

BIG GRASSY RIVER FIRST NATION
FINANCE POLICIES AND PROCEDURES

Approved August 10, 2004

The Finance Policies and Procedures Manual approved on August 10, 2004 shall supercede all other Finance Policies and Procedures documents.

FINANCE POLICIES AND PROCEDURES

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SECTION	SUBJECT	APPROVED
1.1	Definition of Terms	08-10-2004

The purpose of this section is to standardize terminology and to ensure that there is a common understanding of our references among all employees.

Definition of Terms:

“Accounting”

It is a system of keeping track of all financial events in the life of the organization in a manner that makes it possible for reporting on its financial position and activities to anyone who is interested.

“Accounts Payables”

Amounts owed to the suppliers of goods and services that are to be paid in the upcoming accounting period.

“Accounts Receivables”

Amounts owed to the Big Grassy River First Nation by its customers, clients, other organizations and funding bodies that are expected to be collected in the upcoming accounting period.

“Accrual Accounting”

System of accounting in which revenues are recognized when earned and expenses are recognized when a legal liability is incurred without regard for the receipt or payment of cash.

“Annual Operating Budget”

Fiscal plan of Big Grassy River First Nation that projects the revenues and expenditures for a twelve-month period.

“Assets”

Monetary or non-monetary items that represent probable future economic benefits controlled by Big Grassy River First Nation.

“Audit”

It is an examination of the financial records of Big Grassy River First Nation by an independent party. An auditor's report is presented at the annual meeting and requires acceptance by the members of the First Nation.

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SECTION	SUBJECT	APPROVED
1.1	Definition of Terms	08-10-2004

“Audit Trail”

References in the accounting records that make it possible to check journal sources of all debits and credits, find source documents supporting journal entries, and trace source documents through the ledger to their appearance in Financial Statements.

“Authorization”

Approval of a transaction by authorized personnel.

“Balance Sheet”

It is a statement of financial positions showing the assets, liabilities and equity of an organization at a point in time.

“Band Manager”

The senior management staff person who is directly accountable to the Chief and Council for the overall operation of Big Grassy River First Nation.

“Bank Reconciliation”

It is a process of explaining any differences between the cash balances as shown in the books (General Ledger) and the cash balance as shown on the bank statement.

“Batch Processing”

It is a technique in which items to be processed are collected into groups (batches) for processing at different times. Big Grassy River First Nation processes cheques twice weekly on Tuesdays and Thursdays.

“Capital Assets”

Refers to buildings, equipment, etc. that are not consumed or used up in the normal operating process. These items have a useful life of greater than one year.

“Cash Flow”

The amount of funds available for the month-to-month operation of Big Grassy River First Nation.

SECTION	SUBJECT	APPROVED
1.1	Definition of Terms	08-10-2004

“Chart of Accounts”

A list of all accounts in the General Ledger in numerical order indicating their sequence in the General Ledger and contains description of each account.

“Cost Centre”

It is a systematic recording of expenses and revenues to each unit or program through cost distribution codes.

“Deficit”

The cash balance that an organization owes after the monthly or year-end statements.

“Depreciation”

It is an accounting procedure in which the cost or recorded value of a fixed asset less estimated salvage (if any) is distributed over its estimated useful life in a systematic and rational manner. It is a process or allocation, not valuation.

“Expenses”

Resources consumed or used by Big Grassy River First Nation during a specific period.

“Financial Statements”

Reports the present financial status and performance of an organization. Typically, financial statements consist of a balance sheet, a statement of revenue and expenses, a statement of changes in financial position, and accompanying notes.

“Function Code”

A number use to identify or designate a service/program that should reflect the sub-set of services funded within a service category.

“General Ledger”

A record of the summarized transactions from all other accounting journals. The balances in this ledger are summarized and grouped to prepare the financial statements. This ledger contains the complete financial history of Big Grassy River First Nation.

SECTION	SUBJECT	APPROVED
1.1	Definition of Terms	08-10-2004

“Internal Control”

The plan of Big Grassy River First Nation and the coordinated methods used by the Chief and Council and management to safeguard assets, ensure the accuracy of financial data, promote operational efficiency and promote adherence to stated policies.

