard to how to improve performance, efficiency, etc. (Employees might also be asked at that time to make recommendations on how things might be improved in the department.) The evaluation provides an opportunity to praise employees who are doing a good job. Any criticism of an employee's performance should be constructive, and use examples of specific events or assignments, rather than general "blanket statements". Professionalism should be stressed, rather than "personalities".

At these sessions, in addition to the evaluation, which measures the extent to which the employee has accomplished the specific objectives set in his/her work plan, the employee's work plans for the coming year can be decided upon. Work plans are more specific than job descriptions, and provide time frames, i.e. an outline of specific accomplishments to be achieved over a specific period of time. Work plans should, in turn, relate to the Band's and department's mission statement, goals and objectives, program or service priorities, budget, etc. The work plans provide a more detailed set of objectives for the employee to follow for that specific time period, and reflect, as pointed out, time specific guidelines for achieving these objectives. Any revisions to the employee's work plan or job description during the year should be discussed with the employee and provided in writing, and a signed copy kept in the employee's personnel file.

1. Employees shall normally receive a performance evaluation at least annually. More frequent evaluations will be conducted for new employees, and may also be conducted for employees whose evaluations are below satisfactory level. These evaluations will:
 - a) help employees to evaluate and improve their performance;
 - b) improve understanding and communication between management and staff;
 - c) provide an opportunity to set employee work plans for the coming year;
 - d) provide an opportunity to discuss professional training and development workshops/options for the employees;
 - e) be considered for annual salary reviews;
 - f) form the basis of written employment references, when employees leave the employ of the Band.



SECTION TWO:
PERSONNEL ADMINISTRATION

2. Evaluators could use the Employee Performance Appraisal Form in Appendix IV of this manual as a guide. Employees will be evaluated on the basis of the extent to which they have accomplished the goals laid out in their work plans, as well as on their job descriptions, their attitudes towards their job and fellow employees, and their adherence to the Employee Code of Ethics. (Any new job responsibilities or work plan revisions will be provided in writing and explained by the Supervisor, and a written copy signed by the employee will be kept in his/her personnel file).
3. During their probationary period (the first six months), new Band employees shall receive a minimum of one, and ideally, two performance reviews and evaluations, by their immediate Supervisor or an Evaluation Committee appointed by the Chief and Council. Program Heads will usually be evaluated by such a Committee. (See also B. 5. Probationary Period.)
4. At the time of assessment, the Supervisor or Evaluation Committee shall discuss the performance assessment with the employee, and outline any remedial action necessary. Both the employee and the Supervisor/Evaluation Committee members will sign the assessment.
5. Employees who disagree with parts of their evaluations, or wish to add their own comments, may do so; these comments will be included in the employee's personnel file.
6. In the event of a disagreement between the employee and the Supervisor regarding the performance/evaluation review, the employee shall have the right to include the Band Manager in the evaluation discussion.
7. Supervisors may request outside evaluators for assistance. Such evaluators must be approved by the Chief and Council.

D. HOURS OF WORK

1. General

The following is a sample policy regarding hours of work for Band staff. Band Councils may alter their policies to fit their situation.

- a) Official work hours will be set by the Band Council. The Band Council may decide to alter these hours as they see fit. For example, they may decide to change official work hours for the summer months.
- b) The hours of work for full-time Band employees shall be from ____ a.m. to ____ p.m., Mondays through Fridays, with one hour for lunch. The lunch period shall be from 12 noon to 1:00 p.m., unless an exception is authorized by the immediate Supervisor.
- c) _____ hours shall constitute a basic work week for Band employees. Some employees, by nature of their employment positions, may be required to work different hours. These include teaching staff, capital contractors, carpenters, janitors, and public works employees.
- d) Flexible Hours: Band Councils/management may wish to consider a more flexible system for work hours, by authorizing the compression or extension of the work week, where beneficial to the Band and the employee(s), provided that the Band's ability to operate effectively and to provide adequate services to Band members are not hindered. The policy statement in this regard could be read along the lines of the following:

"Band management may authorize employees to complete their weekly hours of work in a period other than five standard working days, when satisfied that operational requirements are met, and provided that no increase in costs (including overtime) is incurred. Upon request of an employee, and with the approval of the Band management, an employee may complete the weekly hours of employment in a period other than five full days, provided that over each pay period, the employee works an average of _____ hours (weekly required Band hours) per week. Attendance reporting in such cases shall be mutually agreed upon between the employee and the Band management. In every pay period, such an employee shall be granted days of rest on days which are not scheduled as normal work days for that employee. Any variation in working hours shall not result in any additional overtime work or additional payment, by reason only of such variation."

- e) Teachers, associate teachers and trainees will arrange their working hours with the School Principal.
- f) Employees are required to record starting and finishing times of daily work on forms provided by the Administration. Supervisors will be responsible for signing/approving employee time sheets in their department, and submitting them to the Accountant/Controller prior to each pay period.

- g) Two 15 minute breaks shall be allowed for all employees in the course of each full working day.
- h) Band employees who miss work due to driving a bus, or for any other kind of work other than their specified duties, will be deducted for the time missed, or will be required to make up these work hours.

2. Lateness or Absence

- a) Employees who will be late or absent are expected to call their immediate Supervisor or Band Manager within 30 minutes after the opening of the Band Office, and give an indication of when they expect to arrive at work.
- b) Absent employees who do not notify the Band office shall be considered absent without reason, and will have salary deducted equivalent to the length of absence (with the exception of reasonable extenuating circumstances, subject to the discretion of the Band Manager).
- c) Employees who are late will be given the opportunity to make up the time lost by working extra hours, preferably through lunch, within the pay period in which they were late.

3. Overtime

- a) All overtime must be approved by the Supervisor and Band Manager.
- b) Supervisors may be authorized to approve overtime for employees when the Band Manager is not available.
- c) Overtime must be requested ahead of time in writing, and submitted to the immediate Supervisor and Band Manager for authorization and approval whenever possible; unauthorized overtime will not be considered valid, except in cases of emergency.
- d) Employees are required to record starting and finishing times of daily work, including any overtime worked, on forms provided by the Administration. Supervisors will be responsible for signing/approving employee time sheets in their department, and submitting them to the Accountant/Controller prior to each pay period.
- e) Management has the authority to question overtime, when necessary.
- f) "Overtime" shall be classified as time over ____ hours per day, over ____ hours per week, or work on scheduled holidays, as approved by the immediate Supervisor or Program Manager.

- g) In lieu of overtime pay, employees shall receive time off, on the following basis:

Employees required to work over the regular _____ hour work day or _____ hour work week shall take equal time off in lieu of overtime pay.

Employees required to work over 40 hours in any one work week shall take one and a half hours off for each overtime hour worked over 40 hours, in lieu of overtime pay.

Employees required to work on statutory holidays shall take two hours off in lieu of pay for all hours worked.

Employees required to travel after working hours, over and above the _____ hour work day, and in the line of duty, shall take time off in lieu of pay for each hour of overtime/travel time, (with the exception of conferences, seminars and workshops see i).

The scheduling of time off in lieu of overtime pay must be approved in advance by the employee's immediate Supervisor.

- h) Employees defined as management staff shall be eligible for time off in lieu of overtime pay, to a maximum of three hours of overtime per week. Scheduling of time off in lieu of pay by management Staff shall require the approval of the Band Manager. The Band Manager will require the approval of the Band Council before scheduling any time off in lieu of overtime pay.
- i) Employees shall not be eligible to claim overtime for attending conferences, seminars, workshops, etc. during the course of their employment with the Band. This includes travelling to and from the conferences, etc.
- j) Overtime shall be kept on record with the Band Administration, and shall be taken within one month's time of the overtime being incurred, unless otherwise agreed upon between the employee, the immediate Supervisor, and the Band Manager.
- k) Employees taking time off in lieu of overtime pay shall first notify their immediate Supervisors, and receive approval in advance, before taking the time off. Program Managers require the approval of the Band Manager prior to taking time off in lieu of overtime pay.

4. Designated Holidays

- a) The following days shall be designated holidays for all Band employees:

Statutory

- New Year's Day
- Heritage Day
- Good Friday
- Easter Monday
- Victoria Day
- Canada Day
- First Monday in August
- Labour Day
- Thanksgiving Day
- Remembrance Day
- Christmas Day
- Boxing Day

Discretionary

- Treaty Day on Home Reserve
- Indian Holiday as designated by the Chief and Council

- b) If any of the above holidays fall on either a Saturday or Sunday, the following Monday shall be observed as a holiday.
- c) The designated holiday schedule will be approved by Council, either prior to, or early in the new fiscal year.
- d) Cultural events may also be designated as holidays by the Band Council; staff are encouraged to assist in these events.
- e) When a designated holiday falls within a period of vacation leave with pay, the holiday shall not count as a day of leave.
- f) Provision shall be made for the substitution of other holidays, where the Band Council and the majority of employees agree to the substitution.
- g) Employees required to work on a general holiday are entitled to two hours off in lieu of overtime pay for each hour worked.
- h) In the event of an election, Band employees who are entitled to vote will be allowed time off with pay to attend the polls (See H - 12. Voting Leave).

E. SALARY ADMINISTRATION

This section provides sample policies and procedures in the area of pay administration.

In the setting of salary scales, or range of pay for a particular position, as well as designating a salary for a specific employee, Band Councils may wish to consider the following factors:

- Salaries should be roughly equivalent to pay ranges for similar positions at nearby reserves, or equivalent to salaries for work of equal value in nearby communities.
 - Pay should be commensurate with the individual's qualifications and experience.
 - The employee's living situation, as well as taxation status (tax-exempt status of Indian employees) may be taken into consideration.
 - Level of responsibilities of the position, including number of people supervised (if applicable), stress factors, etc.
 - The Band's revenues, budget, and allocations for the position/department.
1. All salaries shall be paid according to the terms and conditions of employment; annual salaries for employees shall be paid at the rate approved by the Band Council.
 2. Employees are required to record starting and finishing times of daily work, including any overtime worked, on forms provided by the Administration. Supervisors will be responsible for signing/approving employee time sheets in their department, and submitting them to the Accountant/Controller prior to each pay period.
 3. The policy for scheduling of employee payroll should be stated. The following are examples:

Example 1:

It is the policy of the Band Council that salaries for full-time employees will be paid on the 15th and the last day of each month, by 12 noon; if these days fall on a weekend or holiday, payday will be the last working day prior to the 15th or last day of the month. Employees working on an hourly-rate basis will be paid each Friday on a current basis.

Example 2:

It is the policy of the Band Council to pay their full-time employees on a two-week basis. Pay days for these employees will fall on Thursdays, and include payment to Friday of that week. Employees working on an hourly-rate basis will be paid each Friday on a current basis.

4. Employees shall be provided with a statement of earnings and all deductions made from their paycheques.
5. Teaching staff and bus drivers have the option of receiving their salaries through the school term only, or pro-rated over the 12 month period, subject to the approval of the Chief and Council.
6. New pay schedules for teaching staff and bus drivers will be approved by the Band Council by August 15, and take effect on September 1 of each year.
7. Any salary adjustments for other staff will be addressed by the Council on an annual basis in March, will be determined on the basis of available funding and staff Performance Evaluations, and will take effect on April 1 of each year.
8. Salary Advances
Two examples of policies on salary advances follow. Some Bands prefer to have a firm "no salary advance" policy.

Example 1

No salary advances will be given, except when employees are going on annual leave for more than two weeks, in which case a reasonable salary advance may be provided with the Band Manager's approval. Recovery of the advance will be made from the employees next paycheque.

Example 2

The Band Manager may authorize salary advances to full-time employees, in special circumstances. Salary advances will not exceed 80% of the amount due to the employee at the time of the request (rounded off to the nearest dollar). Recovery of the advance will be made from the employee's next paycheque.

9. Part-time employees will be hired on an hourly rate or contract basis, to be agreed upon at the time of hiring. Hourly-rate employees will receive holiday pay at the rate of 4% of gross earnings. Holiday pay for hourly-rate employees will be paid annually, or upon termination of employment.
10. With regards to Statutory Holiday benefits for casual employees:
 - a) If the employee would normally work on the day the holiday falls on (i.e. Monday), the employee will be paid for the holiday at his/her usual daily rate of earnings, the same as regular full-time employees.
 - b) If the employee has worked a minimum of two out of the last four weeks on the day on which the holiday fell, (i.e., two out of the last four Mondays if the holiday fell on a Monday), then the employee should be paid for the holiday.

F. PERSONNEL FILES

1. General

- a) Personnel files will be maintained on a current basis for all employees. These files will include such information as the employee's original employment application, date employment was started/terminated, original salary level and any subsequent increments, signed copies of the employee's job description, Code of Ethics Contract, performance evaluations, TD-1's (if applicable), personal vehicle usage contract (if applicable), current information on the employee's vacation and sick leave credits, etc.
- b) Employees shall have access to their personnel files, in the presence of the Accountant Controller or other authorized staff member.
- c) Employees will receive personal copies of their written job descriptions, any subsequent additions or alterations to their jobs descriptions, the Employee Code of Ethics Contract, and other relevant information.

2. Confidentiality of Personnel Files

- a) All Band employee personnel files shall be considered confidential. They will be stamped confidential, and kept under lock and key in a filing cabinet in the Band office.
- b) Employees who breach their Employee Code of Ethics Contract by releasing confidential information, which includes information contained in personnel files, shall be at risk of having their employment with the Band terminated. (See also J. Discipline Policies).

G. STAFF DEVELOPMENT

This section provides suggested Band policies for staff development and training, which Band Councils may alter to suit their situation. As Band staff are an important resource, their ongoing professional development should be supported and encouraged by the Band Council.

1. Sample Band Staff Development Policy

The Band will provide opportunities for the professional development of its employees, by offering internal staff training and encouraging staff participation in external training opportunities, and in relevant meetings, workshops, seminars and conferences.

Staff members share with the Band the responsibility and obligation to advance their own skills and knowledge beyond that attained in their basic training programs. The Chief and Council will encourage staff members who wish to pursue studies or take short courses directly related to their present positions with the Band. Educational leaves of absence, with or without pay, may be granted by the Chief and Council for a maximum of 12 months. Such leave must be applied for as detailed in the section on Educational Leave. (See H. 10.) With the approval of the Chief and Council, employees will be able to return to their former positions upon the successful completion of the course of study.

If the Band pays for training/education costs, the employee may be required to sign a contract guaranteeing to stay in the employment of the Band for a minimum specified period of time after the training, or be required to pay the Band back for the costs of the training.

2. Training Available from INAC

This section lists training currently available to Bands from Indian and Northern Affairs Canada.

a) Introduction to Bylaws

This two-day course provides an introduction to the preparation and processing of bylaws made under sections of the Indian Act. Session headings include definition, authorities, enacting, drafting, enforcing, and amending/appealing.

b) Indian Registry Reporting

This five-day course prepares Band Membership Administrators to accurately perform all duties related to the administration of the membership program. Sessions cover every aspect of membership, and provide participants with exercises for future reference.

c) Membership Code Implementation

This two-day course provides insight into Departmental reporting procedures and formats, and provides participants with a starting point for setting up Band membership systems.

- d) Introduction to Lands Administration
This two-day course orients the participants with basic principles of Land Administration. The course includes definitions, pertinent sections of the Indian Act, land tenure and uses, individual holdings, allotments, transfers, designated lands, and environment. While an overview of surveys, leases, and permits is provided, these will be covered in detail in later courses.
- e) Introduction to Estates Administration
This two-day course provides a basic knowledge of estates administration, in accordance with the Indian Act. A review of regulations and procedures, a clarification of the Department's role, and general information on the benefits of preparing a will, and of families participating in the administration of estates, is provided.
- f) Introduction to Election Procedures
This is a two-day course on procedures to follow when holding elections pursuant to the Indian Act. It involves role-playing, and includes preparing for an election, nomination meetings, voting procedures and custom versus Indian Act elections.
- g) Contract Administration and Management
This two and a half-day course provides training on the principles and practices of contract administration and management. The course shows how to plan contract requirements; prepare terms of reference, tender and contract documents; how to call for, receive and evaluate tenders; and how to manage construction, consulting and non-professional service contracts. Participants also receive manuals on contracting guidelines. For more information on contract training, contact your Band Training Coordinator or Contract/Technical Personnel at your Regional or District Office, or the Senior Contract Trainer, Contract Policy and Services, at (819) 994-6399.

For further information on training available in your area, please contact your regional Lands, Revenues and Trusts office, or:

Lands, Revenues and Trusts Training
Planning & Policy Coordination
Indian and Northern Affairs Canada
1 - (819) - 997-8283

3. Other Training Sources

There are training options available through a number of resources in other departments, Native training institutes, and non-profit organizations. The Funding Management Officer for your Band, or the Indian Management Development section of Indian and Northern Affairs in your region, may help to advise you of training resources.

H. EMPLOYEE LEAVE

This section provides suggested policies and procedures for various types of employee leave.

1. Vacation Leave

- a) Unless otherwise earned or negotiated, permanent employees shall earn vacation leave at a rate of one and one-quarter days per full month of employment, which equals three weeks leave for each 12 full months of employment. (This could vary from province to province.)
- b) Employees who begin work during the middle of a month should be entitled to leave credits, provided that they work 10 days during that month.
- c) An employee earns, but is not entitled to receive vacation leave with pay, within the first six months of continuous employment.
- d) The Band's Administration Department will maintain a current record of holiday credits for all Band employees.
- e) Full-time employees should schedule their holidays in the fiscal year in which they are earned. (The Band's fiscal year is from April 1 to March 31st.) A maximum of 5 days vacation leave may normally be carried over into the next fiscal year, with the permission of the Band Manager. (Additional leave may be carried forward, with the Band Manager's permission, for special purposes - such as a trip to Europe.)
- f) No holiday pay will be paid, in addition to an annual salary, to full-time employees.
- g) Employees who are casual (hourly-rate), or who work for less than a six month term, will receive holiday pay at the rate of 4% of gross earnings. (Employees are entitled to request holidays after six full months of continuous employment.)
- h) Employees should attempt to provide as much advance notice as possible to their Supervisors in requesting their vacation time. Three to six month's written notice should be provided, in writing. Under unusual circumstances, the Band Manager may approve holidays on shorter notice.
- i) In granting vacation leave, subject to the operational requirements of the Band Administration, reasonable efforts will be made:
 - to grant vacation leave to employees for at least two consecutive weeks, if earned and requested;
 - to grant vacation leave after six months of employment, to the extent of credits earned, if so requested by the employee and approved by the immediate Supervisor;
 - not to disturb employees, or recall them to duty, after they have proceeded on leave.

- j) When an employee ceases to be employed, the employee will be paid earned holiday pay due.
- k) If an employee dies while serving as an employee of the Band, the employee's estate shall be paid earned holiday leave (in addition to any salaries owing).

l) Scheduling of Vacations

The Band Manager or Accountant/Controller shall maintain a chart of vacation schedules for Band staff. (See sample vacation schedule form in Appendix V). This will help to ensure that vacations are scheduled in a way which will enable the Band administration to meet their responsibilities during staff absences.

The Chief and Council, in consultation with the employees, reserve the right to schedule vacation leave.

Some Bands have chosen to close their offices during an allocated two-week period, and make it mandatory for staff members to take two weeks of their holidays at that time.

When an employee will be going on vacation, steps should be taken to ensure that:

- 1) Whenever possible, another employee is trained to take over key functions of the position. To facilitate this, each employee should prepare a procedures list regarding their daily, weekly, and monthly duties. Most of these should be covered in the employee's job description. However, special information, such as which file a particular form can be located in, etc., may be useful to the employee who is required to "stand in". (Ideally, the basics of every position should be learned by two employees, in the event that an employee is disabled or required to be away for an extended time, due to illness, etc. If no one else on the Band staff has any knowledge about how to fulfill the functions of that person's position, a "panic" can result.)
- 2) It may be necessary to hire an employee, on a temporary basis, to cover for the employee going on vacation. If this is the case, the temporary employee should be brought in at least a number of days beforehand, to enable the employee going on vacation to train him/her. (Option 1 is preferable, if possible, since it will save the Band the expense of having to hire a temporary employee.)
- 3) Important responsibilities that are time-related (i.e., a report which will be coming due to a funding agency), should be taken care of before the person responsible is scheduled to leave on vacation.

Some Bands provide additional holiday leave for long-term staff members. An example would be: "After five years of continuous employment, Band employees will earn holiday credits at the rate of one and two-thirds days per month (20 days per 12 full months of employment.)" However, if the Band Council is considering bringing in such a policy, the Band's ability to afford such a policy should be taken into account.

2. Sick Leave

This section provides suggested policies with regards to staff sick leave. If the Band does not already contribute to Worker's Compensation, and/or have a disability group insurance plan for its employees, the Band Council should do so, to protect both the Band and its employees in case of long-term illness or disability.