“Operating Fund”

Consists of restricted and unrestricted contributions as well as the day-to-day operating revenues and expenses of Big Grassy River First Nation.

“Payroll”

The financial systems that accounts for salaries, benefits and deductions.

“Purchase Order”

An order for goods and supplies for a specific supplier or vendor under specifically requested terms with proper approval.

“Revenues”

Moneys received from operating activities, including income from the sale of goods and services (after deduction of returns, allowances, and discounts); gains from sale or exchange of assets; interest and dividends earned on investments; and donations and grants.

SECTION	SUBJECT	APPROVED
1.2	Policy Statement	08-10-2004

This section of the Operations Manual details the policies and procedures adopted by Big Grassy River First Nation to ensure that its responsibility for accounting of financial and other activities of the First Nation are met.

Topics discussed in this section include, but are not limited to, the following matters:

1. Operating Budgets
2. Program Reporting Requirements
3. Asset Management
4. Financial Accounting Systems
5. Payroll Procedures
6. Employee Benefits
7. Bill Paying Procedures
8. Tendering Policies

In general, the Chief and Council are responsible for ensuring that the policies and procedures detailed in this section are complied with. Functional responsibility has been delegated to the Band Manager. As detailed in the job descriptions. (See Section Roles and Responsibilities)


The Chief and Council is responsible for annually appointing a Chartered Accountant to prepare financial audited statements as required in the Operating Agreements between Big Grassy River First Nation and external funding sources.

SECTION	SUBJECT	APPROVED
1.3	Objectives of the Accounting System	08-10-2004

- 1) Provides for accurate, timely and useful accounting information.
- 2) Meets the reporting needs and uses of the Financial Information System.
- 3) Provides a monthly balance sheet, revenue and expenditure statements and monthly budget variance analysis by program.
- 4) Ensures that an adequate system of internal controls are in place. A system of internal control consists of all measures employed by Big Grassy River First Nation to:
 - a) Protect against waste, fraud, and inefficiency;
 - b) Promote accuracy and reliability in accounting and operating data;
 - c) Encourage and measure compliance with the policies of Big Grassy River First Nation;
 - d) Evaluate the efficiency of operations for all programs, services, projects and initiatives of Big Grassy River First Nation; and
 - e) Meet the reporting requirements of third party users.

SECTION	SUBJECT	APPROVED
1.4	Financial Planning	08-10-2004

- a) The Band Manager in consultation with others will submit the annual review of the program revenue and expenditures and recommended modifications simultaneously with the recommended annual budget for the following fiscal year.
- b) Big Grassy River First Nation bookkeeping is Adagio and CanPay Grand Master 1 system and shall include:
 - i) all receipts and receivables
 - ii) all disbursements and payables
 - iii) all commitments
 - iv) details of employee's earnings and deductions.
- c) Big Grassy River First Nation bookkeeping system is to be based on General Accepted Accounting Principles (GAAP).
- d) The system will include a computerized general ledger, accounts payable, accounts receivable and payroll.
- e) The ledger will be maintained and updated daily to account for the financial activities of the First Nation.

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SECTION	SUBJECT	APPROVED
1.5	General Provisions	08-10-2004

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In order to maintain an effective system of internal control, the following regulations shall apply:

- a) All contribution agreements shall be signed by the Chief and/or Councillor(s) with signing authority.
- b) No cheque shall leave the Band Office unless it bears the signature from two (2) signing authorities one of which shall be the Band Manager.
- c) All purchase orders shall bear the signature of the Band Manager and/or designate.
- d) All expense approval forms shall bear the signature of the approved Program Director.
- e) All guarantees of the Big Grassy River First Nation shall be accompanied with a Band Council Resolution.

SECTION	SUBJECT	APPROVED
1.6	Operating Plan	08-10-2004

The Chief and Council of Big Grassy River First Nation annually adopts a plan for operating the various programs that make up Big Grassy River First Nation's fiscal requirements. That plan is expressed in financial terms in the form of an operating budget for each program within Big Grassy River First Nation.

Development of Operating Plan

Big Grassy River First Nation will develop an Operating Plan which:

- States its objectives
- Reflects the First Nation's mandate, mission statement, guiding principles and strategic plan.
- States its expectations about monitoring program effectiveness, program costs, and cost effectiveness.
- Reflects inputs from all levels of staff and Chief and Council.
- Reflects a systemic review of past performance and change.

Development of the Operating Plan

The Band Manager will establish a timetable for the coming year's Operating Plan for all the programs.

The Band Manager will provide the input of the Chief and Council that was received during the current year's Council Meetings.

Current year's objectives will be analyzed. (i.e.: major issues, objectives achieved, objectives outstanding, service trends) prior to identifying the coming year's objectives.

A planning session will be held during the 3rd quarter to establish priorities for the coming year.

Objectives will be monitored to determine their contribution to program effectiveness.

The Band Manager will approve the Operating Plan objectives that will be presented to the Chief and Council.

The Chief and Council will review the Operating Plan prior to approval.

SECTION	SUBJECT	APPROVED
1.7	Operating Budget	08-10-2004

Development of the Operating Budget

The Band Manager will establish a timetable for the coming year's Operating budget during the 3rd quarter of the current fiscal year.

A planning session will be held during the 3rd quarter with the Management Team that will provide an overview of the current fiscal year. Costs will be reviewed and analyzed.

With input from the Management Team (Council, Program Directors, Band Manager), the Band Manager will identify deficiencies in resources needed to meet current year's Operating Plan objectives. For example, forecast next year's expenditure increases and revenue decreases.

The Band Manager will prepare financial forecasts for the coming year with the input from staff. Identified deficiencies in resources, potential fiscal management strategies, and Chief and Council approved Operating Plan objectives will be incorporated in the forecasting process.

A second planning session will be held to provide an overview of the coming year's fiscal forecast. A Management Plan will be developed to address any fiscal funding shortfall. See Management Plan – Section 1.8.

The Band Manager will present the forecast and action plan to the Management Team for approval by Chief and Council.

The Band Manager will prepare the Operating Budget using all available information.

SECTION	SUBJECT	APPROVED
1.8	Management Plan	08-10-2004

A Management Plan is developed when in the Management Team's opinion, the possibility exists that Big Grassy River First Nation may be at risk of experiencing significant cash flow shortages.

The Management Plan must identify the problems, causes and or deficiencies. It must contain decisions and measures being taken or to be taken to efficiently correct these problems, causes or deficiencies and reduce the amount of deficits and debts identified.

Management Plan Requirements

When the audited financial statements indicate that there is a denial of auditor's opinion and/or a cumulative deficit of 8% or more, or the Management Team feels that additional measures are required in order to ensure effective and efficient uses of financial resources are needed – this will trigger the development of the Management Plan.

All minutes relating to the development of the Management Plan must be documented.

- The Management Plan should stipulate the start date and completion date
- The problem area or causes must be identified: a review of management and administrative systems should be conducted to ensure their adequacy for internal control, accounting and reporting to management. This will in some situations assist in identifying the problem areas.
- Outline and determine corrective action
- The most current financial position should be utilized to develop the Management Plan in order to determine the deficits and surpluses by activity/service. If current financial statements are not available then the last audited financial statements could be utilized. It is important to recognize that the Management Plan is not a static document and therefore must be updated once the next audited financial statements are provided.