- a) Sick leave shall be earned at the rate of one and one-quarter working days per month, up to a maximum of 90 days.
- b) Sick leave may be granted with pay when an employee is unable to perform work duties due to illness or injury, provided that the sick leave is justified, and the employee has the necessary sick leave credits.
- c) The employee's immediate Supervisor shall be notified no later than 30 minutes after the start of the working day of the employee's absence, and shall be provided with an indication of when the employee expects to return to work.
- d) An employee must produce a doctor's certificate after three consecutive days of illness, or upon management's request.
- e) An employee will receive sick leave with pay only for the maximum number of days of accumulated sick leave (to a maximum of 90 working days.)
- f) The Band Council reserves the right at all times to demand proof of illness.
- g) The Band Manager shall be authorized to allow advanced use of sick leave credits by an employee, up to 15 days, subject to a request by the employee's Supervisor; however, if the employee's position with the Band ceases before the credits are obtained, the employee will be required to reimburse the Band for the value of the unearned sick leave, and the required amount due will be deducted from his/her final paycheck.
- h) Recognized holidays which fall within the period of sick leave will not be charged to the employee's accumulated sick leave.
- i) If an employee becomes ill and the illness persists beyond seven days, the employee should apply for short-term disability benefits through the group insurance plan, once this plan is established. If for some reason the employee is not eligible for short term disability benefits, application should be made for sick benefits from Worker's Compensation or the Unemployment Insurance Commission. The Band Administration will assist the employee in applying for the above.
- j) Employees suffering from illness or an accident which causes them to be unable to work for a considerable projected period of time, due to physical or mental incapacity, shall be required to apply for a Leave of Absence for the estimated time that they will be unable to work. The Band Administration shall, at its discretion, be able to fill the position on a temporary or contract basis until the previous employee is able to return to work.

- k) Permanent physical or mental incapacity, as a result of illness or accident, which prevents the employee from performing previous employment duties, shall be considered just cause for terminating employment with the Band. However, if the employee is still able to perform employment duties of a different type, attempts will be made to transfer the employee to another suitable position within the Band's operations.
- l) On termination of employment, no financial compensation shall be provided for accumulated sick leave credits.
- m) If a former employee is rehired at a later date, any accumulated sick credits from previous employment with the Band may be carried forward.

3. Compassionate Leave

- a) Employees may request and obtain compassionate leave of up to 5 days if there is serious illness in their immediate family, with the approval of the employee's immediate Supervisor and Band Manager.
- b) "Immediate family" shall be defined to include one's spouse, son, daughter, foster child, mother, father, sister, brother, grandmother, grandfather, parent-in-law, sister- or brother-in-law, grandchild, or parent surrogate by tradition. Common-law marriages (where although two people are not legally married, they cohabited and consider themselves equivalent to married) are recognized for employee leave purposes.

4. Bereavement Leave

- a) Employees who are absent from work as a result of death in their immediate family may use up to five days of paid bereavement leave, with the approval of the employee's immediate Supervisor and Band Manager. (See 3. b) for definition of "immediate family".)
- b) The Band Council may wish to establish a policy allowing bereavement leave for employees who must perform an official function at a funeral for an individual who is not a member of their immediate family. An example would be: "If an employee is required to serve as a pallbearer, or perform any other official function at a funeral, the employee shall be entitled to one day's bereavement leave. If travel is required, up to two days additional leave may be approved, with the permission of the Band Manager."

5. Maternity Leave

- a) An employee shall be eligible for up to 18 weeks of maternity leave without pay, provided that the application for leave is made at least six weeks prior to the commencement of the leave.
- b) The employee will require a doctor's certificate if she wishes to work up to the expected date of delivery.

- c) The employee will be provided with advice by Administration Services regarding obtaining UIC benefits during her maternity leave.
- d) The employee is entitled to return to her duties within six weeks of delivery, or before, if her attending physician approves.
- e) Following an employee's return after maternity leave, the Band will make every effort to have the employee:
 - 1) Return to her former position of employment with the Band; or
 - 2) Be provided with a comparable position, with not less than her former wage and benefits.

6. Paternity Leave

With the prior approval of the Band Manager and immediate Supervisor, an employee may be given up to two days paid paternity leave to be present at the birth of his child and/or to assist the mother at home, following the birth.

7. Adoption Leave

With prior approval from the Band Manager, an employee may be provided with up to three days with pay to facilitate adoption proceedings.

8. Marriage Leave

Employees who have completed at least three months of continuous service with the Band, and who provide their immediate Supervisor with at least 20 day's notice prior to the requested date of leave, may be granted leave with pay for up to five working days for the purpose of getting married.

9. Injury on Duty Leave

Employees who are unavailable for work, due to injuries suffered on the job, shall receive pay benefits during their absence through Worker's Compensation, or through the insurance company providing Band employees with disability coverage.

10. Educational/Professional Leave

- a) Permanent employees of the Band may be granted short-term leave for educational courses, with full or partial salaries and travel assistance.
- b) Employees should apply to the Band Council at least three months prior to the educational leave; approval must be obtained from the Band Manager and the Band Council.

- c) Applications shall provide all relevant details regarding the course/workshop, including how it will benefit the applicant's professional development, and improve performance/abilities relative to employment with the Band.
- d) Professional examination leave may also be granted with pay and travel assistance, to enable employees to sit for professional examinations. Application for approval will require a written request and approval from the Band Manager and Band Council.

11. Court Leave

- a) Court leave with pay may be granted to employees by the Band Manager under the following conditions:
 - 1) when the employee is subpoenaed to appear as a witness or to serve on a jury; or
 - 2) if the employee must appear in court as an official delegate for the Band Council;
- b) In instances where an employee is required to appear in court for personal reasons, either as a Plaintiff or as a Defendant, leave shall be either without pay, or chargeable against accumulated holiday credits.

12. Voting Leave

Employees who are eligible to vote in Band, provincial and federal elections, and whose names appear on the voters' list, shall be granted:

- a) sufficient time off to allow them four full hours prior to the polls closing, to vote on federal elections;
- b) sufficient time off to allow them three full hours prior to the polls closing, to vote on provincial elections;
- c) one hour off to vote on Band election days.

13. Other Leave With Pay

Leave with pay may be granted for other valid reasons, subject to the approval of the employee's Supervisor and the Band Manager.

14. Leave Without Pay

Employees may apply to the Band Council to be granted leave without pay. The reason and duration of the leave request must be clearly indicated on the application.

I. EMPLOYEE BENEFITS

1. Introduction

This section deals with a roster of staff benefits, including holiday benefits, Unemployment Insurance benefits, Canada Pension Plan, Indian Pension Plan, Workers Compensation, disability and group insurance, and fringe benefits. (Sample leave policies, including sick leave, educational leave, etc. are included in Section H, Employee Leave.)

Band Councils may wish to develop benefits policies for Band employees, but should keep in mind the Band's ability to pay, when doing so. Some benefits, such as Unemployment Insurance, are obviously mandatory for full-time employees. Expanded (optional) benefits, such as private pension plans, to which the employer contributes as well as the employee, are becoming increasingly important to attract and retain quality employees. (As noted in number 5 of this section, funding is available from the Indian Pension Plan Funding Program to fund the Band's employer contributions to Indian staff pension plans.)

Optional fringe benefits such as extended holidays for senior staff, subsidized day care for pre-school children of parent-employees, dental insurance, and housing subsidies for non-Native staff, involve ongoing financial commitments by the Band. On the other hand, disability insurance, for example, may save the Band considerable financial expenditures in the long term, if an employee receives injuries while on the job which prevent him from working for an extended period of time. Without any insurance in place, the Band would be required to pay full salary to the disabled employee while he is away, (to the extent of the employee's accumulated sick leave credits), and also be saddled with additional salary cost to replace the person until he is able to return to work. The benefits of establishing some programs, such as disability insurance, could benefit the Band as a whole, as well as individual employees.

2. Holiday Benefits

- a) Term employees (those employed for less than a full year term) and casual (hourly-rate) employees will be paid holiday pay at a rate of 4% of gross salary. (Employees are eligible to request vacation leave after 6 full months of employment.)
- b) Full-time Band employees will earn holiday credits of one and one-quarter days for each month employed, unless otherwise negotiated. (See Vacation Leave in H. Employee Leave, for more details.)
- c) Employees with accumulated holiday pay credits at the time of their employment termination will be paid their holiday pay due.
- d) In the event that a staff member dies while an employee of the Band, the employee's estate shall be paid the earned holiday pay.

3. Unemployment Insurance Benefits

- a) Based on January 1, 1990 schedules, the Band shall deduct the required employee's contributions of 2.25% of the employee's gross salary for Unemployment Insurance Contributions, unless the employee's hours or earnings fall below the minimum requirements specified in UI Regulation 13.
- b) Currently, to be eligible for UIC contributions, an employee must meet one of the following two conditions:
 - 1) Work at least 15 hours per week; or
 - 2) Earn at least 20% of insurable earnings (640) or 128.00 per week.
- c) The Band shall make contributions of 1.4 times the employee's UI premium to the Unemployment Insurance Commission, up to the maximum premium of \$28.60 per (bi-weekly) pay period, or maximum annual premium of \$748.80, for the combined employee and Band contributions.
- d) For teaching staff who are paid monthly, the same formula shall be applied, with the exception that the maximum combined premium will be \$62.40 monthly, or \$748.80 per annum.
- e) These figures shall be adjusted annually as required, when amendments are made to the Unemployment Insurance schedules.
- f) Unemployment Insurance deductions will not apply to contract employees, or to part-time employees under the minimum thresholds listed in a) of this section.

4. Canada Pension Plan

- a) For those Band employees who are not Status Indians, and therefore must contribute to the Canada Pension Plan, and for the Band's Status Indian employees, if the majority have decided to contribute to CPP (see c) below), the Band shall deduct 2.2% of their gross earnings for CPP, up to a maximum of \$574.20 per year. The Band shall make matching contributions at the same rate, also to a maximum contribution of \$574.20 per year (based on January 1, 1990 schedules of maximum pensionable earnings of \$28,900, and current basic exemptions of \$2,800.)
- b) The Band will adjust rates annually or as required, when amendments are made to Canada Pension Plan schedules.
- c) The most recent Federal Government policy (1989) is that Status Indian employees working on a reserve may contribute to the Canada Pension Plan. However, contributions will not be accepted for only some: all of the Band's Status Indian employees, (or none) may contribute to the Canada Pension Plan. (It is an "all" or "none" situation.) Therefore, a vote should be taken to decide whether the majority of Status Indian employees wish to contribute to the Canada Pension Plan.

5. Indian Pension Plan Funding (IPPF) Program

Indian employers may obtain funds from the IPPF Program to provide pension benefits for eligible employees. The program will fund the employer's share of contributions to Indian pension plans. Eligible pension plans include employer-sponsored private pension plans, the Canada Pension Plan, and the Quebec Pension Plan. INAC may contribute up to a maximum total of 7.6% of each eligible employee's salary. This may be:

- a) A contribution towards the employer's share of CPP/QPP, equal to the full employer's share, as established applicable legislation.
- b) A contribution towards the employer's share of the cost of a private pension plan, up to a maximum of 7.6% of each employee's pensionable salary, minus the amount the employee is required to contribute under the Canada/Quebec Pension Plans.
- c) A contribution towards the eligible employer's share of the cost of a private pension plan, up to a maximum of 7.6% of the eligible employee's salary, for each employee who is not contributing to CPP/QPP.

In order to be approved, pension plans must meet the requirements of Revenue Canada Taxation, and be registered under the Federal Pension Benefits Standards Act, 1985, with the Office of the Superintendent of Financial Institutions Canada (OSFI).

To be considered for funding, an eligible employer must submit a funding application form and a pension plan proposal, in accordance with the operating procedures of the IPPF program.

(For additional information, refer to Section Three: Band Financial Administration, P. Employee Payroll. More detailed information is available in the Indian Affairs Program Directive 7.1, Indian Pension Plan Funding Policy, July 24, 1989, and in the Health and Welfare Canada booklet, Pension Planning for Indian Employers - An Introduction (Cat. No. H76-59/1987.).

6. Worker's Compensation

The Band should provide Worker's Compensation coverage for its employees. The assessment is based on a percentage of projected gross annual salaries for the employees involved, and is later adjusted. The percentage (cost fee) is based on the risk factor of the employee occupations, i.e. the percentage assessment is lower for clerical and office workers than for higher risk occupations. Workers's Compensation provides good wage replacement coverage when an employee is required to be off work due to a job-related accident or illness, at a nominal fee to the Band.

7. Disability and Group Insurance

The Band Council may wish to obtain disability and group insurance for Band employees. Such coverage would provide protection to both the Band and its employees, in the case of long-term illness or disability. Long-term disability and group insurance is available which covers full-time employees (those employed for a period of four months or longer with minimum 35 hour work weeks).

8. Fringe Benefits

The Band may wish to consider other fringe benefits for staff. Some of these might include: subsidized day care for pre-school children of parent-employees, subsidized housing, transportation allowance, health care and extended health benefits, and dental insurance for non-Native employees. Benefits such as subsidized housing, for example, may help to attract quality teaching staff. Although sample policies for these fringe benefits are not included here, Band Councils may wish to consider the pros and cons of these and other benefits for Band employees, when developing their benefits policies.

J. DISCIPLINE POLICIES

1. Introduction

This section provides suggested policies and procedures regarding discipline for Band staff employees. "Discipline" is defined as "a system or rules of conduct", as well as "the order maintained and observed among persons under authority. The concept of discipline implies a respect on the part of all employees for the goals and expectations of the Band. These disciplinary policies have been developed as a guide for Band Supervisors and employees to ensure and promote proper order, efficient control, and acceptable conduct.

It is preferable that Supervisors communicate openly with Band employees regarding any breach of conduct or unsatisfactory work performance, and encourage the employees to voluntarily correct their behaviour. For example, employees should be encouraged by their immediate Supervisor to seek treatment, if they have an alcohol or drug abuse problem which is affecting their work attendance and/or performance. However, if the problem continues, and the employee does not seek treatment voluntarily, "disciplinary" action might entail mandatory treatment for the problem, as a condition of continued employment. (The Band may wish to implement a drug/alcohol treatment leave policy, providing leave with pay for those who wish to enter a residential drug or alcohol abuse treatment program. Many corporations and businesses have implemented a similar policy to encourage their employees to seek treatment.)

It is not feasible to prescribe specific procedures for every possible offence. Each case must be considered individually. As well, any breach of the Band's standards of conduct and discipline must allow for a hearing of the employee's side of the story.

2. Causes for Disciplinary Action or Discharge

An employee may be disciplined or discharged* for the following reasons:

- a) Incompetence, incapacity, or insubordination in the performance of duties;
- b) Abandonment of position without good cause and without notifying the immediate Supervisor;
- c) Misconduct in terms of attendance, work performance, or personal behaviour;
- d) Discontinuance of the employee's job function, or budgetary restrictions will be reasonable causes for terminating employment.

*Note: Voluntary resignation may be negotiated in lieu of discharge.

3. Disciplinary Steps

For the purpose of maintaining staff discipline, there will normally be four steps taken in disciplinary action: oral reprimand, written reprimand, suspension, and discharge.

In some cases, it may prove necessary to bypass one or more of these steps, depending on the seriousness of the case. However, except in unusual circumstances, employees will not be discharged unless they have had previous caution in writing, and the opportunity to correct their shortcomings or breaches of discipline.

a) Verbal Reprimand

The immediate Supervisor will give the employee a verbal reprimand in private for minor infractions or misdemeanors, and emphasize the need for improvement. A plan for corrective behaviour will be jointly worked out to find constructive ways of overcoming the difficulty. The discussion will hopefully result in the employee agreeing to correct the unacceptable behaviour.

b) Written Reprimand

In cases where, within a reasonable period of time, all verbal reprimands have not produced the desired effect, the employee will again be interviewed, reminded of the previous reprimand, and told that conduct or performance is still unsatisfactory, and that a written reprimand will be issued that day by the Supervisor. Again, the object will be to encourage the employee to improve performance or behaviour.

The employee will be given the opportunity to make explanations, either verbally or in writing, in order to ensure that the situation is clearly understood on both sides. The employee's written explanations will be retained in the personnel file.

All written reprimands will be signed by both the employee and Supervisor, and placed in the employee's personnel file. The employee may, after a period of 12 months, request that the written reprimand be removed from the personnel file. Such a request will be granted if the employee's behaviour or performance is now satisfactory.

c) Suspension

The Band Manager and the employee's Supervisor may, with reasonable cause, suspend an employee without pay for up to one week. Suspension is an enforced, temporary absence from duty without pay.

"Reasonable cause" shall include, but not be restricted to: accumulation of two or more reprimands, absenteeism without just cause, gross insubordination (refusal to carry out work assigned by the Supervisor), negligence, conviction of an

indictable offense, or any action that creates an unsafe situation, or brings disrespect to the Band.

The Supervisor and/or Band Manager will provide written notice of the suspension, which will state the effective date, the duration of and reason for the suspension. A copy of this written notice will be provided to the Band Council who may, at their discretion, recommend further disciplinary action against the employee. The employee may appeal the case to the Band Council. If the Council upholds the appeal, the employee shall not suffer any loss of pay as a result of the suspension.

K. RESIGNATION AND TERMINATION OF EMPLOYMENT

This section provides suggested policies and procedures with regard to the resignation of Band staff members, or the termination of their employment by the Band.

1. Staff Resignation

Employees wishing to terminate their employment must give written notice of at least 28 calendar days to their immediate Supervisor. In special circumstances, and with the consent of the Band Manager, the employee may terminate employment with less notice.

Adjustments will be made on the last pay cheque for such items as holiday pay, overpayments, and any amounts owing to the Band. If an employee has not provided the required notice, the Band Manager may retain a portion of holiday pay and/or other sums due to the employee upon termination.

2. Termination for Cause

In the event that it is necessary to terminate an employee for "just cause", the employee will be notified in writing by the Band Manager. All terminations of employment must be approved by the Band Council, after reviewing the employee's personnel file and meeting with the employee's Supervisor.

Twenty-eight calendar days' notice will be provided to any permanent employee with more than 3 months of continuous service; 7 calendar days' notice will be given to any employee with less than 3 months of continuous service. The written notice of termination will include the reason(s) for the discharge, as well as the effective date of termination. In the event that the Band does not give the employee sufficient notice of termination, the Band shall make payment to the employee, equal to the number of days difference between the actual and the required notification period.

"Just cause" shall include the following:

- a) Incompetence or incapacity - where the employee, in the opinion of the Supervisor, is incompetent or incapable to perform the duties of the position he/she occupies. (This could include loss of a driver's license, where this is mandatory for the job.)
- b) Abandonment of position - an employee absent without cause for one week or more may be declared as having abandoned his/her position.
- c) Misconduct - where the employee has accumulated two or more reprimands, or is found guilty of a major misconduct.
- d) Lay-off - where services are no longer required because of lack of work, or because of the discontinuance of the employee's functions(s).
- e) Financial restrictions - where due to budgetary restrictions, the Band Council can no longer afford to pay the employee.

L. GRIEVANCE PROCEDURES

This section provides sample procedures for dealing with Band staff personnel grievances. The time limits provided here are for example only. Band Councils may wish to apply a different time frame to their grievance policy.

- 1) The employee will present his/her grievance to the Band Manager in writing within 10 days of the incident occurring, with the exception of grievances dealing with suspension or termination of employment, which will be presented within two working days after the suspension or termination notice.
- 2) The Band Manager will respond to all grievances, except those dealing with suspension or termination of employment, which will be reviewed by the Band Council.
- 3) The griever is entitled to a hearing, if he/she so requests.
- 4) Grievances will be replied to within 30 days of receipt of the grievance, or within 30 days of the hearing, if a hearing is held.
- 5) Time limits may be extended by mutual consent.
- 6) All decisions of the Band Council will be binding and final.

APPENDIX I:
BAND EMPLOYMENT APPLICATION

BAND

EMPLOYMENT APPLICATION FORM

Name: _____ Phone: _____

Address: _____

Previous Address: _____

Position Applying For: _____

Salary Desired: _____ Date available to start: _____

Do you currently have a valid provincial driver's license? _____

EDUCATION

Name and location of High School: _____

Highest grade completed: _____ Year: _____

Have you had any post-secondary training? Yes _____ No _____

If yes, list the institution(s) attended, courses and the years involved.

Year(s):	Institution/Location	Course and Degree/Certificate Obtained
----------	----------------------	--

_____	_____	_____
_____	_____	_____
_____	_____	_____

List any other courses or training programs you were involved in (when, sponsor, training institution, name/type of course, length of program):

Languages Spoken: _____

What skills and attributes do you have that you feel would make you suitable for the position you are applying for?

EMPLOYMENT HISTORY

Complete your employment history, beginning with your most recent job.

1. Employer: _____

Address: _____

Position Held: _____ Salary: _____

Employed from: _____ to _____

Name and Position of Supervisor: _____

Duties: _____

Reason for leaving: _____

2. Employer: _____

Address: _____

Position Held: _____ Salary: _____

Employed from: _____ to _____

Name and Position of Supervisor: _____

Duties: _____

Reason for leaving: _____

3. Employer: _____

Address: _____

Position Held: _____ Salary: _____

Employed from: _____ to _____

Name and Position of Supervisor: _____

Duties: _____

Reason for leaving: _____

4. Employer: _____

Address: _____

Position Held: _____ Salary: _____

Employed from: _____ to _____

Name and Position of Supervisor: _____

Duties: _____

Reason for leaving: _____

5. Employer: _____

Address: _____

Position Held: _____ Salary: _____

Employed from: _____ to _____

Name and Position of Supervisor: _____

Duties: _____

Reason for leaving: _____

REFERENCES:

Please give the names and addresses of three people (other than relatives) whom we can contact as references.

1. Name: _____ Phone: _____

Address: _____

Occupation: _____ Length of Time Known: _____

2. Name: _____ Phone: _____

Address: _____

Occupation: _____ Length of Time Known: _____

3. Name: _____ Phone: _____

Address: _____

Occupation: _____ Length of Time Known: _____

Signature of Applicant

Date of Application

APPENDIX II:
EMPLOYEE CODE OF ETHICS CONTRACT

EMPLOYEE CODE OF ETHICS CONTRACT

As a new Band employee, I hereby agree to become familiar with Band policies and procedures, as explained in the Band's Administration Manuals. I will fulfill my job responsibilities

to the best of my abilities, and abide by the policies of the Band and my department. I hereby also agree to abide by the following Code of Ethics for Band employees:

1. I will carry out the duties of my position conscientiously, loyally, and honestly, remembering that my primary work task is to serve the Band membership.
2. In my actions and words, I will promote and uphold the integrity and dignity of the Band and its programs, government and staff
3. I will be prompt, courteous, and temperate in the performance of my duties.
4. I will use initiative to find ways of doing my work more efficiently, effectively, and economically.
5. I will develop a positive attitude in dealing with fellow employees, other Band members, and the Chief and Council.
6. I will follow instructions attentively, be cooperative with my supervisors and co-workers, and work as a team member with other Band employees.
7. During my hours of employment, I will work solely on my job responsibilities.
8. Within my sphere of responsibility, I will recommend changes of policy, priorities, or procedures, when I believe that such changes would help to meet the objectives of my department or the Band.
9. While both on and off duty, I will conduct myself in a manner that will bring credit to myself, my department, and the Band.
10. I will show respect for the authority and jurisdictional structures of the Band, Chief and Council.
11. I will continually work towards self-improvement and professional development, through self-evaluation, and availing myself of available literature, upgrading and training, when the opportunities arise.
12. I will be on the job punctually each day, unless there is a valid reason for absence or lateness, in which case I will contact the Band Manager or my immediate Supervisor at the start of the working day, and provide an indication of when I expect to return to work.
13. I will fully attend all meetings, workshops, conferences, etc. assigned to me as an official delegate of the Band, and will formally report back to my Supervisor and/or the Band Council on the proceedings of these meetings.

14. I will dress appropriately for my employment position, as I understand that the appearance of Band employees reflects the Band as a whole.
15. I will be courteous and polite towards other staff members and to the public.
16. I will give out official and/or confidential information acquired on the job only when the release of such information has been authorized by the Band Council.
17. I will use information obtained on the job for the intended purpose only, not for my own personal interests.
18. I will use equipment, property, or supplies which are owned or rented by the Band for authorized purposes only, will use such equipment with care, and will report any maintenance required to an appropriate senior staff member.
19. I will refuse any fees, gifts, or other tangibles offered to me in reward for duties performed by virtue of my position.
20. I will not publicly criticize other employees, or the policies of the Band Council or individual departments; if I feel changes would be advisable, I will provide constructive criticism and suggestions through proper channels, and seek to make the workplace as harmonious as possible.
21. I will attempt to communicate openly with other staff, and to settle internal differences in a constructive manner.
22. I understand my relationship with the Band Council as a Band employee to be as follows:
 - a) The Band Council will request my attendance at a Band Council meeting if my presence is required.
 - b) If I wish to address council on matters not related to my job, I must take time off from work to do so.
23. Conflict of Interest - If my employment position and private interests constitute a conflict of interests, I shall declare this to the Chief and Council, who will direct in which manner this may be resolved.

Signed, and agreed to, this ____ of _____, 19__:

(Employee)

(Supervisor/Witness)

APPENDIX III:

SAMPLE CONTRACT OF EMPLOYMENT

SAMPLE CONTRACT OF EMPLOYMENT

The _____ Band hereby agrees to hire _____ as an employee of the Band, in the position of _____, to fulfill the responsibilities as detailed in the attached job description. The employee shall sign the attached job description to show that he/she understands the job responsibilities assigned to him/her. If any changes or additions occur in the employee's job responsibilities, these will be given to the employee in writing, and explained personally by the Supervisor. The employee shall adhere to the Band's Code of Ethics, which he/she shall indicate by signing the copy attached, and shall also adhere to the Band's policies and procedures, as detailed in the Band's Administration Manuals.

Employment shall commence as of _____, 19____. The initial salary range for this position is \$_____ annually. Salaries shall be paid on the 15th and the last day of each month, by 12 noon; if these fall on a weekend or holiday, payday will be the last working day prior to the 15th or last day of the month. A salary review, contingent on the performance evaluations and available funding, will take place annually each March.

The employee shall be on a probation period for the initial six months, during which he/she shall receive two performance evaluations. At the end of the probation period and second performance evaluation, the employee shall be notified by his/her Supervisor whether or not he/she has been promoted to permanent staff, based on a satisfactory level of performance and the budgetary appropriation for the position. If the results of the evaluation are unsatisfactory, the immediate Supervisor may recommend that the employee be placed on an extended probation period for the length of time required to fully evaluate the employee's performance. An evaluation and salary review would then be conducted, upon completion of the extended probation period. Permanent employees shall continue to receive performance evaluations every six months.

The Band's office hours are from _____ a.m. to _____ p.m., with lunch from 12:00 to 1:00 (unless approval is obtained from a Supervisor to take an alternate lunch break). Two 15 minute coffee breaks are allowed per day.

These terms are hereby jointly agreed to by the _____
Band Council and the employee.

(Employee)

Band Manager on behalf of the

Band Council

Date:

Date:

APPENDIX IV:

EMPLOYEE PERFORMANCE APPRAISAL FORM

Performance Appraisal

Employee Name		Surname	First
Position			
Classification Title			
Department			
Location			
Type of Review		<input type="checkbox"/> Probationary <input type="checkbox"/> Promotion <input type="checkbox"/> Annual Scheduled Review <input type="checkbox"/> Other Specify _____ _____ _____	
Initial Employment Date at SIIT		YY	MM DD
Start Date in Current Position			
Date of Last Review			
Date of This Review			

Acknowledgements (Signatures)	
Employee: This acknowledges that I have read this report	
Appraiser:	
Reviewing Manager/Supervisor:	
DISTRIBUTION: Original -Employee File, Records-Personnel Services Copy - Employee	

II. Key Task Analysis

Identify the four or five most important duties as reflected on the job description. When selecting these "Key tasks", choose those which:

- a) are most crucial to the attainment of your department's objectives; and
- b) involve the greatest amount of time spent by the employee.

Measure how well the employee is performing these key tasks. Concentrate on what the employee has done to do on each task or on what the employee has done to meet the specific department objectives.

Key Task: _____	How well performed: _____
_____	_____
_____	_____
_____	_____
_____	_____
Key Task: _____	How well performed: _____
_____	_____
_____	_____
_____	_____
_____	_____
3. Key Task: _____	How well performed: _____
_____	_____
_____	_____
_____	_____
_____	_____
4. Key Task: _____	How well performed: _____
_____	_____
_____	_____
_____	_____
_____	_____
5. Key Task: _____	How well performed: _____
_____	_____
_____	_____
_____	_____
_____	_____

Please use either Form A or Form B, but not both, where applicable.

III. Performance Rating- In relation to skills and knowledge required in position held - Form A

Rating Key

Please assign the appropriate number

- 1 Does not meet position requirements
- 2 Sometimes does not meet position requirements
- 3 Meets position requirements
- 4 Sometimes exceeds position requirements
- 5 Consistently exceeds position requirements

Comments and Examples Optional

	Rating
Job Knowledge - Technical skills and ability to do the job Comments/Examples	
Quality of Work - Degree to which work is accurate and thorough Comments/Examples	
Quantity of Work - Actual amount of work produced, ability to meet schedules Comments/Examples	
Communication Skills - (Verbal/Written/Listening), skill in conveying and receiving information clearly and concisely Comments/Examples	
Interpersonal Skills - Ability to establish and maintain effective working relationships, effect on others (internal and external contacts) Comments/Examples	
Planning and Organization - Ability to establish priorities and organize time and work to achieve targets Comments/Examples	
Judgement - Ability to identify and deal with relevant problems, to analyze all factors involved in decision and to reach a sound conclusion Comments/Examples	
Delegation/Development of Staff - Ability to recognize, create and use opportunities to utilize and develop subordinates (if applicable) Comments/Examples	
Other - Initiative, innovation, punctuality, attendance, etc. Comments/Examples	

lease use either Form A or Form B, but not both, where applicable.

III. Employee Performance Appraisal - Form B

Rating Standards

Exceptional

- the employee who surpasses proficiency by a substantial amount; enough to warrant an outstanding or excellent evaluation.

Proficient

- the employee who is adept and expert in the performance of his position responsibilities; this may range from adequate to a high standard of performance.

Requires Development

- the employee who is in a developmental position, who will gain the required knowledge or ability and meet the expectation of the job with more experience over a period of time. Or,
- the employee who may not be satisfactory in the performance of his position and may benefit by training or a self-improvement program.

Place (X) in a appropriate space.

1.	Know-how	Requires Development	Proficient	Exceptional	N/A
	Technical Knowledge				
	Communications				
	Management Knowledge				
	Planning Ability				
	Control Skills				
	Organization & Supervision				
	Supervisory Relations				
	Internal Relations				
	External Relations				
	Other (Specify)				
Comments					
2.	Problem Solving	Requires Development	Proficient	Exceptional	N/A
	Decision-Making Ability				
	Initiative				
	Originality of Thought				
	Other (Specify)				
Comments					
3.	Accountability	Requires Development	Proficient	Exceptional	N/A
	Achievements of End Results				
	Financial Impact				
	Quantity of Work				
	Attitude				
	Personal Suitability				
	Other (Specify)				

IV. Performance Plan

Goal Setting (3-4 Goals for Next Performance Plan and Review Period)	
Work Goals	Measures of Performance (eg., Quantity of work/deadlines dates, etc.)

V. Summary of Employee's Overall Performance

The statement which best describes the employee's overall performance is: (X)

<input type="checkbox"/> Outstanding Consistently exceeds position requirements.	<input type="checkbox"/> Above Standard Meets position requirements and frequently exceeds them.	<input type="checkbox"/> Competent/Standard Consistently meets position requirements.	<input type="checkbox"/> Below Standard Frequently does not meet position requirements.	<input type="checkbox"/> Unsatisfactory Consistently fails to meet position requirements.
---	---	--	--	--

☐ Rating Not Assigned - Please indicate reasons why no rating has been assigned.

VI. Comments

Appraiser:

Employee:

APPENDIX V:

PERSONNEL ADMINISTRATION FORMS

1. Employee Record of Leave
2. Application for Leave
3. Band/Employee Training Agreement
4. Conference Attendance Request Form
5. Travel Advance Request Form
6. Travel Expense Claim
7. Daily Activity Report
8. Sample Vacation Schedule Form

Employee Record of Leave

NAME : _____

POSITION: _____

ANNUAL LEAVE

SICK/OTHER LEAVE

MONTH	DAYS EARNED	DAYS TAKEN	TOTAL (cumulative)
YEAR:			
January			
February			
March			
April			
May			
June			
July			
August			
September			
October			
November			
December			

MONTH	DAYS EARNED	DAYS TAKEN	OTHER LEAVE (Type, # of days)	TOTAL (cumulative)
YEAR:				
January				
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				

Note: If employees are earning 2 weeks vacation per year (minimum, according to federal regulations), they will earn .83 days annual leave (vacation) for each full month worked.

If employees are earning 3 weeks vacation per year, they will earn 1.25 days annual leave (vacation) for each full month worked.

APPLICATION FOR LEAVE

All Staff members are requested to complete this form for all types of leave as they apply.

TO: IMMEDIATE SUPERVISOR OR EQUIVALENT

JOB TITLE

FROM: _____
NAME

JOB TITLE

I hereby apply for the following leave:

Annual Leave
Compassionate Leave
Jury Duty Leave
Convocation leave
Election Leave
Maternity Leave

_____ Sick Leave
 _____ Pressing Necessity Leave
 _____ Leave of Absence without Pay
 _____ Paternity Leave
 _____ Educational Leave
 _____ Other

DATE: _____ FROM: _____ TO: _____

COMMENTS: _____

Date: _____ SIGNATURE OF APPLICANT _____

RECOMMENDATION OF SUPERVISOR:

Date: _____ SIGNATURE OF SUPERVISOR _____

ACTION OF BAND MANAGER

Grant Leave as Requested

Leave Request Denied

Grant Leave as Follows: _____

Date: _____

Submit copies to supervisor
Retain a copy for your records

SIGNATURE OF BAND MANAGER

BAND/EMPLOYEE TRAINING AGREEMENT

I, _____, hereby agree to advance my education and professional development, in order to enhance my present position within the Band's public service.

I understand that the Band's contribution at this time will be half of the course training costs. Upon completion and passing of the course, I will be reimbursed the cost (50%) which I paid at the outset.

Should I not successfully complete or pass the course, the Band's contribution of 50% will be deducted from my paycheque.

Employee

Date

Name of Course

Dates of Course to be Taken

Band Manager

Date

CONFERENCE ATTENDANCE REQUEST FORM

Person Making Request

Date Request Submitted

Name of Conference

Location of Conference

Dates of Conference

Number of Days Absent from Work

Conference Topic(s) of Interest

Travel Advance Required (Amount)

Conference Tuition/Enrolment Fee:

\$ _____

Other Costs (travel? meals accommodation - please project total costs).

Please explain why you would like to attend this conference and how it would benefit the Band, department, your professional development, etc. (Please also submit with this application additional information on the conference - agenda, objectives, speakers, fees, etc.)

Signature of Employee/Applicant

Recommendation of Supervisor

Approval/Band Manager

Date

Note: A written or verbal report on the conference must be made to the employee's Supervisor within one week after the conference.

All out-of-province travel requests must be approved by the Band Council.

TRAVEL ADVANCE REQUEST FORM

Name of Employee: _____

Date of Request: _____

Reason for Request: _____

Amount Requested: \$ _____

Has travel been authorized? Yes ☐ No ☐ (Attach copy of travel request form).

If this travel advance is approved, I hereby agree to fill out my travel expense form within 2 work days of returning. Any difference between the amount of travel advance and the amount used will be refunded. I also agree to provide a written report on the highlights of the meeting, conference, etc. within one week of returning to work.

signature of Employee

Approval Provided: _____

Signature of Band Manager

Date: _____

TRAVEL EXPENSE CLAIM

Soc. Ins. No.: _____

Driver's Licence: _____ Car Licence: _____

Car Licence: _____

Name: _____

Address: _____ Position: _____

Position: _____

Date	From	To	Mileage	Time out	Meals			Time In	Hotel	Misc	Total	Remarks
					B	D	S					
			TOTAL		TOTAL				TOTAL	TOTAL	Signature:	

DAILY ACTIVITY REPORT

Name: _____

Position: _____

[illegible]

VACATION SCHEDULE FORM

[illegible]

1990												1991																																			
AUGUST				SEPTEMBER				OCTOBER				NOVEMBER				DECEMBER				JANUARY				FEBRUARY				MARCH				APRIL				MAY				JUNE							
S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31				S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30				S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31				S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30				S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31				S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31				S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31				S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30				S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31				S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30											
6	13	20	27	3	10	17	24	1	8	15	22	29	5	12	19	26	3	10	17	24	31	7	14	21	28	4	11	18	25	4	11	18	25	1	8	15	22	29	6	13	20	27	3	10	17	24	



SECTION THREE:
FINANCIAL ADMINISTRATION

Section Three: Band Financial Administration Manual

Preamble

Clearly defined financial administration regulations and policies have become increasingly important for Band governments to develop, define, and adopt, as Bands have assumed increasing responsibilities in the areas of self-government, alternative funding arrangements, and the management or administration of programs. Detailed financial administration guidelines are therefore increasingly necessary to offer clear direction to Band staff, and to help ensure the sound management of financial resources for the good of all Band members.

This section offers suggested policies and procedures for Bands in the areas of financial administration, including decision-making authorities, recordkeeping, purchasing, cheque issuing, etc., as well as suggested responsibilities of the Chief and Council, Band Manager, and Accountant/ Controller, with regard to Band financial administration.

Some Band administrations are now using computerized accounting and recordkeeping systems. While the specific method of financial management systems may vary from Band to Band, the basic principles of effective financial administration remain basically the same, regardless of the system used.

It is hoped that the sample financial policies contained in this section will assist Band governments in developing personalized policies to meet their Band's individual needs. These policies are offered as a Guideline only for Bands. Band Councils may wish to alter, delete, or add additional regulations to suit their own requirements, depending on the size and complexity of their organization.

Financial Regulations should be reviewed regularly, as changes or additions will be necessary from time to time. These changes may be initiated through democratic procedures by the Band Council, with amendment resolutions approved and passed by a majority of its members. The Band Manager should be responsible for ensuring that any such amendments are reflected in updates of the Manual.

Section Three: Band Financial Administration

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Appendix I:

1. Sample Letter of Tender Invitation to Auditors
2. Sample Letter of Appointment to Auditor

BAND FINANCIAL ADMINISTRATION MANUAL

A. INTRODUCTION*

The Band Government has the responsibility to administer funds for Band services. Suitable financial regulations are therefore required to administer the affairs of the Band.

The Band Council is responsible for setting policies and ensuring that these policies are put into effect. When the people elect a Council, they give the Council the authority to carry out these policies, rules and regulations for the betterment of the community.

These guidelines will assist the Band Council and staff to regulate the financial administration of local Band Government services, in accordance with the basic principles of effective Band Government. They will provide clear guidelines for staff, Council members, and general Band membership, regarding financial policies and procedures. They will replace past guidelines, and will come into effect on _____, 19__.

* This is a sample Introduction to a Band Financial Administration Manual.

B. GENERAL

1. Terms

In this Manual:

- a) "Band" refers to the _____ Indian Band.
 - b) "Chief" refers to the person elected to head the Band Council.
 - c) "Council" refers to the Band Government elected by Band members at large.
 - d) "Councillor" refers to any properly elected member of the Band Council.
 - e) "Band Government Service" refers to programs which may be effectively managed, in whole or in part, at the Band level.
2. This Manual shall be known as the Band Financial Administration Manual, and shall apply to all administrative and financial transactions of the Band.
 3. The Council may appoint a person or persons to act in its place for the purpose of administering these Regulations.
 4. The Council shall adopt such bookkeeping systems and accounting records of its assets, liabilities, revenue and expenditures, as are necessary to ensure adequate reporting to the Council, community, and funding agencies, and shall ensure that all financial reporting requirements for funding agencies are met.
 5. In accordance with Statutory Regulations, all financial documents shall be kept for a minimum of five years.

C. RESPONSIBILITIES OF THE CHIEF AND BAND COUNCIL

This section provides suggested financial management responsibilities of the Chief and Council. The Chief and Council are responsible for the planning and budgeting of all community programs and services under their control. Their financial decisions and policies are then implemented by the Band's administrative staff, who provide the Council with monthly financial reports. Once a budget is approved by the Council, only the Council is able to approve any budgetary changes. (More information on the Chief and Council's overall role is included in Section One, "Band Chief and Council".)

The Chief and Band Council, as the official elected government of the Band, have the following responsibilities with respect to the financial administration of Band Government services:

1. Negotiate and sign funding agreements on behalf of the Band.
2. Plan and budget for the funds and resources required for the administration of Band Government services.
3. Ensure sound financial management of all Band programs and services, including accountability to Band members and to funding agencies.
4. Ensure that deficits do not occur in any of the Band budgets; if this does take place, the Band Council is responsible to take appropriate corrective action.
5. Formulate and execute financial administration policies and procedures, and review these on a regular basis to ensure that they are kept up-to-date.
6. Ensure that all programs are administered and reported to according to these Regulations.
7. Adhere to agreements/contracts with funding agencies, and maintain good relations with them.
8. When the Band Council has a change in its elected membership, the new Council shall honour contracts and agreements entered into by the previous Council.
9. Initiate or conduct investigations, and take such necessary disciplinary action as may be required, when a Band employee or Band Council member does not comply with these or other applicable Regulations.
10. Through Band Council resolutions, appoint personnel to fulfill its following responsibilities:
 - a) Record all resolutions, decisions, and other proceedings of the Band Council.
 - b) Keep the books, records, and accounts of the Band Council in accordance with these Regulations.