SECTION	SUBJECT	APPROVED
1.8	Management Plan	08-10-2004

- A deficit recovery plan must be developed which will outline the methods used to achieve the object of the plan (deficit reduction). The plan will be in a narrative form providing a brief description for each activity/service outlining the following:
 - ✓ The disposition of surpluses (transferring where feasible)
 - ✓ The sources of revenue and/or methods to be used to reduce the deficits
 - ✓ The corrective action to maintain a break even or surplus position for each service/activity
 - ✓ The handling of deferred revenues/incomplete projects (completing the projects)
 - ✓ Recovery time frames for each service/activity

- An annual schedule of activity/service outlining the forecasted recovery of deficits and the disposition of surpluses is required. A summary of the annual schedules should also be provided outlining the fiscal years and by activity/service for the term of the plan.
- Identify the effects, if any, on the recipient's cash flow when determining the disposition of surpluses or the completion of incomplete projects that could create problems in the delivery of activities/services.
- A training plan, where required is to be developed. The Management Plan must outline how it will assist in correcting the problems or causes, the individuals to be trained, the trainer, the sources of revenue and time frames for the training.
- An evaluation system must be developed for the Management Team to review the Management Plan. The Management Plan must be clear in terms of action required, including individuals and timeframes.
- Provisions must be included to amend or update the Management Plan to reflect variations in the progress of the Plan.
- The Management Plan must identify and address any negative impact of loan(s) or loan guarantees.
- The effect on collecting Accounts Receivables should be identified particularly in relation to cash flow.
- The payments of Accounts Payable must be outlined. A narrative is to be included regarding any meetings, notification, or negated repayment proposals with the creditors and the relationship to the recipient's cash flow.

SECTION	SUBJECT	APPROVED
1.8	Management Plan	08-10-2004

- An outline must be provided on how the Management Plan will improve the cash flow to enable continuation of activities/services. The outline may consist of a monthly forecasted cash flow for the current year with annual forecasts for the remaining period of the Management Plan. The monthly forecasts for each year could be provided on an annual basis.

Reviewing the Management Plan

The Management Plan when reviewed must take into consideration:

- ✓ the sources of revenues for recoveries must be confirmed that they are available
- ✓ Savings must be compared to available budgets and ensure the minimum terms and conditions of the First Nation's funding arrangements are met.
- ✓ Revenues generated by the recipient should be compared to previous year's revenues.

Termination of the Management Plan

It is the responsibility of the Management Team to terminate the Management Plan and will inform Chief and Council that the following has been accomplished:

- ✓ Cumulative deficit is below -8% and will continue to reduce to the cumulative deficit, where applicable
- ✓ Items covered in the Management Plan such as Accounts Payable, loans, budgets have been addressed
- ✓ All corrective action has been implemented and capacity / problems have been resolved (administration and management)

SECTION	SUBJECT	APPROVED
1.9	Submissions to Various Government Bodies	08-10-2004

The Band Manager will present the completed Operating Plan for the coming year to the Chief and Council for approval.

The Operating Plan can be submitted to other funding sources subject to anticipated shortfall and operating plan objectives.

SECTION	SUBJECT	APPROVED
1.10	Budgets	08-10-2004

- a) The Band Manager and Program Director(s) will be responsible for ensuring the preparation of program/project annual budgets which shall be reviewed and approved by the Chief and Council.
- b) Funds provided to Big Grassy River First Nation in the form of a Contribution Arrangement for a specified program/project shall not be expended on any other program.
- c) The Band Manager will seek approval from the Chief and Council for all recommended changes in budget distribution during the fiscal year.
- d) All documents related to this section shall be filed accordingly in the system and will be made available for the annual report.

What a budget represents

A budget expresses, in figures, the needs and goals of management relating to services, income etc. In short, everything affecting the health and viability of the organization is detailed in an operating budget. Because an operating budget reflects the particular needs and goals of a specific program, the actual breakdown of costs will vary from program to program.

What to include in a budget

The following two (2) major expense categories are typical to all operating budgets.

1. Fixed Expenses

These are expenses that are for the most part uncontrollable by management. They include insurance, rent, local telephone calls, etc.

2. Controllable Expenses

These are expenses over which management can exercise some degree of control. They include payroll, utilities, supplies, etc.

SECTION	SUBJECT	APPROVED
1.10	Budgets	08-10-2004

How a budget is used

A budget is a mandatory component of the financial accounting information system.

- a) It provides a tool for periodic examination of program operations by the Chief and Council.
- b) It establishes performance objectives to ensure accountability and service delivery to the membership.
- c) It establishes a means to measure management's performance.
- d) It provides a basis for controlling expenses and planning for cash shortages/surpluses.
- e) It identifies problem areas.
- f) It instills habits of careful review and evaluation before making decisions.
- g) It coordinates organizational effort by requiring input from all areas of management.