- c) Maintain a filing system in which is kept all minutes of the Band Council meetings, all bylaws, and copies of all vouchers, bank statements, cancelled cheques, and correspondence relating to the business of the Band.
 - d) Receive, record and deposit all monies received by the Band Council, and pay out those monies in accordance with contractual agreements and these Regulations.
 - e) Prepare a financial statement each month, for presentation at monthly meetings of the Band Council, which includes:
 - i) Itemized receipts and disbursements during the preceding month;
 - ii) The standing of all accounts as of the last day of the preceding month, and any other information that may be required by the Band Council and funding agencies;
 - iii) Financial variance reports; and
 - iv) The standing of the general ledger balances as of the last day of the preceding month.
 - f) Any authority not specifically delegated remains with the Band Council.
11. Band Council members shall adhere to a Code of Ethics, and shall not take advantage of their position in elected office for any personal gain.
12. The Chief and Band Council shall permit Band members access, at reasonable times, to the minutes of all Band meetings, Band Council meetings, bylaws and resolutions of the Band, budgets, monthly financial statements, audit reports, and the Band Administration Manual.
13. The Chief and Band Council shall hold meetings with the Band membership at least once a year, which shall include financial reporting on Band Government programs, as well as program achievements.

D. BAND COUNCIL MINUTES

1. The minutes of Band Council meetings are a formal record of the Council's decisions on policies, administrative guidelines, and financial disbursements. Therefore, it is crucial that all Band Council decisions be accurately documented in the minutes, through recorded motions and votes. (See also "Guidelines and Procedures for Band Council Meetings" on page 18.)
2. In terms of financial decisions, the minutes should contain the Band Council's approval of such items as:
 - a) Monthly financial statements (signed by the Band Manager and Chief);
 - b) Interim and annual budgets;
 - c) Annual salary schedules and any subsequent revisions;
 - d) Individual accounts paid;
 - e) Approval of annual audited financial statements;
 - f) Allowances and travel rates;
 - g) All contracts and financial agreements;
 - h) The write-off or sale of Band assets;
 - i) Money bylaws; and
 - j) Any other financial decisions.
3. Minutes should be signed as evidence of their validity. The last page of each set of minutes should be signed by both the Chief and the Band Manager. All other pages should be initialled by the Chief.
4. The originals of meeting minutes should be kept in a binder designated for that purpose, and should be stored in the Band's safe, or other secure, fireproof location in the Band office. Copies can be filed separately.
5. Copies of Council meeting minutes should be posted in a public place, accessible to the Band members.

Note: This section relates to the recording of financial decisions in the Band Council minutes. For more detailed information on recording the minutes of Band Council Meetings, refer to page 21.

E. FINANCIAL RESPONSIBILITIES OF BAND EMPLOYEES

This section includes suggested financial responsibilities for the two key Band employees involved in the financial administration of the Band: the Band Manager and the Accountant/Controller. This section contains aspects of the Band Manager's responsibilities which pertain to financial management only. The Band Manager's complete job responsibilities are included in Section One: Band Government Administration, under E. Administrative Services. Since the responsibilities of the Accountant/Controller are solely financial, the complete job description of the Accountant/Controller position is included in this section.

1. Responsibilities of the Band Manager

1.1 Introduction

This section provides suggested financial responsibilities of the Band Manager. Each Band would define the exact financial responsibilities of their Band Manager according to their needs, policies, and administrative structure.

The Band Manager fills the most important position of fiscal responsibility in the Band staff. The role of the Band Manager includes providing the Council with accurate financial information, to enable the Council to make informed financial decisions. The Band Manager must bring all required financial reports to the Council meetings, and interpret financial information for the Council, where required. The Band Manager must also ensure that the financial decisions, policies and procedures of the Band Council are implemented by the Band staff, and that programs are administered within budget. In most Bands, administrative staff and senior program staff are responsible to the Chief and Council through the Band Manager.

Since this section deals with financial responsibilities, these aspects of the Band Manager's responsibilities are provided here. A complete sample job description for the Band Manager, as well as suggested qualifications for this position, are included on pages 67-71.

1.2 Band Manager - Sample Financial Responsibilities

The Band Manager will be bonded, and responsible and accountable to the Band Council for fulfilling the following financial administrative responsibilities on their behalf:

1. Implement the Band Council's financial decisions and policies, including budgetary control, purchasing, contracts, salary administration, etc., in accordance with the Band's Financial Regulations.
2. Ensure that all resolutions, decisions, minutes, bylaws, and other proceedings of the Band Council are recorded and filed. A separate binder should be maintained for the filing of original signed minutes, regulations and bylaws; copies should be filed elsewhere.
3. Supervise, direct, control and be accountable to the Council for the overall management of the Band's operations, programs, personnel, and resources, as per the Council's direction, and in accordance with the Band's Regulations.
4. Ensure all monies belonging to the Band are safely stored until they are deposited into the appropriate Band account. (A safe is recommended for the storage of cash, cheques and important documents at the Band Office, until these are deposited in a Band bank account or safety deposit box.)
5. Deposit all monies of the Band in the appropriate Band account in the bank, trust company or credit union which has been designated by the Band Council, at least once weekly, and immediately when large amounts of cheques or cash are on hand. All deposit slips should indicate the source of all funds included on that slip. These monies will be withdrawn only by cheques signed by the authorized signing officers of the Band, and according to the bylaws, budgets, regulations and resolutions of the Council.
6. Supervise the receipts, recording, and proper disposition of Band funds, with individual bookkeeping for each service/function, ensure that all books, records, and accounts of the Band are kept in accordance with these Regulations.
7. On a date specified by the Council, and no less than once a month, deliver to the Council a statement showing:
 - a) Itemized receipts, disbursements, and commitments of the Band during the preceding month;
 - b) The standing of all accounts and the general ledger balances as of the last day of the preceding month;

- c) Variance reports indicating any alterations from monthly projected cash flows on each budget; and
- d) Any other information that may be required by Council and funding agencies.

The statement will be read and presented for examination at the next meeting of the Band Council, and shall form part of the Minutes of that meeting.

- 8. Provide the Council with monthly reports on Band programs, finances, and operations, as instructed in these Regulations.
- 9. Undertake the evaluation and detailed review of budget planning, revenue and expenditure forecasting, and budget control, in cooperation with Senior Staff members, for submission to the Band Council.
- 10. Prepare an annual report of actual income and expenditures for the fiscal year, and any other financial statements and reports which may be required by the Band Council.
- 11. Write proposals for new job development, and other relevant proposals as requested by the Band Council.
- 12. Perform any other relevant duties and tasks, as may be assigned by the Band Council.

Employees

2. Responsibilities of the Accountant/Controller

2.1 Introduction

The Accountant/Controller fills an important position of responsibility in the Band's Administration Department, and as such, should be suitably experienced in accounting and payroll systems, as well as bondable. If the Band is utilizing or planning to implement a computerized bookkeeping/accounting system, the Accountant/Controller should be experienced in word processing and working with the appropriate software, or should take a training course prior to the Band's planned implementation of the computerized systems. (Many companies which sell computer equipment also have training available for staff.)

Under the supervision of the Band Manager, the Accountant/Controller is responsible for recording and carrying out all the daily financial transactions of the Band's accounting department, which services all Band-administered programs. Since this position deals totally with financial duties, the suggested job description of the Accountant/Controller is included in this Section.

Bands could use the sample job description which follows, and personalize it to suit their Band's unique situation in terms of size, policies, bookkeeping system, administrative structure, etc. (For example, a Band which has a large operating budget, and administers a number of community programs and services to a large Band membership may require a somewhat more sophisticated bookkeeping system than does a small Band, which administers fewer programs to less members.) Such differences would be reflected in the detailed job descriptions of Band administrative staff, as well as in various Band financial policies.

2.2 Accountant/Controller - Sample Job Description

The Accountant/Controller shall be bonded, will report directly to the Band Manager, and will have the following responsibilities:

1. Be responsible for the following accounting duties, under the supervision of the Band Manager:
 - Prepare monthly financial statements for the Band Council, showing:
 - a) Itemized receipts and disbursements during the preceding month;
 - b) The standing of all accounts as of the last day of the preceding month;
 - c) The standing of the general ledger balances as of the last day of the preceding month;
 - d) Any alterations from monthly projected expenditures on each budget (variance reports); and
 - e) Any other financial information required by the Band Council or funding agencies.
 - If a financial commitment or expenditure will create a deficit in a budget, if posted, prepare duplicate deficit advice forms, and provide the Band Manager with a copy for subsequent action.
 - Prepare vouchers and expenditure sheets.
 - Prepare, issue and distribute approved cheques, including the processing and preparation of payroll and expense claims.
 - Post and summarize cheques in the Disbursements Synoptic.
 - Voided cheques: stamp or mark "void", tear off signature area, and file with regular cheques.
 - Record and summarize receipts in Receipts Synoptic.
 - Post totals from the Receipts Synoptic, Disbursements Synoptic and Payroll Summary into the General Ledger.
 - Receive and sort cancelled cheques.
 - Reconcile the bank statement balance with the bank balance in the General Ledger.

Employees

- Balance individual earnings cards.
 - Reconcile earning sheets with remittances to the Receiver General.
 - Prepare and issue year-end T-4 slips.
 - Calculate and prepare backpay, holiday pay, severance pay, and other salary adjustments.
 - Collect time sheets and keep accurate records for all personnel.
 - Balance payroll sheets and summarize to determine remittance due to the Receiver General (and others, if applicable), and for posting into the General Ledger.
 - Issue student allowance cheques.
 - Receive all bills; prepare Accounts Payable statements and bills for payment approval by the Band Manager/Band Council.
 - Issue receipts for funds received, and prepare bank deposits, crediting receipts to the proper Band programs/accounts.
 - Ensure all expenditures are in cheque form, so that a permanent record exists of all transactions.
 - Ensure all requirements are met for the annual audit, (as detailed in part W. of this Manual), including keeping an up-to-date list of Band assets, cost and date of acquisition, purchases and disposals; and segregating owned assets from those leased.
 - Be responsible for accounting of petty cash.
 - Prepare requisition forms and purchase orders for approval.
 - Process severance pay and "Record of Employment" forms for the Unemployment Insurance Commission.
2. Check and distribute incoming supplies (as detailed in M. Purchases).
 3. Receive and handle complaints dealing with orders.
 4. If the Band uses a computerized bookkeeping/accounting system, ensure that duplicates of all financial records are copied on back-up discs to ensure that they are not lost in the event of a system failure, "glitch" in the disc, etc.

5. Maintain up-to-date personnel and payroll files:
 - a) Complete required forms for placing new employees on payroll.
 - b) Personnel files should be maintained for all employees, and should include employment applications, signed copies of contracts, Employee Code of Ethics, job descriptions, current signed TD1's (if applicable), attendance, sickness, vacation leave, performance evaluations, etc.
 - c) Individual earning cards shall be maintained and kept up-to-date for each employee; in addition to individual payroll cheque details, these should include such items as Social Insurance Number, address, employment start/termination date, wage rate or annual salary, and effective date.
 - d) Separate activity cards should be maintained for the deductions and remittances for each of Receiver General, Pension, and Group Insurance (if applicable).
 - e) Monthly payroll summaries should be prepared and posted to the activity cards as follows:
 - 1) Gross Earnings - debit Salary or Contract card.
 - 2) Employer's Share of Canada Pension and Unemployment Insurance - debit benefits activity card and identify as CP and U.I.
 - 3) Pension - debit a Pension Cost activity card with the employer share; credit a pension liability activity card with double the amount deducted. The remittance will be debited to this card.
 - 4) Group Insurance - credit a Group Insurance liability activity card with the total deduction. The remittance will be debited to this card.
6. Ensure that the Receptionist maintains a log of long-distance telephone calls, and keeps records of same. (Program Supervisors should ensure that the long-distance telephone expenses for their programs do not exceed their allocated telephone budgets.)
7. Work closely and maintain good relations with funding agencies.
8. Assist with the budget preparations for funding applications, when requested.
9. With the Band Manager, prepare an annual report of actual income and expenditures for the fiscal year, and any other financial statements and reports required by the Band Council or funding agencies.
10. Conduct any other relevant duties as directed by the Band Manager, Chief or Council.

F. TYPES AND SOURCES OF REVENUE

1. Introduction

Revenue sources for Bands include: Indian and Northern Affairs Canada, Band Trust Funds, special project funding from other federal and provincial government departments, and charitable foundations.

- a) Indian and Northern Affairs Canada - (INAC) provides Bands with funds for administration, education, social assistance, economic development, capital construction, community infrastructure maintenance, health, safety, recreation, training, and various other projects.
- b) Band Trust Funds - These include "revenue monies" from leases, user fees, rent, taxation, Band resource or business-generated revenues, interest on capital trust accounts, etc.; and "capital monies" derived from the sale of surrendered lands or Band capital assets.
- c) Special Project Funding - Bands are also eligible to receive financial assistance from various federal and provincial government departments, upon submission and approval of the required proposals. These departments include:
 - Health and Welfare Canada (HWC) - funds community health services, hospital services, public health programs, alcohol and drug abuse prevention and treatment programs.
 - Family Violence Funding Program - jointly administered by HWC and INAC, with the assistance of a Native Advisory Committee: projects which aim at addressing social and health problems related to family violence and child sexual abuse may be approved. (Funding is currently available until March 1991.)
 - Canada Employment and Immigration Commission (CEIC) - funds various employment, job creation, and training programs.
 - Canada Mortgage and Housing Corporation (CMHC) - funds housing and special construction projects.
 - Provincial Governments - may provide grants for recreation, cultural events, employment programs, etc.

Various governmental agencies and departments provide funding for programs designed to provide work for the unemployed and disadvantaged groups. The criteria or requirements for obtaining funding for these programs may change annually, or from time to time. Some programming initiatives may be announced for a term (temporary) basis only.

Band Councils should be on the mailing lists for such programs. When new programs are introduced, complete details of the programs, application forms, and instruction forms for completing the forms should be sent to the Band. (See Section One, Appendix IV: General Guidelines for Preparing Funding Proposals.)

- d) Charitable Foundations - Bands may also apply to charitable foundations for funding support towards special projects, if a Band project fits into the criteria or mandate of the foundation. (Band Managers may refer to the publications, Canadian Index to Foundation Grants and Foundation 500, for information on granting sources.)

2. Funding from Indian and Northern Affairs Canada (INAC)

2.1 Introduction to INAC Funding Mechanisms

The primary source of funds for Bands is Indian and Northern Affairs Canada. Agreements for the provision of funds for specified purposes are covered by funding arrangements. These agreements between INAC and Band Councils set out the obligations of both parties, the services to be provided, and the payment schedule of the funding.

The Departmental funding mechanism used for the implementation of programs on Indian Reserves depends on the size, value and complexity of projects; the Band's capacity to undertake the responsibilities for managing the program and ensuring that the necessary services are provided; and the degree of Departmental control required to ensure that an appropriate level of Ministerial accountability is maintained.

Although the Department's ultimate goal is to transfer full responsibility for program implementation to Band Councils, there are still a few projects and services for which the Department retains full responsibility and accountability. These are:

- Capital projects implemented through Vote 10; and
- Delivery of Operations and Maintenance services through Vote 5.

The funding mechanisms currently available, which are described in this section, include:

- Contribution/Comprehensive Arrangements;
- Flexible Transfer Payments (FTPs);
- Alternative Funding Arrangements (AFAs); and
- Funding for Bands under Self-Government.

The degree of Departmental control and involvement in the actual implementation of programs and delivery of services ranges from very extensive in Departmentally-delivered projects, to practically nil in self-government situations. A Band's degree of involvement and responsibility increases as it moves towards self-government, and Band Council accountability is increasingly extended to its own Band membership.

2.2 Contribution/Comprehensive Funding Arrangements

Contribution Funding Arrangements (CFAs) are used for projects and/or services delivered by Band Councils, and are formal agreements between the Department and the recipient Band Council describing the obligations of both parties, and the terms and conditions under which payments which will be made. Comprehensive funding arrangements include a number of program activities.

The Department approves funding based on adherence to a general set of terms and conditions. The terms and conditions of CFAs are structured to enable the Department to have a degree of monitoring and control, while giving the Band Council flexibility to effectively carry out its management responsibilities. In most cases, allowable expenditures are specified in detail, and the Council is required to submit progress reports and substantiate expenditures incurred.

Contribution Funding Arrangements can be used to fund a single project or program, as well as a group of projects/programs. A CFA is the only funding mechanism which can be used to fund capital projects in excess of \$1.5 million delivered by Band Councils, except in self-government situations. A distinguishing feature of CFAs is the requirement that the recipient Band Council repay overpayments, unexpended balances, and disallowed expenses to the Department (i.e. for Social Assistance programs and Education tuition funds).

2.3 Flexible Transfer Payments

The conditions governing Flexible Transfer Payments are essentially the same as for CFAs, with one important difference: the Band Council is allowed to retain surplus funds for use on other approved projects, provided the required service has been delivered to the community. (This arrangement is serviced-based.)

Capital projects funded through FTPs are limited to \$1.5 million or less. Virtually all capital projects of \$1.5 million or less are expected to be funded using the FTP mechanism (except those being funded under Alternative Funding Arrangements or self-government.)

FTPs are for a duration of one year, and usually cover more than one project or program. Financial reporting requirements for FTPs are quite minimal; the recipient

Band Council is required to produce a final report which indicates that the project was completed or required service(s) delivered, the work was satisfactorily done, and provides the total project or program cost (plus or minus the amount budgeted). Although program/project funding unexpended at year end can be retained by the Band Council, surplus capital funds must be used for other capital projects.

2.4 Alternative Funding Arrangements

Bands who have entered into Alternative Funding Arrangements (AFA's) with the Department have a wider scope to manage their own affairs. Under AFA's, Bands have expanded authority for program policy, design management, and implementation of all transferrable programs in areas such as education, social services, community services, and capital facilities. Bands may modify and re-design federally funded programs to make them more appropriate to their community needs and priorities, as long as minimum program requirements specified in the agreement are met. An AFA may have a duration of from one to five years, and funding is provided based on an overall plan which identifies major objectives, and lists a series of projects to be completed within the time frame of the agreement.

Bands who have entered into AFA's have the flexibility to transfer funds between programs, with the exception that capital funds cannot be transferred to operations and maintenance. Each capital project funded under an AFA is limited to a maximum of \$1.5 million. Unexpended capital funds can be retained by the Band, with the condition that they be used for capital purposes.

Eligibility Criteria

All Bands and Tribal Councils may apply for entry into an Alternative Funding Arrangements agreement. Indian and Northern Affairs Canada will consider proposals for entry which demonstrate that the Band or Tribal Council meets the following eligibility criteria:

- Previous experience with program administration;
- A sound administrative organization and management structure;
- Established processes and procedures for the management of finances, personnel, capital, and other program services, and appropriate appeal procedures;
- Established reporting mechanisms to the Minister;

In a sound financial position, or if a deficit exists, have in effect an acceptable recovery plan in place; and

- Have a community mandate to enter into an Alternative Funding Arrangements Agreement.

In the case of the AFAs for capital projects, Band Councils must be able to demonstrate that they have the capacity to ensure compliance with technical regulatory requirements, to apply project management principles and practices, to appropriately maintain capital assets, and to protect the environment and the health and safety of Band members.

Audit Requirements

Band/Tribal Councils participating in Alternative Funding Arrangements must:

- Agree to engage an independent auditor, and conduct their audits in accordance with the Alternative Funding Arrangements Audit Guide, which prescribes audit requirements. (Available through the Regional Managers, Alternative Funding Arrangements, this guide outlines the required scope of the audit, compliance requirements, responsibilities of auditors, and examples of required financial and statistical reports.)
- Agree to provide INAC with, and make available to Band members, copies of the audited financial statements, auditor's report and opinion, within 90 days of the end of the Band's fiscal year.
- Inform Band membership regarding program achievements and audit findings.
- Be responsible for the development and implementation of action plans to correct any problem situations identified in the audit.

(Note: Details on Alternative Funding Arrangements are included in the booklet: Information, Processes, Procedures: Alternative Funding Arrangements, available from INAC.)

2.5 Self-Government

Under Self-Government, the Band Council is entirely responsible for the development of its own programs, and is directly accountable to Band members for the effective management and delivery of programs. Under Self-Government, the Department provides funding according to the terms and conditions negotiated in the agreement.

G. BUDGETS

1. Introduction

Budgeting is a crucial part of the planning process in any organization. Why are budgets so important? The realistic detailing of all projected costs in advance - a key part of the budget process - helps to prevent deficits by bringing budget expenditures in line with actual revenue, before costs are incurred. This involves deciding on paper what the priorities for budget expenditures will be, with full knowledge of their projected costs. Proper budgeting therefore enables informed advance planning. Budgets also help to ensure adequate cash flow by projecting monthly expenditures and revenue, and are useful in monitoring and anticipating potential financial problems, so that action can be taken, when required, before it is too late. In summary, budgets promote responsible management, planning, and decision-making.

Proper budget planning should involve budget preparation meetings with those who are involved or familiar with the program or services being budgeted for, and have a knowledge of personnel needs, equipment and supply needs and costs, etc., required for the program. The cost of required equipment, supplies, and services being budgeted for should be researched and detailed as part of the planning process. ("Guesstimates" are often far off the mark, where budget projections are concerned.)

A considerable amount of legwork may be necessary to properly prepare budgets, including detailed itemization of projected expenditures, personnel and benefits costs, operating costs, required equipment, supplies, and services, etc., as well as monthly cash flow projections. (Cash flow projections show the amount of expenditures projected for each month. The seasonal nature of certain activities must be taken into account when cash flow schedules are prepared.)

In preparing budgets for ongoing administration or program funding (such as from INAC or HWC), the prior and current year's program expenditures, as well as funding provided for the current fiscal year (April 1st to March 31st), should be carefully taken into account. Government funding for most programs and services is formula-based, i.e. fixed according to the number of Band members being serviced by the program. The Band Council must decide - in advance - how to best utilize the financial resources available to them for their programs and services, in order to use those resources most efficiently and effectively for the benefit of their Band membership. Planning through careful budgeting is an important management strategy, as is ongoing budget monitoring.

To monitor the budget, actual expenditures for each program area are compared to the monthly cash flow projections in the original budget. Up-to-date bookkeeping of accounts ensures that close tabs can be kept on expenditures, to ensure they are kept within budgetary allocations. Adjustments can then be made, when necessary. For example, if an unexpected expense is incurred in one part of a program, corrective measures must be taken to re-adjust the budget (e.g. by reducing expenses in another part of the budget), to prevent a deficit at year-end.

2. Annual Budgets

An annual budget shall be prepared by the Band Manager, in conjunction with senior program staff and community committees, where applicable, for submission to the Band Council. A Council meeting should be held annually to discuss and approve the annual budget.

The budget meeting shall deal with:

- a) The original plans and budget estimates prepared for the Council;
- b) The final approved budget appropriations from all sources;
- c) The difference between funds needed and funds available;
- d) Alternative means of Band operations in light of section (c). These might include:
 - reduction in all non-essential programs,
 - reduction or elimination of specific programs, and/or
 - the raising of additional funds from internal or other sources.

The Band Council shall draw up a budget for the coming fiscal year, which includes projections of expenditures on a monthly basis. The budget shall be adopted by resolution.

3. Budget Approval and Monitoring by Band Council

- a) All budgets, annual salary schedules, rate adjustments for travel, honoraria, etc. and monthly financial statements (signed by the Band Manager and the Chief), will be formally approved by the Council, through motions and votes recorded in the Council minutes.
- b) The Band Council should review program expenditures on a monthly basis, and adjust the budget as required, at that time. Motions for approval of monthly financial statements in the minutes should note, at least, the period covered by the statement, and the total amount of receipts and disbursements reported.
- c) Any budget changes will require a majority approval of the Band Council members through Band Council resolutions, and will be recorded in the minutes of the Band Council meeting.
- d) Departmental/Agency funds provided to the Band Council are to be expended for the purposes identified and approved in the contractual agreement. If flexibility is allowed between functions or programs (i.e. under an Alternative Funding Arrangement or Flexible Transfer Payment Agreement), transfers may be approved by the Band Council.

H. BUDGET CONTROL

1. Introduction

This section suggests policies and procedures relating to the control of budgets. Policies for budget control should be clearly stated, as in the following example:

"It is the policy of the Band Council to maintain strict control over all budgets, to ensure that over-expenditures do not occur."

2. Analysis of Funding Arrangements

At the beginning of each fiscal year, the funds provided in each arrangement should be analyzed, to determine the areas from which funds can be made available to reduce the outstanding deficit (if applicable). A budget analysis worksheet is prepared to ascertain the total funds allocated to each of the following categories:

- salaries and wages;
- annual contracts;
- other flexible expenditures; and
- non-flexible expenditures.

3. Deficit Reserve

Bands who are in a deficit position generally come to an agreement on a Band deficit/debt reduction plan with the regional office of INAC. To qualify for Alternative Funding Arrangements, Bands must be in a sound financial position, or, if they have a deficit, they must have an acceptable "recovery plan" in place.

In their financial management and budget planning, Bands should set aside a portion of their funds: 1) to reduce their debt, if the Band is currently in a deficit position; or 2) to build a deficit reserve fund - a sort of financial safety net - which can be used in the event that unexpected expenditures arise, which might otherwise place the Band in a financial deficit position. In accounting, this is referred to as a "deficit reserve".

To set aside funds for a "deficit reserve", the Band Council reviews the budget amounts available in all areas of each program/service, and decides where expenditures can be reduced. The amount of these reductions would then be transferred to the "deficit reserve". (If the Band is in a deficit position, the total to be set aside must equal the amount of the annual deficit reduction agreed to by the Band Council and the INAC regional office.)

The amount to be transferred to the deficit reserve is approved through a Band Council resolution. The Accountant/Controller uses the information provided in the resolution to prepare a journal entry, reducing the appropriate program function budgets, and crediting the deficit reserve; a budget control sheet is also set up for the total amount applicable to the deficit reserve under each service.

4. Budget Control Record

From the budget analysis worksheet, a budget control card will be set up for each function (activity). Following is an example:

<u>Memorandum Budget Control Record</u>					
FISCAL YEAR: 1990-91		SERVICE: Education		FUNCTION: 3009	
<u>Date</u>	<u>Item</u>	<u>Budget</u>	<u>Commitments</u>	<u>Expenditures</u>	<u>Free Balance</u>
Apr. 1	Budget	\$279,715.90			\$279,715.90
1	Deficit Res.	(2,000.00)			277,715.90
1	School Com.		\$202,125.00		75,590.90
1	Allowances		42,018.00		33,572.90
30	Allces Paid		(\$3,143.00)	\$3,143.00	33,572.90
30	Totals	<u>\$277,715.90</u>	<u>\$241,000.00</u>	<u>\$3,143.00</u>	<u>\$33,572.90</u>

5. Posting the Budget Control Record

Budget

From the budget analysis worksheet, the amount of the budget applicable to a function is entered on the first line of the budget control record in the budget column and in the free balance column.

Deficit Reserve

A budget control record is set up and identified as "deficit reserve" for each service. (See explanation of "deficit reserve" on page 248.) From the budget analysis worksheet, the amount to be transferred from each function is entered in the budget column, and the free balance column increased. On the budget control record of the "donor", the amount being transferred will be entered as reductions in the budget column and in the free balance column.

Commitments

Commitments which cover annual contracts are entered as increases in the commitments column, and the free balance reduced by the same amount. Where salaries are to be committed for a fiscal year, the amount of the commitment is determined by multiplying the gross amount of the latest payroll by the number of pay periods in the year. Where purchase orders are used to procure goods or services, the total amount of each order is entered as an increase in the commitment column, and a decrease in free balance column.

Expenditures

When an invoice is received covering an expenditure for which no previous commitment has been made, such as for a telephone bill or minor purchase of less than \$50.00, the amount is posted as an increase in the expenditures column, and a decrease to the free balance. When a previously committed expenditure is being processed, it is entered as a decrease in the commitments column, and an increase in the expenditures column.

Adjustments

In order to ensure that the budget control record correctly reflects the actual balance of outstanding commitments on hand at the end of each month, a verification should be carried out. All columns in the control record are totalled and cross-footed to verify their accuracy.

The balances of commitments outstanding on purchase orders and contracts held in the outstanding files are added, and the total under each function is compared with the balance shown in the commitment column for that function. Where there is a variance, an adjustment is made to bring the control record into balance with the outstanding commitments on hand.

If the total of the commitments exceeds that in the control, an entry will be made to increase the commitments, and to decrease the free balance. Where the commitments are less than the control, the commitments are decreased, and the free balance increased.

Where a revised commitment for salaries is required, this will be determined by multiplying the total of the most current payroll by the number of pay periods remaining in the fiscal year.

Transfers

When the Accountant/Controller becomes aware that a commitment or direct expenditure, if posted, will create a deficit in a budget, a budget deficit advice form should be prepared in duplicate. The original is passed immediately to the Band Manager. The Accountant/Controller retains the duplicate in a pending file, along with the document creating the deficit.

The Band Manager reviews the balances in other functions and, if flexible funds are available, makes a written recommendation to the Band Council for a transfer from one function budget to another, within the same service. (If under an Alternative Funding Arrangement, the Band Council may authorize the transfer of funds between programs.) If the proposed transfer is acceptable to the Band Council, it will be approved by a Band Council Resolution.

The original copy of the budget deficit advice is returned to the Accountant/Controller, along with a copy of the covering Resolution. The budget control records are adjusted by increases to the budget column and the free balances column of the receiving budget, and decreasing these columns for the donor budget.

6. Long-Distance Telephone

Some Bands have found long-distance telephone expenditures to be a significant enough problem to require a specific policy to control expenditures. Over-expenditures can result from:

- Staff members spending too much time on long-distance business calls, or using their long-distance privileges for personal purposes;
- Band members using Band office telephones for personal long-distance calls.

Some suggested policy options to help deal with this problem include the following.

- a) A log of long-distance calls should be maintained, including records of the person making the call, the person, organization, and number called, the purpose of the call, the amount of billing, and the function/sub-function number to be billed. (Operators can be requested to call back the long-distance charges.)
- b) Long-distance calls could be made through the Receptionist or Secretary only.
- c) Arrangements can be made with the telephone company to have long-distance calls only able to be made from senior management's phones. Senior management would be required to monitor and authorize any long-distance calls made through their phone/department, and to ensure their long-distance billings are kept within budgetary allocations. (Offices with long-distance accessible phones should be kept locked when the staff member is not in the office, to prevent unauthorized telephone use.)
- d) Band staff should be encouraged to call government departments using toll free or 800 numbers, whenever possible.

- e) Some telephone companies offer discount packages for long-distance calls, for a set monthly fee. The Band Manager might inquire into this possibility for the Band.
- f) Personal calls made by staff should be recorded, and the amounts totalled and payable by the staff members at the end of each month.
- g) A pay phone could be installed in the Band office, for use by Band members who wish to make personal calls. (Band office staff could have change available in the petty cash box for this purpose.)

or

Band members who wish to make personal calls on a Band phone will be required to either pay for the call upon call-back of charges; or have the amounts deducted off their next welfare cheque, if they are unemployed and do not have the funds on hand.

The first option - installing a pay phone in the Band office - is preferable, as it circumvents the extra bookkeeping work involved with the second option, and does not tie up Band administration phones.

7. Accounts Receivable

Every reasonable effort should be made to ensure prompt collection of outstanding receivables. (See page 294 for suggested collection procedures on outstanding Band accounts receivable.)

I. MONTHLY FINANCIAL REPORTS

1. Introduction

This section describes the various financial reports that must be produced on a regular basis from information contained in the accounting system.

Policy for preparing financial reports should be clearly stated. An example is:

"It is the policy of the Band Council that all monthly financial reports will be completed within 15 working days of each month end.

All accounting records for each fiscal year are to be ready for audit within 30 days from the end of the fiscal year."

The following financial reports should be prepared on a monthly basis within 15 working days after the end of each month.

2. Trial Balance of General Ledger

Immediately after the end of each month, all cards in the general ledger should be totalled and the total to date shown. Function totals are calculated and shown in the last two columns. The Accountant/Controller signs and dates the trial balance in the lower right corner, and keeps it in a trial balance file for each fiscal year. A copy should be given to the Band Manager.

3. Bank Reconciliation Statement

On receipt of bank statements and cancelled cheques, a reconciliation should be carried out for each bank account. From the bank statement applicable cheque list, and general ledger bank account balance, a bank reconciliation statement is prepared. The Accountant/Controller keeps the statements in a bank reconciliations file for each bank account for the fiscal year. (See explanation on how to prepare a bank reconciliation statement on page 258.)

4. Budget Statement

After the end of each month, the total in the expenditure column of each budget control record should be verified against the function total shown in the trial balance. When the control record is in balance, a budget statement should be prepared, and photocopies made for the Band Manager and the Band Council. The Accountant/Controller will keep the original in a budget statement file.

5. Expenditure Statement

After the end of each month, an expenditures statement should be prepared from the summarized trial balance, which shows, by department and agency, the total expenditures to the end of the month for each function. The Accountant/Controller will keep the original statement in an expenditure statement file, and provide photocopies to the Band Council and Band Manager.

6. Variance Reports

Any difference between the monthly expenditures for each service program function, and the monthly cash flow projections in the original budget, should be provided to the Band Council.

7. Revenue Statement

After the end of each month, a revenue statement should be prepared for the trial balance to show, by department and function, the total revenue received to the end of each month. The Accountant/Controller will retain the original in a revenue statement file, and provide photocopies to the Band Council and Band Manager.

8. Accounts Payable

After the end of each month, an accounts payable statement should be prepared from the accounts payable ledger, listing (in alphabetical order) the companies to whom the Band owes monies, and the amount owed. The list will be totalled and balanced to the control account in the general ledger. The Accountant/Controller retains the original, and provides photocopies to the Band Council and the Band Manager.

9. Project Reports

For each department or agency for which a project has been undertaken, a project report should be prepared at the end of each month. These are prepared in different formats, depending on the requirements of the agency concerned. The figures are taken from the trial balance. The original is kept by the Accountant/Controller, and photocopies made for the Band Council, the Band Manager, and the agency concerned. These reports, including financial reports for funds received under agreements with INAC, should be prepared and dispatched promptly after the end of each month.

J. ACCOUNTING SYSTEM

This section provides general recommended policies with regard to the Band accounting system. Some Band administrations are now using computerized financial accounting and recordkeeping systems. While the specific method or system of financial management may vary from Band to Band, the basic principles of effective financial administration remain basically the same, regardless of the system used. These basics include accurate, up-to-date recordkeeping to facilitate budget control, duplicate records, and effective filing systems.

The Band Council and Band Administration should ensure strong internal financial control and security through the careful development and implementation of their bookkeeping/accounting system and financial management policies. Significant factors in this regard include:

- Well-trained staff with adequate knowledge and abilities to maintain duplicate, crossreferenced bookkeeping, filing, and accounting systems; to help ensure accurate up-to-date reporting to the Band Council, and to enable rapid information retrieval and/ or verification on individual transactions, when required.
- Staff members who handle cash and cheques should be bonded, insurance coverage obtained, and physical security precautions taken. For example, cash, cheques and petty cash should be safely locked away when not in use, or until deposits are made, and cheques should never be pre-signed.
- Timeliness of Reporting - Bookkeeping should always be up-to-date, and monthly financial reports should be provided to the Band Council no later than 15 days after month-end. In this way, the Band Council is always informed regarding the current status of budgets, made aware of any variance between projected cash flows and actual expenditures to date, and able to make any budgetary adjustments required.
- Financial authorities and responsibilities of individual staff members should be clearly defined.
- Duties assigned to staff should be divided for security reasons. For example, the person responsible for receiving monies and providing receipts should not be the same person who stores the cash for safekeeping and makes bank deposits, etc.
- The designation of cheque-signing authorities should be carefully considered. Some Bands have the Band Manager assigned as one of two signing authorities required for each cheque, for convenience sake, as well as because the Band Manager has considerable financial responsibilities, and should be "on top of" all financial expenditures and transactions.

These factors, as well as the generally accepted accounting principles cited on the following page, should be taken into consideration by the Band Council when developing their financial management and accounting systems.

1. The Band will adopt an accounting system which will ensure that all funds received and expended are properly recorded and credited/debited to the proper account; and that financial reporting requirements for funding agencies are met, as per contractual agreements.
2. An adequate double entry accounting system will be maintained daily to record all financial transactions. This system will record:
 - a) All assets and liabilities;
 - b) All receipts and receivables;
 - c) All disbursements and payables;
 - d) Details of employees' salary and payroll deductions;
 - e) Commitments for services, and benefits/goods received, but not immediately paid for (payables).
3. A General Ledger will be maintained and updated monthly to facilitate a continual accounting of revenue received, expenses incurred, and changes to assets, liabilities, and the Band's equity.
4. Bank reconciliations will be prepared monthly, upon receipt of bank statements and cancelled cheques.
5. Monthly listings of Accounts Receivable and Accounts Payable will be prepared and balanced to General Ledger control accounts where applicable.
6. Accounting and reporting systems should be based on fund accounting principles; all incoming funds and outgoing expenditures shall be credited/debited to the appropriate program.
7. Monthly financial statements should separate current year transactions from those of the previous year(s).
8. Band staff utilizing computerized accounting systems should ensure that they have duplicate back-up discs of financial records, to ensure that records stored on computer discs are not lost in the event of a "glitch" in the disc, or a failure in the system, etc.

K. RECEIPT AND DEPOSIT OF FUNDS

This section provides suggested procedures for the receipt, safekeeping, and deposit of Band funds.

1. All funds received will be recorded on pre-numbered duplicate receipts in the Receipts Synoptic (revenue journal), with the date, payor, amount, purpose of remittance, and account number to be credited, and signature of Accountant/ Controller entered. The original shall be given to the payor, and the duplicate shall be retained as a permanent record of the amount, the date, the source, and the purpose of the funds received.
2. Cheques received for deposit should immediately be endorsed on the reverse with an endorsement stamp, "for deposit to the credit of the _____ Band", and placed in a locked cash box or safe for safekeeping.
3. Receipts recorded in the Receipts Synoptic should be allocated to the proper activities and reconciled to the related bank deposit. Revenue entries on the monthly financial statement should be made from the Receipts Synoptic.
4. All pre-numbered receipts should be accounted for. Any cancelled receipts must be retained in the receipt book for audit examination.
5. Safekeeping of funds on hand: - Cheques, cash and valuable papers should be stored in a safe or locked cash box, until they are deposited in a Band bank account or safety deposit box (in the case of valuable papers). The cash box should be stored in the safe, except when in use, and the safe should be kept locked, except when items are being placed in it or removed from it. The combination of the safe lock should be confidential, and known only by the Band Manager, Accountant/ Controller, and one designated Councillor.
6. The Band Manager or Accountant/Controller will deposit all funds received, without delay, in the appropriate Band account in the chartered bank, trust company or credit union which has been designated by the Band Council. Band funds should be deposited at least once weekly, preferably on the last business day of the week. On the last business day of each month, a final deposit should be made for that month.
7. Preparing Deposits: When preparing funds on hand for deposit, the Accountant/ Controller will sort them into groups for the appropriate bank accounts. Each deposit slip will be prepared in duplicate, and contain the following information: current date, name of account, account number, list of cheques showing remitter and amount, list of currency and coins, total currency, total cheques, and total deposit. The Band Manager should verify the items listed and the total shown before signing the deposit slip. The person making the deposit should ensure it is made on the date shown, and that the duplicate slip is properly date-stamped by the Bank.
8. Any changes in the banking arrangements or signing authorities will require a majority approval of the Band Council through a Band Council Resolution.

L. BANK ACCOUNTS

1. Introduction

The Band Council, by resolution, may authorize the use of any branch of a chartered bank, trust company, or credit union in the area for Band banking. The resolution could be a simple statement of policy, such as, "It is the policy of the Band Council to use the facilities of the (name and branch location of bank) for all Band banking. Those with signing authority on the accounts will include _____."

2. Opening a Bank Account

When a Band Council Resolution to open a bank account in a specified bank has been approved, the Band Manager will contact the designated branch to obtain the appropriate forms and signature cards. The required documents should be promptly completed and returned to the bank. The bank will supply deposit and cheque books, which will be placed in the custody of the Accountant/Controller.

3. Closing a Bank Account

When a Band bank account is to be closed for any reason, the Band Manager should send a letter to the bank Manager to advise of the Band's intention to close the account, at the end of three months from the date of the letter, to allow time for all cheques to clear.

4. Signing Authority

When signing authority is changed (through Band Council Resolution), due to a change in personnel or Band Council members, signature cards should be obtained, completed, and delivered to the bank before the effective date of the change. A photocopy of the current signature card should be kept on file in the Band office.

5. Bank Accounts in the General Ledger

After each month end, the Accountant/Controller will prepare a summary of deposits made to each bank account, using the duplicate deposit slips. These amounts should be posted as debits to the cash in bank accounts in the ledger. From the summary of cheques written on each bank account, the totals should be posted as credits to the cash in bank accounts. Entries for bank adjustments (such as service charges, interest charges or credits, etc.) will be made to these accounts when bank statements are received.