The budget is thus a primary tool of management operation. In the process of budget preparation, there is a systematic collection of information based on experience, which helps the management staff to refine its knowledge of each element of the operation. It gives the staff a chance to reflect on what has happened and what improvements are deemed advisable.

The preparation of budgets is not an easy process since it requires patient analysis and sound judgment. It does not lend itself to rules of thumb nor does it conform to any exact comparisons. Rules of thumb and comparable data are useful only as guidelines and checkpoints.

Historical data, when available, is an important base from which realistic estimates can be made. Where historical data is not available, the budgeting process is based on professional knowledge and judgement.

Recognizing the complexities of this process, this section is organized to provide some guidelines that will be helpful in the preparation of budgets.

SECTION	SUBJECT	APPROVED
1.10	Budgets	08-10-2004

Before preparing any operating budget, management must familiarize themselves with everything that contributes to the economics of operating the particular property, considering every source of income and the most probable trends of those incomes. Each individual item of operating expenses is then analyzed in forecasting those expenses. The bottom line of the operating budget informs the Chief and Council what proceeds can be anticipated during the budget year after all operating costs have been taken into consideration and all external funding agreements have been satisfied.

Determining expenses

After establishing an income base, attention is directed to operating expenses. The process begins with the previous years actual figures if they are available, otherwise other sources will be sought to obtain estimates of these figures.

Certain questions are posed to determine where changes should be made. For example:

- a) What was planned, but unaccomplished last year?
- b) What must be accomplished this year?
- c) What is the justified need for each item of increase or decrease?
- d) When will this change be accomplished?
- e) How and by whom will it be done?

There are three primary factors, which will determine the budget amounts:

- 1. Availability of Funding from the funding source.
- 2. Actual operating results of prior periods and trends of these results over a period of time.
- 3. Anticipated changes or conditions, which may have some effect on income or expenditures.

Actual results are taken from the accounts of the past year or years. Where a program is just beginning, it will not have had time to build this track record. In that case the person drawing up the budget looks elsewhere for the information on which to base estimates.

SECTION	SUBJECT	APPROVED
1.10	Budgets	08-10-2004

In view of the uncertainties, it is particularly important that start-up budgets be conservative and that expected income from all sources are as realistic as possible to match the expected expenditures.

Anticipated changes include such considerations as:

- a) Revisions in management philosophy, operating standards or objectives.
- b) National inflationary trends.

Making revisions to operating budgets

It should be noted that budget estimates are alterable. Where there are valid reasons for change, or where it is discovered during the budget year that estimates are considerably out of line with actual expenses, the Chief and Council reviews requests for change and approves amendments, as necessary.

In preparing the budget, the best estimates are those that are responsive to community and economic changes and are flexible enough to meet rapid changes. Too much rigidity defeats the possible advantages of budgeting by failing to acknowledge realities.

SECTION	SUBJECT	APPROVED
2.1	Financial Responsibility	08-10-2004

Chief and Council

The Chief and Council has the overall responsibility for the financial stability and financial planning of Big Grassy River First Nation. The Chief and Council delegates these responsibilities to the Band Manager.

The Chief and Council shall, at its regularly scheduled meetings, have direct responsibility for:

1. approving the annual budget.
2. accepting the audited financial reports and appointing the auditing firm for Big Grassy River First Nation.
3. reviewing and approving the financial reports and statements.

Management Team

The Management Team shall be responsible for:

1. Ensuring that the directions and decisions of the Chief and Council, in regard to the financial requirements, policies and procedures are implemented.
2. Planning, estimating, and budgeting for the funds and resources required for the administration, programming, and operations of Big Grassy River First Nation.
3. Ensuring sound financial management practices of the organization including, but not limited to:
 - a. ensuring that all staff are adequately trained and qualified for the duties to which they are assigned;
 - b. ensuring the books, records, accounts and filing systems of Big Grassy River First Nation are in accordance with established procedures;
 - c. ensuring that the reporting requirements of the funding bodies to Big Grassy River First Nation are adhered to in order to maintain adequate cash flow.
4. Reviewing monthly financial statements and budget variance reports.
5. Preparing reports and recommendations to the Chief and Council regarding the financial operations of Big Grassy River First Nation.