6. Bank Reconciliation Statement

When the monthly bank statements and cancelled cheques are received, a bank reconciliation statement should be prepared and balanced to the General Ledger bank balance. Bank service charges, transfers, overdraft interest, etc., require an adjusting journal entry to record this information in the General Ledger. Cheques should be placed in numerical order, the serial number and amount of each cheque is checked against the cheque register, and each cheque is then marked off in the Synoptic Journal as cashed. Cheques which have not yet gone through should be identified as "o/s" (outstanding) on the register, and listed on the bank reconciliation statement. This should also be done with deposits recorded on the bank statement. The bank statement should be checked to ensure that no unauthorized items have been included. The bank reconciliation statement, cancelled cheques, debit or credit memos, and the bank statement should then be filed. The bank reconciliation statement should be prepared in duplicate, using the following format:

Bank Reconciliation Statement				
as of _____ (date)				
_____ Account				
Balance as per General Ledger:	\$ _____			
Balance as per bank statement:	\$ _____			
Plus: Outstanding deposits:	\$ _____			
Bank interest:	\$ _____			
Less outstanding cheques:	\$ _____			
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%; text-align: left;"><u>No.</u></td> <td style="width: 30%; text-align: center;">\$</td> <td style="width: 40%; text-align: right;"><u>Amount</u></td> </tr> </table>	<u>No.</u>	\$	<u>Amount</u>	
<u>No.</u>	\$	<u>Amount</u>		
Sub-Total _____	\$ _____			
Less: Bank service charges	\$ _____			
Interest charges (overdraft/loan)	\$ _____			
Adjusted bank balance:	\$ _____			
<div style="display: flex; justify-content: space-between;"> <div>Reviewed by: _____ (Band Manager)</div> <div>Prepared by: _____ (Accountant/Controller)</div> </div>				

7. Short-Term Bank Loans

The Band Manager may, after receiving Band Council approval, negotiate short-term bank loans to cover temporary overdrafts. Cash flow projections in the operating budget may provide an indication of when cash flow problems might occur. It is advisable to negotiate a line of credit with the bank in advance, so that a crisis situation does not arise in times of temporary overdraft.

M. PURCHASES

1. Introduction

This section outlines sample policies and procedures to be used when purchasing goods and services for Band use. The following policies and suggested amounts are for example only. Band Councils would tailor-design their policies to suit their unique situation (Band size, volume of purchasing, management structure, etc.)

A Band Council policy on purchasing should clearly state procedures to follow, and authorizations necessary for spending specific amounts of money. The following is an example of a purchasing policy:

"A purchase order or formal contract will be issued for all purchases in excess of \$50.00 in value.

All purchases amounting to \$1,000.00 or more per order must be approved by the Band Council before ordering.

Tenders will be called where the expenditure is estimated to be \$25,000.00 or more.

Purchases from one supplier will not be split in order to circumvent the above limits.

Budgets will not be exceeded without the prior approval of the Band Council."

2. General Purchasing Procedures

2.1 Price Quotes

Price quotes should be obtained on all major purchases, as well as the credit terms available, shipping/delivery costs, and any other pertinent factors, to attempt to obtain the best financial arrangements for the Band. Price quotes should be obtained from at least three sources, either by telephone, or in writing for larger purchases/services.

2.2 Purchase Orders

All purchases of supplies and services over \$50.00 are to be authorized in writing, either through contracts, or purchase orders (P.O.s) prepared and signed by authorized personnel. Purchase orders should be safeguarded and controlled in the same way as cheques. The purchase order (or contract) should be completed in triplicate, and indicate the items or service being purchased, the quoted price, the total value of the order, and payment terms (cash, charge, Band account number, if charged). P.O.s should be filed in a way that allows Band personnel to determine at any time which purchase orders are outstanding. Cancelled P.O.s should be clearly marked and retained on file. When the goods are received, P.O.s are compared to the invoice, to check that only authorized items, at the agreed price, are billed for.

2.3 Purchase Authorizations

a) Band Manager

The Band Manager, under authority granted by the Council, will authorize purchase orders for approved purposes, to a maximum prescribed limit of \$1,000, providing that:

- 1) The necessary funds are identified in an approved and designated budget;
- 2) Purchases are made in accordance with the established regulations and procedures of the Band;
- 3) The budget approval decision has been recorded in the minutes of a Band Council meeting; and
- 4) The service or goods to be purchased are required for a Band Government service provided by the Band Council.

b) Band Council

Purchases over \$1,000 should be approved by the Band Council. After obtaining at least three price quotes, the Band Manager should submit the purchase order to the Band Council, who will either accept or reject it through a Band Council Resolution. If approved, the BCR number should be marked on all copies of the purchase order. If rejected, the order is marked, "Not Approved - BCR # _____"

Large purchases or contracts (i.e. for services or construction) for amounts over \$25,000 (or a lesser amount as determined by Council) should go to tender. (For detailed information on contracts and tenders, see page 280.)

3. Processing and Filing of Purchase Orders and Contracts

- a) After being approved and signed by the proper authorities, the purchase order or contract is passed to the Accountant/Controller for budgetary control, who verifies that funds are available for the order.
- b) The order is then posted to the budgetary control sheets, and the Accountant/Controller initials the order in the lower right corner of the purchase order.
- c) The original copy of the purchase order is then mailed or delivered to the supplier.

d) Filing:

- The duplicate is filed in alphabetical order under function (activity) number;
- The triplicate is filed in numerical order to facilitate the accounting of all purchase order numbers.

e) When the quality and quantity of all items on an order have been certified received, and the price and total charge on the invoice checked against the original purchase order, the duplicate is attached to the invoice which completes the order, and processed for payment.

f) Unpaid Invoices/Statements - should be kept in a separate file, possibly an "accordion" type, and segregated by supplier in alphabetical or activity order. Any invoices and statements older than two years should be maintained in a separate file for possible future follow-up.

N. PAYMENTS

This section presents suggested policies and procedures for processing accounts payable.

1. The Band policy for accounts payable should be clearly stated. An example would be:

"It is the policy of the Band Council to pay suppliers within 30 days of the invoice date, and to pay invoices immediately when cash discounts are provided for prompt payment."

2. After opening the mail, the receptionist should separate invoices from the rest of the mail, date stamp the back of all copies of each invoice, and then give them to the Band Manager.
3. The Band Manager will be authorized to approve payments for regular monthly disbursements, including telephone, Receiver General, power, fuel, and office supplies.
4. Other accounts will be approved for payment, on or before the due date, by the Band Council. Invoices must be accompanied by a cheque requisition bearing an approval signature by the Band Manager.
5. A three-copy cheque requisition form, providing detail on which invoice is being paid, should be integrated into the accounting system as follows: the white copy should be sent to the supplier, the yellow copy should be attached to the supplier invoice, and the pink copy should be maintained in cheque number in a separate file. (Photocopies of the cheque can also be used in lieu of triplicate cheque requisition forms.)
6. All payments shall be made by cheques which have been certified correct by the Band Manager on the basis of proper supporting documentation, such as an original or copy of the bill (invoice), payment voucher and purchase order. Packing slips should be attached to invoices whenever possible, and the invoice should be signed by the person responsible for checking the goods, to indicate that they have been received in good condition. This person should initial the original invoice "Received - (date)". The invoice is then stamped "approved for payment", and signed and dated by the Band Manager, before being passed to the Accountant/Controller for audit. A copy of the cheque or the cheque requisition along with the purchase order, should be attached to the invoice and filed by supplier. A copy of the cheque should be filed in numerical sequence as well.
7. The Accountant/Controller shall be responsible, prior to payment being approved, for checking that:
 - a) Goods or services supplied have been ordered and initialled received by a responsible person, and are required for a local Band Government service provided by the Band Council;
 - b) Computations are mathematically correct;

- c) Discounts have been deducted, if applicable;
- d) The invoice recognizes tax exempt status;
- e) Inadmissible extras have not been added;
- f) The account has not been previously paid;
- g) The name of the supplier, F.O.B. point, unit prices, and quantities match those on the purchase order;
- h) Invoices have been certified by the Band Manager or the person designated to certify the account;
- i) Funds are immediately available in the relevant program budget which has been previously authorized by the Band Council, and individual expenses are charged to the appropriate budget. (If sufficient funds are not available for payment, the Band Council will take appropriate action.)

The applicable sub-function number should be marked on the invoice. If all deliveries against the purchase order are completed, the order is attached to the invoice. If a partial delivery is made, the invoice number, date and the balance remaining will be calculated and shown on the order, and the purchase order returned to the outstanding order file.

- 8. After a cheque has been issued for an invoice, the invoice should be stamped "paid", and the cheque number and date shown. This will clearly indicate that the invoice has been paid, and prevent accidental duplicate payment. These entries should be initialled by the Accountant/Controller.
- 9. All payments should be charged to the activity to which they properly belong, regardless of the activity's surplus or deficit.
- 10. All decisions of the Band Council relating to the payment of accounts shall be recorded in the minutes of their meetings.
- 11. Where payments are made in connection with contracts, the Band Manager may withhold a percentage of the contract amount, subject to the contractual agreement, until the contract has been completed to the Band Council's satisfaction. The amount of holdback should be based on accepted industry percentages, and take into consideration the contractor's past work record, as well as any applicable provincial or federal regulations. (See also U. Contracts and Tenders).
- 12. Timing of Payments:
 - a) When prompt payment of an invoice provides a cash discount, the invoice should be audited immediately by the Accountant/Controller, and a cheque issued.

- b) When the terms of a contract provide for payments on specified dates, cheques should be issued in sufficient time to ensure that they are received by the contractor by the due date.
- c) In all other instances, invoices should be paid within 30 days of the invoice date to avoid extra interest charges.

13. Filing of Accounts Payable Invoices

To control the payment date of invoices, a series of file folders labelled with the days of the month from 1 to 31, can be used. Each invoice should be placed in the appropriate folder according to the invoice date. For example, an invoice dated July 15 should be placed in the folder labelled 8, (one week before the 30 days), to allow time to process and mail the cheque for arrival within 30 days.

14. Recording Accounts Payable

After the audit is completed, the invoices should be posted to the budget control record as follows. If previously committed, increase expenditures, and decrease commitments. If not previously committed, increase expenditures and decrease free balance.

Invoices should also be posted to the invoice journal and simultaneously to the applicable function card in the general ledger, to show the following:

- accounts payable amount (credit),
- date,
- name,
- function number, and
- amount (debit).

Periodically during the month, and at the end of each month, the accounts payable ledger should be posted with individual credit entries from the invoice journal. The monthly total of the accounts payable column in the invoice journal should be posted as a credit to the accounts payable control account in the general ledger.

When cheques are issued to pass invoices, the cheque journal and postings to the accounts payable control account in the general ledger are updated at the same time. Periodically during the month, and at the end of the month, debit entries are made from the cheque journal to the supplier's accounts in the accounts payable subsidiary ledger.

To verify the accuracy of the accounts payable records at the end of each month, the balances in the accounts payable ledger should be totalled and verified to the control account in the general ledger.

O. CHEQUE ISSUING POLICIES

1. Introduction

This section outlines suggested policy and procedures to be followed in controlling and processing cheques which are charged to Band funds.

Band policies for issuing cheques should be clearly stated. An example in current use is:

"It is the policy of the Band Council to have all cheques drawn against Band bank accounts signed by two persons, who have been designated as cheque signing officers by the Council."

Vouchers authorizing the issue of cheques must be approved for payment by a person designated by the Council for this purpose.

2. Types of Cheques

It may be useful to use different types of cheques for different functions. Following is a system which is being used successfully:

- pay cheques (with stub)
- general cheques (in duplicate)
- social assistance cheques (with stub)

Social Assistance programs require a separate bank account for their financial transactions.

3. Safekeeping

All blank cheques should be kept in the custody of the Accountant/Controller, and stored in a locked metal filing cabinet when not in use. The Accountant/Controller should keep one key to the cabinet. An additional key should be placed in a sealed envelope, identified on the outside of the envelope, and placed in the safe.

4. Documents Required for Cheque Issue*

a) Accounts Payable

Invoices covering goods and services should be approved for payment by the Band Manager before being passed to the Accountant/Controller for payment.

* Note: For documents required for issuing of cheques to salaried and hourly rate employees, see P. Employee Payroll.

b) Cheque Requisition

If no voucher is available to support a payment, a cheque requisition should be prepared showing the name of the payee, the amount required, and the reason for the payment. This will be approved for payment by the Band Manager or Chief, before being passed to the Accountant/Controller for cheque issue.

c) Social Assistance Payments

On a nominal roll prepared in advance, the Social Development Administrator should prepare a listing from the budget decision sheets, which shows the amount to be paid to each welfare recipient in the current month. The Administrator will then total the list, approve it for payment, and pass it to the Social Development Clerk for cheque issuing.

5. Where copies of cheques are available, eg. for education and administration services, these should be filed in numerical sequence.
6. When bank statements are received after each month end, the cheques on hand will be checked off against the appropriate journal. If not received, they will be marked "o/s" (outstanding), opposite the missing number.
7. Cheques issued against the Band's accounts shall be numbered consecutively, recorded, and accounted for.
8. All cheques shall have two signatures; those authorized by the Band Council to sign include the Band Manager and one of the Band Council members.
9. Cheque signing privileges will be established at the Bank on the first banking day following a change in the authorized cheque signers.
10. Cheques drawn on the Band's accounts will not be post-dated or signed blank, before being completed and approved.
11. If a cheque has been reported lost, destroyed, or stolen, it shall be cancelled, and a Stop Payment notice sent to the Bank. A second cheque will be issued after the bank has received a Stop Payment notice.
12. Cheques not presented for payment within six months of date of issue shall be cancelled and payment stopped. Another cheque will be issued upon the request of the payee. Cancelled/voided cheques will have the signature portion removed, and be filed with other cheques.

P. EMPLOYEE PAYROLL

This section includes suggested policies regarding employee payroll.

1. Annual salaries for employees shall be paid at the rate approved by the Band Council, shall adhere to Federal Labour regulations, and shall be stated in the terms and conditions of employment.
2. Salary schedules shall be approved by the Band Council, and recorded in the minutes. These schedules shall include employee name, job description, and wage rate or annual salary. Any subsequent revisions to the salary schedules should also be documented in the minutes.
3. The policy for scheduling of employee payroll should be stated. The following are two examples:

Example 1:

It is the policy of the Band Council that salaries for full-time employees will be paid on the 15th and the last day of each month; if these days fall on a weekend or holiday, pay day will be the last working day prior to the 15th or last day of the month. Employees working on a hourly-rate basis will be paid each Friday on a current basis.

Example 2:

It is the policy of the Band Council to pay their full-time employees on a two-week basis. Pay days for these employees shall fall on Thursdays, and include payment to Friday of that week.

4. Employees shall be provided with a statement of earnings and all deductions made from their paycheques.
5. Teaching and bussing staff shall be hired on an annual contract basis. They will have the option of receiving their salaries through the school term only, or pro-rated over the 12 month period.
6. New pay schedules for teaching staff and bus drivers will be approved by the Band Council by August 15, and take effect on September 1 of each year.
7. Any salary adjustments for other staff shall be addressed by the Council on an annual basis in March; such adjustments will be determined on the basis of available funding and staff performance evaluations, and will take effect April 1.
8. Salary Advances
Two examples of policies on salary advances follow. Some Bands prefer to have a "no salary advance" policy.

Example 1

No salary advances will be given, except when employees are going on earned annual leave for more than two weeks, in which case a reasonable salary advance may be provided with the Band Manager's approval. Recovery of the advance will be made from the employee's next paycheque.

Example 2

The Band Manager may authorize salary advances to full-time employees, in special circumstances. Salary advances will not exceed 80% of the amount due to the employee at the time of the request (rounded off to the nearest dollar). Recovery of the advance will be made from the employee's next paycheque.

9. Part-time employees shall be hired on a contract or hourly rate basis, to be agreed upon at the time of hiring. Part-time hourly rate employees will receive holiday pay or equivalent vacation at the rate of 4% of gross earnings.
10. Full-time employees will be required to take their holidays, within the Band's fiscal year, rather than receive holiday pay. (For further details, refer to Section Two: Personnel Administration, H. Employee Leave.)
11. Employees required to work on a general holiday are entitled, in lieu of overtime pay, to two hours off for each hour worked on the holiday.
12. Processing Employees' Pay
The following are suggested procedures for processing pay for Band employees.

a) Time Records

Salaried Employees

Each day, salaried employees should sign an attendance sheet showing the time of their arrival and departure. At the end of the pay period, the Receptionist will pass these records to the Accountant/Controller, who shall make any adjustments required (for lateness, etc.), and total and record these under "total adjustments". The amount due to each employee will be calculated and entered in the last column. Other deductions applicable to each employee will also be calculated and totalled. All columns will be totalled and cross-footed, before the payroll is approved for payment by the Band Manager. Upon approval by the Band Manager, the list will be returned to the Accountant/Controller for the preparation of cheques. (The approved list should be returned to the Accountant/Controller on the day prior to the pay date.)

Hourly Rate Employees

Supervisors should maintain time records showing the hours worked each day by hourly rate employees. At the end of each pay period, the Supervisor will initial the records and turn them in to the Accountant/Controller, who will make a photocopy and return the record to the Supervisor. The Band Manager will certify the copies approved for payment, and pass them to the Accountant/Controller for cheque issuing.

b) Pay Deductions

Based on the gross earnings of an employee, and the length of the pay period, the Accountant/Controller uses tables to calculate the UIC and CPP deductions (if applicable). These amounts are recorded on the cheque stub.

Current Federal Government Policy is that Status Indian employees working on a Reserve may contribute to the Canada Pension Plan. However, contributions will not be accepted for only some Band employees; all Band employees must contribute to the Canada Pension Plan. Educational workshops might be held with Band employees regarding the benefits of a pension plan, and a vote taken to decide whether the majority of employees wish to contribute to the CPP, or alternately, to a private pension plan. (See: d) Indian Pension Plan Funding Program.)

In some Bands, a deduction is made from employee's salaries for the coffee fund.

c) Employer's Share of UIC and CPP

The employer's share of Unemployment Insurance Commission contributions is determined by totalling the employee deductions, and multiplying this figure by 1.4. The employer's contribution to CPP equals the employee's contribution (2.2% of gross earnings based on January 1, 1990 schedules, to a maximum of \$574.20 per year). These figures will be adjusted annually, when amendments are made to UI and CPP schedules. The employee and employer shares are recorded as credits (liabilities) on the payroll summary.

At the end of each month, this liability is cleared by issuing a cheque payable to the Receiver General for Canada, and forwarding it to the Taxation Data Centre in Ottawa. It is important that these cheques be processed and mailed promptly each month, to avoid costly interest charges.

d) Indian Pension Plan Funding (IPPF) Program

Indian employers may obtain funds from the IPPF Program to provide pension benefits for eligible employees. The program will fund the employer's share of contributions to Indian pension plans.

Eligible pension plans include employer-sponsored private pension plans, the Canada Pension Plan, and the Quebec Pension Plan. INAC may contribute up to a maximum total of 7.6% of each eligible employee's salary. This may be:

- 1) A contribution towards the employer's share of CPP/QPP, equal to the full employer's share, as established by applicable legislation.
- 2) A contribution towards the employer's share of the cost of a private pension plan, up to a maximum of 7.6% of each employee's pensionable salary, minus the amount the employee is required to contribute under the Canada/Quebec Pension Plans.

- 3) A contribution towards the eligible employer's share of the cost of a private pension plan, up to a maximum of 7.6% of the eligible employee's salary, for each employee who is not contributing to CPP/QPP.

In order to be approved, pension plans must meet the requirements of Revenue Canada Taxation, and be registered under the Federal Pension Benefits Standards Act, 1985, with the Office of the Superintendent of Financial Institutions Canada.

To be considered for funding, an eligible employer must submit a funding application form and a pension plan proposal, in accordance with the operating procedures of the IPPF program.

Eligible employers will be responsible for resourcing the employer's share for employees whose salaries are not provided from INAC or Health and Welfare Canada funding.

Eligible employees include Chief and Council members, if they receive a salary, and pay Unemployment Insurance and Worker's Compensation.

In order to receive funding for a pension plan, an eligible employer must agree to provide INAC with annual audit reports which document in detail actual employer costs and the conditions of compliance (i.e. good standing) of the pension plan.

No additional funding will be provided by INAC for the ongoing administration costs of pension plans. However, application may be made for funding of the initial registration fees to have the pension plan registered.

- e) Worker's Compensation
Bands should provide Worker's Compensation coverage for their employees. The assessment for insurance is based on a percentage of projected gross annual salaries for the employees involved (and is later adjusted). The percentage is based on the risk factor of the employee occupations, i.e., the percentage assessment is lower for clerical and office workers than for higher risk occupations. Worker's Compensation provides good wage replacement coverage when an employee is required to be off work due to a job-related accident, at a nominal fee to the Band. Once initiated, the assessment is continuous, and payments must be made in a timely fashion. Arrears are subject to penalty and to claims against any funding received by the Band.
- f) Disability and Group Insurance
Bands may also wish to consider disability and group insurance. Such insurance provides protection to both the Band and to its employees.

Note: Refer also to the Health and Welfare booklet, Pension Planning for Indian Employers - An Introduction (Cat. No. H76-59/1987).

g) Employees' Pay Records
Employees' pay records should include:

- pay period ending date;
- gross salary;
- UIC deductions;
- CPP, QPP or private pension plan deductions (if applicable);
- other deductions;
- total deductions;
- net amount;
- cheque number; and
- sub-function.

Individual payroll records for each employee should be updated monthly (total to date for the calendar year, in each area), so that T4's can be easily prepared at year-end.

h) Payroll Summary

After the end of each month, the Accountant/Controller prepares an analysis of the payroll journals, using work sheets to accumulate the following information:

- sub-functions charged;
- payroll deductions;
- employer's share of UIC; and
- employer's share of CPP, QPP or private pension plan (if applicable).

From the work sheets, a payroll summary is prepared for each service. The following format is an example.

		Month: _____
		Service: _____
<u>Pay Summary</u>	Dr.	Cr.
Various sub functions	xx.xx	
Employer's share: UIC	xx.xx	
Employer's share: CPP	xx.xx	
Salary advances	xx.xx	
UIC payable		xx.xx
CPP payable		xx.xx
Revenue - coffee		xx.xx
Advances refunded		xx.xx
Payroll clearing		xx.xx

i) Accounting Records

The accounting records used in the pay system should include the following:

- Pay cheque, including a pay stub showing the pay period, gross pay, payroll deductions, total deductions, and net pay.
- Payroll journal employees' pay record, containing the same information as the pay stub.
- Payroll distribution (a work sheet used to summarize payroll charges).
- Payroll summary (consolidates all payroll debits and credits).
- General ledger (which records expenditures by service and sub-function).

Q. SOCIAL ASSISTANCE PAYMENTS

This section outlines a suggested procedure for the processing and accounting of Social Assistance payments.

1. Applications for Social Assistance
Band members may apply for Social Assistance at the Band Office. The Social Development Administrator should assist the applicant complete an initial application form. This form provides details of the applicant's family status, employment history, financial resources, and income. The form is completed and signed by the applicant, and kept by the Social Development Administrator.
2. Budget Decision Sheet
The Social Development Administrator transfers basic information from the application to the budget decision sheet. Using the schedule of rates and the applicable Departmental policy manual, *along with the above information, the Administrator determines the amount payable monthly to the applicant. This amount is shown on the budget decision sheet. The Administrator also completes monthly data summaries, as required by INAC, in support of Social Assistance expenditure claims.
3. Rates of Social Assistance
The rates of Social Assistance used by the Band are based on those used by provinces. These are outlined in a rate schedule, which is revised periodically.
4. Individual Records
The monthly amount payable is recorded on the budget decision sheets. These sheets are filed in a binder, in alphabetical order or by treaty or band registration number, and payments are recorded on them each month.
5. Date of Payment
Normally, Social Assistance payments are made on the first day of each month. Where the first day of the month falls on a holiday, the date of payment is moved ahead to the first working day following the holiday.
6. Preparation of Cheques and Journal
The Social Development Administrator should indicate on the budget decision sheet, in the comments section, the details of the applicant's needs and resources, and the amount payable. If no payment is to be made, "nil" will be entered in the deficit column.

Two days before the pay date, the Administrator shows, on a nominal roll prepared in advance, the details and total amount to be paid to each recipient for the month. This listing should be totalled, stamped "approved for payment", and signed by the Administrator. The list is then passed to the Social Development Clerk for the preparation of cheques.

Note: The Social Development Policy and Procedures Manual, a major component of which is the Social Assistance Manual, should be obtained from the INAC regional office.

R. SAMPLE TRAVEL POLICIES

This section provides sample policies with regard to travel by Band employees and other authorized representatives. Suggested policies are included for travel authorization, procedures, travel allowances and advances, and child care allowances for overnight travel. Each Band will wish to personalize their travel policies to suit their individualized situation. Allowances/rates for travel should be regularly reviewed by the Council, at least annually, and any approved changes recorded in the minutes of the Council's meetings.

1. Travel budget costs for all Band representatives must be within budgetary limits allocated to travel by the Band Council. The Council will approve travel for Councillors and Community Committee members.
2. Employee travel must be authorized by the Band Manager. (The Band Manager may authorize his/her own travel, subject to the conditions in 3. below.)
3. Approval for travel will be subject to:
 - a) the relevant budget (approved by the Council) having provision for such travel costs;
 - b) budget funds being available; and
 - c) expenses must be incurred in carrying out authorized Band business (including workshops, meetings, seminars, and other Band-related business).
4. Procedures for Booking Travel:
 - Travel arrangements should be made by a designated person (such as the Secretary), and the most cost-effective transportation and travel route used, where possible.
 - If flights are involved, the Secretary should be notified to make the arrangements as early as possible. (With advance booking, more economical flights can usually be obtained.)
 - An itinerary of the person's travel arrangements should be typed, and a copy provided to the person travelling and to the Receptionist. The itinerary should include the flight number and time of departure/arrival (if applicable), location of hotel/accommodation, meetings scheduled (place, time, contact person, purpose), as well as the telephone numbers of where the person will be, in case an emergency arises.
5. Travel Advances

The Band Manager may approve advances for approved travel on official Band business, when necessary. The advance should not exceed the estimated cost of the travel (travel expenses, meals, accommodation, and other expenses.) The employee must fill out a travel advance request form in order to receive an advance. Such advances will be deducted off the travel claim, which should be submitted upon return from the business trip. If the amount of the travel claim is less than the advance, the employee/Band representative must refund the difference immediately. A second travel advance will not be issued until the previous advance is fully accounted for.

If the travel claim (which the advance was provided) is not submitted within 3 working days of returning, the Accountant/Controller should request that the employee submit the claim. If the advance remains unaccounted for, the Band Manager may authorize the Accountant/Controller to recover the advance amount from the employee's salary.

6. Travel Allowances

Compensation rates for travel must be set in accordance with the Band's ability to pay, and Band budgets must contain adequate provisions for travel costs. Some Bands regularly adjust their travel allowances to remain near Federal Government rates. However, these rates may be too high for many Band budgets, particularly if the Band Council and employees are required to do a considerable amount of travel. (High travel allowances could also be a factor in program expenditures going over budget.)

One method of keeping travel expenses in line is to require receipts for all expenses, and also establish a maximum ceiling on expenses (such as hotel, breakfast, dinner, supper, etc.). Ceilings set for expenses, such as hotel and meals, might be equivalent to average prices in the area in which a Band representative is travelling. For example, meal and hotel prices in a rural location will likely be much less expensive than those in a large urban setting. The Band Council may therefore have higher travel ceiling allowances for travel required to urban centres.

If representatives of the Band travel and stay overnight regularly in a nearby urban centre, the Band Manager could attempt to negotiate reduced rates for Band delegates at one or more hotels, based on projected or past volume of business provided by the Band.

Travel should always be justifiable in terms of Band business. In some cases, alternate communication methods, such as conference calls, may be equally effective. Consideration should also be given to the number of representatives travelling for each meeting or workshop. To reduce costs, the minimum required number of people should travel, and the most direct and economic route for travel should be chosen.

a) Mileage Allowance

- Personal vehicle usage will be compensated at a rate of ____ cents per mile.
- All staff using private vehicles in the performance of their duties must have a valid driver's license and a minimum of \$1,000,000 public liability insurance coverage. A copy of these insurance documents will be kept in the employee's personnel file.
- An employee who is regularly required to use his/her private vehicle for the purpose of carrying out work assignments and duties on the reserve shall be given a flat rate per month, as agreed between the employee and the Band Manager, and approved by the Band Council. A contract to this effect shall be signed and on record in the employee's personnel file.

- b) Meal Allowances: When an official representative of the Band is on authorized Band business, meal costs will be reimbursed, with the provision of receipts, up to the maximum ceilings provided in the following schedule, (which provides rates for an example only.)
- | | |
|--------------|---------|
| - Breakfast: | \$ 6.00 |
| - Dinner: | \$10.00 |
| - Supper: | \$14.00 |
| - Total/Day: | \$30.00 |
- c) Hotel Expenses will be compensated according to actual rates, upon submission of receipts, to a maximum of \$_____ per night.
- d) Private Accommodation will be compensated at a rate of \$_____ per night. (Band representatives might be encouraged to stay at private residences, where possible, to help reduce travel costs).
7. All those travelling as official representatives of the Band will be required to fill out travel expense/advance requests on the forms provided, with the required documentation, prior to payment being authorized.
8. If a person travelling as an official representative of the Band chooses to travel by car to an out-of-province destination accessible by air, the lesser of mileage or equivalent air fare will be paid.
9. Out of Province Travel and Expenses - Those travelling as official representatives of the Band, and required to travel out of the province on authorized business, will be entitled to receive, prior to departure, a per diem travel advance of \$_____ per day to cover expenses. Per diems will be paid for the number of business days involved, plus two days for travel. All out-of-province travel must be approved in advance by the Chief and Council. Travel arrangements are to be made only by authorized personnel.
10. Child Care Allowance for Overnight Travel* - If travel on official Band business requires an overnight stay, the cost of child care may be compensated up to a maximum of \$35 per night, with the provision of a receipt, provided that the babysitter is not a member of the person's household. Payment will be provided on the following basis: \$20 minimum for one child, plus \$5 allowance for each additional child, up to a maximum of \$35 per night. Payment will be subject to availability of budget funds, and the Band Manager's approval. (* Note: These figures are provided for example only.)
11. Band delegates attending meetings/workshops will:
- attend all sessions in a businesslike manner;
 - submit a written or verbal report on the proceedings of the meeting/workshop to the relevant senior employee and/or Band Council.
12. A delegate who fails to attend meeting/workshop sessions will be required to notify his/her immediate Supervisor, outlining the reasons. If this occurs, the delegate will be required to repay any travel advances provided for these sessions to the Band, and will not be reimbursed for travel expenses incurred.

S. HONORARIA FOR OFFICIAL BAND DELEGATES

1. The following rates have been established for honoraria to be paid to those authorized to attend meetings as official delegates of the Band (including Band Council meetings):

Location of Meeting

Honorarium

On Home Reserve

\$___ Honorarium, or equivalent time off for Band Staff in lieu of the honorarium, for meetings required after work hours.

District

\$___ Honorarium plus mileage

Within Province, outside District

\$___ Honorarium plus mileage; (additional \$___ if overnight stay is required).

Out of Province

\$___ Honorarium plus travel expenses; within driving distance, equivalent air fare may be obtained.

2. Participants must attend at least two-thirds of any meeting or workshop in order to receive their honorarium, with the exception of an emergency, in which the Council's majority approval is required for payment of the honorarium.
3. If participants attend a meeting (Board, Tribal Council, etc.) for which the sponsoring agency pays the expenses, an honorarium will not be in effect.
4. Community Committees: Voluntary participation on Committees should be encouraged. Any out-of-pocket expenses should be compensated. In certain circumstances, and in accordance with the Band's ability to pay, a schedule of honorarium may be adopted.
5. If travel advances have been provided, the travel claim should be submitted upon return. If the amount of the claim is less than the advance, the Band representative must immediately refund the difference. (See also: "Travel Policies", page 275.)

T. PETTY CASH

This section provides suggested policies and procedures regarding petty cash funds.

1. Where a petty cash fund is established to facilitate the paying of small incidental expenses:
 - a) The Band Council shall establish the amount, and designate an employee responsible for it.
 - b) This employee shall complete a voucher for each disbursement made, which shall include the payee, the date, the amount paid, and the material/service supplied. The payee shall also sign the voucher.
 - c) The employee responsible shall ensure that the petty cash is balanced at all times, with the amount of cash on hand and the total of the vouchers totalling the amount of the fund. A petty cash balance sheet will be maintained for that purpose, with the vouchers listed and attached.
 - d) The Accountant/Controller will be responsible for the accounting of the fund.
 - e) Reimbursements of the funds supported by the vouchers, and approved by the appropriate Program Director, should be made not less than once a month, and individual expenses should be charged to the appropriate accounts.
2. This fund should not be used for:
 - a) Regular purchases for which suppliers normally submit invoices;
 - b) Personal advances to employees; or
 - c) Cashing cheques.
3. The employee responsible for petty cash will keep the petty cash in a locked cash box, and will keep the cash box key. A copy of the key shall be placed in a sealed and identified envelope in the safe. The cash box shall be stored in the safe each evening, prior to leaving the office.

U. CONTRACTS AND TENDERS

This section provides suggested policies and procedures with regards to Band contracts and tenders. Contracting should be carried out in a way which ensures that the Band obtains the best value for monies spent. Private sector or individuals should be permitted and encouraged to tender for Band projects through the competitive process. This will give Band Councils a measure of assurance that they are obtaining best value. The application of proper and recognized contract and tender procedures will ensure that the Band deals with firms or individuals in a manner which is generally accepted practice in the construction industry, and in the professional sector. (Note: Band Councils may wish to alter the suggested amounts provided here, to suit their situation. Amounts in this section were suggested by INAC's Senior Contract Policy and Services Trainer.)

1. Except where otherwise determined by the Band Council, tenders (bids) for contracts expected to exceed \$25,000 should be invited from at least three firms, or should be publicly advertised in newspapers.
2. Where a contract is not expected to exceed \$25,000, or when otherwise determined by the Band Council, the Council may authorize the Band Manager to negotiate a specific contract with a firm or individual, within budgetary limits, with the intent that the contract will be awarded by the Band Council on a sole source basis.
3. An invitation to tender or a public tender call for construction projects or non-professional services should include the following documents:
 - tender instructions;
 - tender and contract form;
 - general conditions;
 - labour conditions (provincial);
 - terms of payment;
 - insurance schedule;
 - contract security conditions;
 - contractor's qualification statement;
 - statement of work plans and specifications.
4. For construction projects or non-professional services in excess of \$25,000, the Council should require a tender security deposit of 10% of the[^]Q (Band Accountant/Controller) - Phone number
5. For construction projects valued at \$50,000 or more, the Council should require that the successful bidder submit proof of fire, liability, and vehicle insurance (as applicable), within 14 days of being awarded the contract.
6. For construction projects or non-professional services in excess of \$25,000, the Council should require that the successful bidder provide the proper contract security within 14 days of being awarded the contract, to ensure performance by the contractor, and payments to sub-contractors and suppliers.

7. An invitation to submit proposals for professional services should include the following documents:
 - a letter of invitation;
 - a statement of work required;
 - proposal evaluation criteria;
 - articles of agreement;
 - general conditions; and
 - terms of payment.
8. All tenders/proposals should be marked to show the date and time they were received. They should be kept unopened in a locked cabinet, until the time and date set for tender opening.
9. Tenders and proposals should be opened immediately, or as soon as possible after the closing time, by a committee of at least two persons designated by the Council. (Bidders may be present if they wish.)
10. If a member of the Council has a personal interest in the tender, that member will not sit on the evaluation committee, nor vote on the motion to award the contract.
11. The Chairperson of the tender/proposal opening committee should announce the following to those present for the opening:
 - the official name of the project;
 - that all tenders/proposals received are subject to technical and administrative review, prior to the contract being awarded;
 - that no questions concerning tenders/proposals will be answered at the opening.

As tenders/proposals are opened, one at a time, the Chairperson will announce only the following:

 - the name and address of each bidder;
 - the amount of each bid, including the total amount of any amendments, and revised total tender/proposal amount.
12. The details of tenders and proposals received, such as name and address of bidders, date and time received, amount of bid, etc., should be recorded and authenticated by all members of the opening committee.
13. All tenders and proposals received should be reviewed by an evaluation committee, whose members will prepare a summary of their evaluation, and recommend contract award to the Band Council.

14. For construction and non-professional services, the contract should be awarded to the lowest valid bid. For professional and consulting services, the contract is normally awarded to the highest rated bidder, or to the contractor offering the lowest priced acceptable proposal.
15. Upon approval of the recommended contractor by the Band Council, (recorded in the minutes as a Band Council Resolution), a contract should be prepared, and signed by the contractor and the Chief and Band Council. (The Band Council may wish to have legal counsel draw up or review important contracts.) A copy of the signed contract shall be filed in a safe place in the Band office.
16. Contracts should clearly state all requirements and responsibilities of the contractor in detail, and details such as starting and completion dates, terms and schedules of payments, reporting requirements, etc. All copies of the contract should also include the BCR number which awarded the contract.
17. When a Band does not have the resources to prepare documents, invite proposals or tenders, award a contract, and carry out the administrative and management duties the contract requires, the Band should hire a specialist, such as a consultant or an engineer, to do this for them.
18. All unsuccessful bidders who submitted tenders or proposals should be notified in writing as to who was awarded the contract, as soon as possible after the contract is awarded.
19. The Band Council should appoint a representative to act on their behalf to liaise with the contractor, and ensure that the work is performed on schedule, and meets all terms and conditions of the contract.
20. The Band Council should keep complete records of contracts, such as correspondence, invoices, receipts, vouchers, change orders, minutes, telegrams/faxes, warranties, shop drawings, addenda, etc., for at least two years following the completion date of the contract.
21. The following Band Contract Publications (available from the INAC regional/district offices upon request), can assist Band Councils in applying accepted practices and principles of the tendering and contracting process:
 - BCP-CN1 - "Construction Contracting Guidelines for Band Councils"
 - BCP-CN2 - "Contracting for Professional Services"
 - BCP-CN3 - "Contracting for Non-Professional Services"

22. Contract Administration and Management Training Course for Bands

Training on the principles and practices of contract administration and management is available to Bands from the Contract Policy and Services Directorate at INAC Headquarters, in collaboration with regional contract units.

The objective of this training program is to provide Bands with contracting guidelines, to ensure that their interests are served and protected, as well as to acquaint them with accepted contracting practices. A two and 1/2 day contracting course shows how to plan contract requirements; prepare terms of reference, tender and contract documents; how to call for, receive and evaluate tenders; and how to manage construction, consulting, and non-professional service contracts.

Case studies are also discussed in small groups, and time is provided for questions and discussions. At the end of the course, participants receive manuals on contracting guidelines and certificates of achievement.

For more information on contract training, contact your Band Training Coordinator or Contract/Technical Personnel at your Regional or District Office, or the Senior Contract Trainer, Contract Policy and Services, at (819) 994-6399.

V. MANAGEMENT OF ASSETS

1. Inventory Maintenance

- a) A complete inventory list of Band assets, such as office furniture and equipment, machinery, buildings and vehicles, shall be established and updated annually, including the cost and date of purchase, and the date and sale price, if sold. The list should separate leased assets from those which are owned or financed by the Band. Such a list will help to provide proper accounting, maintain control over Band assets, and assist in determining the amount of insurance coverage required. This inventory list should be kept up-to-date, and provided to the auditor annually.
- b) When an asset is purchased, a photocopy of the covering invoice should be placed in a file labelled "assets purchased", and a master list maintained. At the end of the year, these invoices should be sorted by service and category, in order to prepare inventory lists showing the identification of each item, the serial number (if applicable), and its cost.
- c) Periodically, the Band Manager and one Band Councillor (on a rotation basis) will be responsible for verifying the existence of the items listed. They will prepare a list of missing, unserviceable and obsolete items for the Band Council, to authorize write off.
- d) In the event of any items being noted as missing, the Band Council may wish to assign a Band Councillor or staff member to investigate, and attempt to locate the lost item(s).
- e) The write-off or sale of Band assets shall be authorized by the Band Council, and recorded in the Council's Minutes through a resolution.
- f) When write-off approval is received, the items should be deleted from the listings, and the Band Council Resolution number written beside the deleted item.
- g) The Band Council shall ensure that adequate insurance coverage is obtained to protect the Band's assets.

2. Security of Assets

The Band Council shall ensure that Band assets are secured, through:

- a) The provision of adequate insurance coverage for Band buildings and equipment
- b) Maintaining fire safety standards for Band buildings.
- c) Providing office keys to a limited number of employees; all keys issued to Band employees must be signed for, and under no condition shall any key(s) be transferred to another employee or person by the employee who has signed for the key(s).
- d) Providing keys to the safe and cash lockbox to only the Band Manager and/or Accountant/Controller.
- e) Ensuring that employees who handle Band cheques and funds are bonded.
- f) Ensuring that all equipment, furniture, etc. is numbered and recorded in a ledger, giving all the necessary information for easy identification of the assets.
- g) Directing staff to lock and secure Band buildings before leaving, and locking valuables (including stamps or postage meter, small equipment such as calculators, tape recorders, etc.) in a safe place at night.

W. AUDITS

1. Annual Audits

This section provides suggested policies and procedures with regards to annual Band audits, as well as information on the importance of an audit and its timely completion, use of tendering to select an Auditor, appointing an Auditor, information required for the audit, reducing audit costs, and audit follow-up. Also included in Appendix I is a sample letter of invitation to tender (to Auditors) and a sample letter appointing the Auditor.

1.1 What is an Audit?

An audit is basically a summary of all Band revenues and expenditures made throughout the year. The annual audit provides assurances to Band members and to funding agencies that all revenues received by the Band are accounted for, and that expenditures were made appropriately. It also provides the Band membership with information as to how their Government utilized Band funds.

The Auditor must ensure that the audit presents a fair picture of the Band's operations and financial position. In conducting the audit, the Auditor verifies accounting records by cross-referencing them to supporting documents, or by receiving confirmation from a third party. The Auditor reviews the accounting system and internal controls during the audit, and makes recommendations for improvements, where applicable.

1.2 Use of Tendering to Select an Auditor

It may be advisable for Bands to use tendering to choose an Auditor. The purpose of tendering is to ensure that the Band obtains the services it requires, at the best possible price. It is not necessary to tender the Band's audit every year; it might be considered every three to four years. It can be useful to evaluate the market, and to ensure the Band is receiving good services at fair prices. (Auditors are required by Generally Accepted Auditing Standards [GAAS] to contact the previous Auditor, to ensure that there is no reason why they should not undertake the engagement. Therefore, audit tendering is not likely effective as a way of bypassing a qualified previous Auditor's opinion, etc.)

The tendering process begins by contacting Auditors, and providing them with an invitation to tender. The letter should include a brief description of the Band, its location, size of the audit, and conditions of appointment (i.e. completion by June 30th). The final date for submissions should also be included in the letter. (See Appendix I for a sample letter to Auditors inviting tenders.) The letter of invitation to tender requests the Auditors to provide a price which they feel is fair for the services required by the Band.

To obtain a good response and enable timely completion of the audit, tendering should be done well before the Band's fiscal year end. This allows time for the Auditors to prepare bids which are accurate and informed, and also enables the Band to appoint an Auditor early enough in the year to perform interim work, on which to base recommendations.

When choosing an Auditor, the Band Council should consider price, services offered, and conditions of acceptance, as well as the Auditor's reliability. When the Auditor has been selected by the Chief and Council, a letter of appointment should be sent, as well as notices to the unsuccessful firms.

1.3 Appointing an Auditor

When the Band has decided on which Auditor to engage, the Auditor normally prepares a "letter of engagement", in accordance with Generally Accepted Auditing Standards (GAAS). This letter should outline the needs of the Band, the Band's commitments to the Auditor, and the Auditor's commitments to the Band. This should be completed as early as possible each year.

It is important for Band Administrators to have an interim meeting with the Auditor to discuss what is presently being done, and to find out what the Auditor requires at year end (in addition to the Band's present bookkeeping records). If possible, this should be done five to six months before year end.

In order to negotiate costs and time commitments with the Auditor, the Band is required to make a commitment regarding what financial information will be available, and when. Since many organizations have their year-end on March 31st, Auditors are very busy for three months after that time. If the Auditor makes a commitment to meet with the Band on a particular date, and the Band is unable to provide the required information at that time, a delay could result when re-scheduling appointments with the Auditor. The Band should receive a letter from the Auditor, which states the Band and the Auditor's expectations.

1.4 Timely Completion of the Audit

The audit must be completed within a reasonable period of time following the March 31st year-end. Indian and Northern Affairs Canada has established that a reasonable period of time is 90 days (June 30th). Funding for the new year can be restricted or withheld until the audit is completed. Such funding holdbacks can result in costly overdraft or NSF cheque charges. Without ongoing funding, Band operations and program delivery may also be hindered.

The Chief and Council also need information from the audit to plan the Band's financial affairs for the current year. The earlier the audits are received, the more time the Chief and Council have to make adjustments to spending patterns, based on last year's expenditures. When used as a planning tool, the audit can help Bands avoid financial crises.

V. MANAGEMENT OF ASSETS

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In order to negotiate costs and time commitments with the Auditor, the Band is required to make a commitment regarding what financial information will be available, and when. Since many organizations have their year-end on March 31st, Auditors are very busy for three months after that time. If the Auditor makes a commitment to meet with the Band on a particular date, and the Band is unable to provide the required information at that time, a delay could result when re-scheduling appointments with the Auditor. The Band should receive a letter from the Auditor, which states the Band and the Auditor's expectations.

1.4 Timely Completion of the Audit

The audit must be completed within a reasonable period of time following the March 31st year-end. Indian and Northern Affairs Canada has established that a reasonable period of time is 90 days (June 30th). Funding for the new year can be restricted or withheld until the audit is completed. Such funding holdbacks can result in costly overdraft or NSF cheque charges. Without ongoing funding, Band operations and program delivery may also be hindered.

The Chief and Council also need information from the audit to plan the Band's financial affairs for the current year. The earlier the audits are received, the more time the Chief and Council have to make adjustments to spending patterns, based on last year's expenditures. When used as a planning tool, the audit can help Bands avoid financial crises.

1.5 Information Required for the Audit

Requirements for the audit includes the following specific information for operations under the control of the Chief and Council:

- receipts and payment journals
- general ledger
- minutes book with signed minutes
- Band Council resolutions
- cancelled cheques, bank statements and cheque stubs/duplicates
- receipt books
- payment vouchers and invoices
- deposit books
- copies of all contracts
- payroll sheets and T4s issued
- all applications for grants
- letters approving grant applications
- list of accounts receivable
- list of accounts payable
- list of inventory
- schedules of salaries, honoraria, and travel
- all journal entries made

All ledgers and journals should be balanced monthly, and completed to March 31st of the current year.

1.6 Reducing Audit Costs

With the exception of the general ledger, the above requirements are the minimum the Auditors need to perform an audit. If these are not provided, and the Auditors are required to record and balance the Band's books, the costs of the audit will be excessive, and the audit will likely be late.

On the other hand, if the Band provides the Auditor with information over and above the minimum requirements - such as a monthly general ledger trial balance, monthly revenue and expenditure statements, a listing of all miscellaneous expenditures - and sets up yearend worksheets for the Auditors, the Band will be in a position to negotiate a substantial reduction in Audit costs.

Therefore, to reduce audit costs:

- Ensure all records are properly completed and balanced.
- Ensure the Auditor has access to all required records at the time of the Audit.

- File supporting documents neatly and in logical order.
- Complete bank reconciliation statements.
- Prepare working papers, such as an accounts receivable and accounts payable lists, and draft financial statements in proper form, to reduce the Auditor's time and charges.

1.7 Audit Follow-Up

When the Auditor presents the draft copy of the audit to the Chief and Council, a copy of all adjustments made to the Band's books by the Auditor should also be presented. These should be reviewed with the Auditor, and any additional adjustments or corrections which are required should be requested prior to the final draft of the audit.

When the audit is complete, the Band should act upon the suggestions made by the Auditor. Taking action on improvements suggested by the Auditor would likely help to speed up the audit process in the following year, as well as reduce audit costs.

1.8 Sample Policies for Annual Year-End Audits

The following are sample policies and procedures regarding annual year-end audits.

- a) Detailed financial statements covering all activities of the Band shall be prepared annually, or as required by the Band Council or funding agencies*, who shall recommend what information is to be included in the statements.
- b) The Band Council shall appoint an Auditor to audit financial records and inventories of the Band at least once a year. The audit shall be completed and submitted to the Band Council before June 30th, for each fiscal year ending March 31st.
- c) The Auditor shall be either a Chartered Accountant, a Certified General Accountant, or a Certified Management Accountant, licensed to do audits under provincial guidelines.
- d) The Band Council shall set terms of reference, such as the following, for its Auditor:

The Auditor shall:

- 1) Perform, in accordance with accepted auditing standards, a general review of accounting procedures, and such tests of accounting records as the Auditor considers necessary under the circumstances.

***Note:** The Accounting Guide for Indian Bands in Canada (INAC, 1990) is available from the Department of Indian & Northern Affairs. Indian Bands are required to have their audits prepared according to guidelines provided in this Manual.

- 2) Have the right of access at all reasonable hours to the Band's accounting records, supporting vouchers and documents, including minutes of the Band Council meetings.
 - 3) Prepare financial statements in accordance with generally accepted accounting principles as defined by the Canadian Institute of Chartered Accountants Handbook and the INAC Accounting Guide for Indian Bands in Canada. Report on all Band financial activities, and provide:
 - Balance sheets;
 - Statements of revenue and expenditures for each Band Government service;
 - A comprehensive schedule of surpluses or deficits in each service or program, detailing transfers and prior year balances;
 - A consolidated balance sheet and statement of revenue and expenses, and surplus or deficit.
 - 4) Express an opinion regarding the accuracy of the financial statements as a reflection of the Band's financial position, in accordance with generally accepted accounting principles, together with any recommendations deemed advisable.
- e) The audit or audit complement shall include a list of fixed assets costing \$500.00 or more each. (See Inventory Maintenance, page 284.)
 - f) The Auditor shall present a draft of the audit report to the Council, and answer any questions. Appropriate adjustments, such as the recording of deferred revenues, etc. should be made prior to the signing of the Band's official copy.
 - g) The audited statement shall be signed by the Band Chief, the Band Manager, and a quorum of the Councillors, and be recorded in the Band Council minutes as reviewed and approved.
 - h) Following the Band Council's approval of the audited financial statements, a presentation should be made to the Band membership in the form of a public meeting. In addition to information regarding the audited financial statements, information on program achievements, policy changes, future planning, etc., can also be presented, and community input can be obtained.
 - i) The Band Council shall ensure that, where appropriate, the recommendations made by the Auditor are implemented, and that the audit report and any other relevant accounting records are made available to the funding agencies, to Band members, and to any other party designated by the Council.

2. Specific Audit Requirements And Procedures

This section outlines the special procedures and audit requirements applicable to various financial transactions. As pointed out in the previous section, proper documentation and balancing of all financial transactions throughout the year can greatly reduce the time and costs involved in prepared the annual audit after year-end (March 31st).

2.1 Travel Advances

When travel has been authorized, the Band Manager may approve an advance in an amount sufficient to meet the anticipated expenses. A cheque requisition is prepared in favour of the claimant, showing the amount requested, the purpose of the travel, and the function number to be charged.

After approval by the Band Manager, the cheque will be posted to the budget control record as an increase to expenditures, and a decrease to the balance. The covering cheque is debited to the applicable function on the journal and on the general ledger card for travel. From the journal, the amount of the advance will be posted as a debit in the subsidiary advance ledger.

2.2 Travel Claims

Immediately after returning from a business trip, the employee should prepare a travel claim in accordance with the applicable scale of allowances, and submit receipts where required. (A second advance will not be issued until the previous advance is fully accounted for.)

The travel claim is submitted to the Band Manager for payment approval, and then given to the Accountant/Controller. If the amount of the claim exceeds the advance, the Accountant/Controller will enter against the function number on the face of the claim, a debit entry for the amount of the claim, and a credit entry for the amount of the advance. The difference will equal the amount of the cheque to be issued, and this should also be shown on the face of the claim.

From the travel claim, the debit and credit entries will be posted to the budget control record. When the cheque is issued, the amounts of the debits and credits are recorded on the journal, and on the general ledger function card. From the cheque journal, a credit entry will be posted to the advance ledger.

If the amount of the claim is less than the advance, the employee must make an immediate refund of the difference. The Accountant/Controller will record on the face of the claim the debit entry in the claim amount, and a credit entry in the same amount applicable to the advance. The claim will be processed as a credit voucher and used as a posting medium for posting debits and credits to the budget control, and to the function card in the general ledger. A credit posting will be made to the advance ledger. The receipt covering the amount of the refund will be posted to the revenue journal and function card in the general ledger. From the journal, a credit posting will be made to the subsidiary advance ledger.

2.3 Recoverable Travel Claims

When a travel advance is required, which will subsequently be reimbursed by another department or agency, the cheque requisition, under the sub-function heading, should show "recoverable - (name of agency)".

A separate ledger card will be opened in the general ledger and identified as "Accounts Receivable - (name of agency)". When the travel claim is prepared, the Accountant Controller will use the schedule of allowances applicable to that agency, and not those authorized by the Band Council.

2.4 Salary Advances (only applicable if the Council has approved salary advances)

The Band Manager may authorize salary advances to full-time employees, in special circumstances. Salary advances should not exceed 80% of the amount due to the employee at the time of the request, and should be rounded off to the nearest dollar.

A cheque requisition will be prepared for approval by the Band Manager. The Accountant/Controller will post the amount to the budget control record. When the cheque is issued, entries will be made to the journal and general ledger function card. An "advance" notation will be made against these entries. From the journal, a debit posting will be made to the advance ledger.

Recovery of the advance will be made from the next paycheque. The gross amount of the pay will be shown as a debit, and the amount of the advance recovered will be shown as a credit in the budget control record. When the cheque is issued, debit and credit entries will be recorded on the journal, and on the general ledger function card. A credit will be posted from the journal to the advance ledger.

2.5 Loans

Funds received from Indian and Northern Affairs Canada are not to be used for the purpose of providing loans (Program Circular D-4, 1976 and Treasury Board Circular 1987-43). Loans made in prior years should be recorded in a loans receivable ledger, with a control account under the same title in the general ledger. Every reasonable effort should be made to ensure collection of outstanding receivables. When a payment is received for application to a loan, a receipt will be issued. The payment amount will be posted as a credit on the revenue journal and on the loans receivable control in the general ledger. From the journal, a credit will be entered in the loans receivable ledger.

2.6 Inventories

Inventory records should be maintained on a memorandum basis for all land, buildings, vehicles, equipment and other real assets purchased for the Band. When such an item is purchased, a photocopy of the covering invoice should be placed in a file labelled "assets purchased". At the end of the fiscal year, these should be sorted by service and category, in order to prepare inventory lists, showing the identification of each item and its cost.

These lists should be kept by the Accountant/Controller in a file labelled "fixed assets". Periodically, the Band Manager and one Band Councillor (on a rotational basis) should verify the existence of the items listed, and prepare a list of missing, unserviceable, and obsolete items for write-off approval by the Band Council. When approval is received, the items should be deleted from the listings, and indicate the Band Council Resolution number approving the write-off.

2.7 Accounts Payable

When invoices which have been approved for payment are received by the Accountant/Controller, they will be audited, recorded on the purchase order, if applicable, and posted as expenditures to the budget control record.

Audited invoices will be recorded simultaneously on the invoice journal in the accounts payable column as credits, and debited on various function cards in the general ledger. They will then be stored in a pending accounts payable file, until the due date for payment.

From the invoice journal, credit postings will be made to the individual accounts in the accounts payable subsidiary ledger. When cheques are issued in payment, debit postings will be made simultaneously to the cheque journal, and to the accounts payable control in the general ledger. From the journal, debit entries will be made to the individual accounts in the accounts payable subsidiary ledger. At the end of each month, the total of the accounts in this ledger will be balanced to the general ledger control.

2.8 Accounts Receivable

Most Bands' accounts receivable consist of municipal service billings to Band members, and loans and advances. Some Band Councils have directed that amounts due for municipal services be collected by deductions from Band employee or Social Assistance cheques. Where this is not possible, invoices can be issued.

a) Municipal Services (Water and Sewer, Garbage Collection)

Before the end of each month, the Accountant/Controller should prepare a municipal services summary in quadruplicate, showing the occupant's name and the source from which collection will be made, i.e. Administration pay list, Education pay list, Social Assistance list, or invoice. Each column will be totalled

and cross-footed. The summary will be posted in total in the accounts receivable - municipal services, with credits to the function cards for revenue - water, or revenue - garbage collection, etc.

When the nominal roll for Social Assistance is prepared, deductions for municipal services will be recorded. (These will, in effect, be advance payments, since Social Assistance is paid in advance.) When the covering cheques are prepared, the journal and function cards will show the amounts deducted. From the journal, the total of the deductions will be posted as a credit to accounts receivable - municipal services, in the general ledger. A copy of the municipal services summary will be attached to the Social Assistance nominal roll.

On the first salary pay lists after the first of each month, deductions should be made for municipal services. A copy of the municipal services summary will be attached to the pay list. The total deductions will be shown as a credit entry to accounts receivable municipal services, on the payroll summary. Where deductions have not been made on the pay lists or on the Social Assistance list, an invoice will be issued and delivered to the occupant.

b) Other Services

Invoices will also be issued to bill outside agencies for services rendered. When monies are due to the Band for any reason, the Accountant/Controller will prepare an invoice in duplicate, showing the name and address of the debtor, the invoice date, a sequential invoice number, a description of the goods or services supplied, and the amount due.

The original will be sent to the debtor, and the duplicate retained in numerical order by the Accountant/Controller. Invoices will be recorded as a debit to accounts receivable, and a credit to the applicable function card in the general ledger. Individual postings to the accounts receivable subsidiary ledger will be made from the journal.

When a payment for an invoice is received, a receipt will be issued and recorded on the revenue journal as a credit to accounts receivable and debit to cash. Credit postings will be made from the journal to the accounts receivable subsidiary ledger.

c) Outstanding Accounts Receivable

Month End Reviews

At the end of each month, the accounts receivable subsidiary ledger will be reviewed by the Accountant/Controller. Any amounts that have been outstanding for more than 30 days will be listed on a statement and sent to the debtor.

Follow-up Letters

When the review of the accounts receivable reveals that any account has been outstanding for more than 90 days, a form letter will be sent to the debtor.

Recovery of Outstanding Accounts

Prompt and vigorous action should be taken to collect accounts receivable. If no response or an unsatisfactory response is received to the follow-up letter, the Band Manager will review the case. Where a Band member is the debtor, the Band Manager will recommend a repayment schedule of deductions from monies due from the Band. Repayment schedules will be passed to the Band Council for approval by Band Council Resolution. On receipt of a copy of the resolution, the Accountant/Controller will commence deductions from the first available payment.

2.9 Journal Entries

Adjusting journal entries are used to correct an error in posting to the General Ledger, or to record any financial information not done by cheque, receipt, etc., such as recording bank service charges. All journal entries should be explained fully and backed by documents which are relevant to the entry.

Journal entries are as important to the financial records as receipts, cheques, and bank deposits, and should be approved by an authorized person. Journal entries should be assigned numbers, recorded in a Journal Entry book, and posted to the General Ledger on a monthly basis. They should be filed in a safe place, along with cheque vouchers, receipts, etc.

X. AMENDMENTS

This section provides suggested policies for making amendments to a Band's Financial Administration Manual.

1. Amendments to these regulations require an approval of the majority of the Council members.
2. Proposed amendments to any part of these regulations must be submitted to the Council for consideration. The Council will allow one month for review before placing amendments to the Council for approval.
3. If all Council members at a properly convened Council meeting unanimously agree to waive the one month review period, members may vote immediately for an amendment of these Regulations.
4. This manual will be reviewed by the Chief and Band Council on an annual basis, and amendments will be made as required.
5. The Band Manager will ensure that this Manual is updated in accordance with resolutions passed at the meetings of the Band Council.

APPENDIX I:

- 1. SAMPLE LETTER OF TENDER INVITATION TO AUDITORS**
- 2. SAMPLE LETTER OF APPOINTMENT TO AUDITOR**

1. SAMPLE LETTER OF TENDER INVITATION TO AUDITORS

(This would be typed on the Band's letterhead.)

September 15, 1990

ABC Accounting Firm
221 Lansdowne Avenue
Anyplace, Canada
S7K 0W0

Dear Sirs:

The Chief and Council of the _____ Indian Band is considering the appointment of an Auditor for the fiscal year ending March 31, 1991. The Chief and Council have instructed me to obtain proposals from Auditors who may be interested in the appointment.

The _____ Band is located at _____. The statement of revenue for the Band at March 31, 1990 showed gross revenue for the year of over \$_____ million.

A condition of appointment would be a guarantee by the Auditor that the Audit would be completed on or before June 30, 1991, providing that the Band has supplied the required information in a timely fashion.

If you are interested in receiving additional information on the Band and our accounting system, please contact the following:

_____ (Band Manager) - Phone number

_____ (Band Accountant/Controller) - Phone number

We request that all tenders be submitted to the Band office for review by no later than _____, 1990. This will allow an appointment to be made at the next Band Council meeting. Thank you for your interest.

Yours truly,

Band Manager

2. SAMPLE LETTER OF APPOINTMENT TO AUDITOR (This would be typed on the Band's letterhead.)

November 2, 1990

ABC Accounting Firm
221 Lansdowne Avenue
Anyplace, Canada
S7K 0W0

Dear _____:

The Chief and Council of the _____ Indian Band has appointed your firm to undertake an Audit of our Band's books and accounts for the fiscal year ending March 31, 1991. The audited financial statement will be used to report to our Band members regarding the utilization of Band funds, and to demonstrate to funding agencies that financial contributions to the Band were used for the purposes intended.

As Auditor for the _____ Band, you will have access at all reasonable times to all records, documents, books, accounts, and vouchers you consider necessary to report as requested. You will be required to complete the audit complement, and follow the audit guidelines in the Indian and Northern Affairs Canada Accounting Guide for Indian Bands in Canada.

Your examination should enable you to report whether, in your opinion, the financial statement of our Band Operations Fund presents fairly the Band's financial position and the results of operations for the period under review, in accordance with generally accepted accounting principles, and applied on a basis consistent with that of the preceding period. You are also requested to make any other recommendations which you consider advisable regarding the Band's financial accounting system.

We request that your examination be scheduled so as to enable the Band Council to discuss and distribute the financial statement before June 30th. Band Council acceptance of the audited financial statement will be evidenced by the signatures of the Chief, the Band Manager, and a quorum of the Councillors, at the bottom of the balance sheet.

Acknowledgement of this appointment at your earliest convenience will be greatly appreciated.

Sincerely,

Chief _____