SECTION	SUBJECT	APPROVED
2.1	Financial Responsibility	08-10-2004 2 of 3

Band Manager

The Band Manager shall be responsible for:

1. Monitoring the financial systems of Big Grassy River First Nation;
2. Supervising the Finance Personnel;
3. Ensuring financial reports are available as required;
4. Ensuring proper authorization of expenditures and financial transactions of Big Grassy River First Nation;
5. Maintaining accurate internal financial control systems including but not limited to:
 - a. Divide responsibilities for related transactions
 - b. Perform regular and independent reviews
6. Supervision of bookkeeping and record keeping staff
7. Ensure the preparation of a complete statement of the financial position of Big Grassy River First Nation and the status of its operations; and prepare financial statements for submissions to the general, special and annual meetings as requested.
8. Preparing monthly cash flow projections to ensure the Management Team is informed of cash flow problems before they occur.
9. Preparation of an audit file for the annual audit.

SECTION	SUBJECT	APPROVED
2.1	Financial Responsibility	08-10-2004

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Accounting Officer

The Accounting Officer shall be responsible for:

1. Maintaining accurate internal financial control systems including but not limited to:
 - a. Clearly established responsibilities
 - b. Maintain adequate records
 - c. Internal asset management system
 - d. Insure assets
 - e. Separate record keeping and custody over assets
 - f. Use electronic devices whenever feasible
2. Ensure monies received will be deposited to the account of Big Grassy River First Nation.
3. Providing information to the Band Manager for the day to day financial transactions of Big Grassy River First Nation.

SECTION	SUBJECT	APPROVED
2.2	Financial Reports	General Accounting/ Financial Reports
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- a) The Accounting Officer of Big Grassy River First Nation will prepare bank reconciliation upon receipt of bank statements and cancelled cheques on a monthly basis.
- b) When the monthly bank statements and redeemed cheques are received, the cheques will be checked against the statement by the Accounting Officer to ensure that no unauthorized items have been included. The cheque date, cheque amount, and the payee of the cheque will be entered onto an outstanding cheque list.
- c) The bank reconciliation along with the outstanding cheque lists shall be submitted to the Band Manager for review and approval monthly.
- d) The Band Manager shall sign and date the trial balance and retain it in a trial balance file for each fiscal period.
- e) After the end of each month, a revenue and expenditure statement shall be prepared from the summarized trial balance to show by program the total revenues and expenditures to the end of the month. The Accounting Officer will retain the original statement in a revenue and expenditure file and provide photocopies to the Band Manager.
- f) The Program Director shall review the revenue and expenditure report on a monthly basis for presentation to Council along with a narrative report.
- g) The Chief and Council shall review the revenue and expenditure report on a monthly basis. The Band Manager or his/her designate will be available to make clarifications and to identify potential problem areas.
- h) The Accounting Officer shall ensure that financial reports will be completed within ten working days of each month end.

SECTION	SUBJECT	APPROVED
2.2	Financial Reports	General Accounting/ Financial Reports

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Receivables / Recoveries

All invoicing will be done on a monthly basis and reconciled by the Accounting Officer. Any outstanding invoices and discrepancies will be identified and addressed immediately. At year-end, the Accounting Officer will do an analysis of outstanding accounts. In consultation with Band Manager, outstanding invoices will be written off or followed up with further invoices. A list of written off accounts will be maintained in case a potential recovery is possible.

The following recoverable expenditures will be recovered:

- Allocation of administrative support (recoveries)
- G.S.T
- Gasoline tax refunds
- Other expense recoveries

Goods and Services Taxes Rebate Claim will be submitted annually to appropriate funding sources. These rebates will be prepared by the Accounting Officer to determine the appropriateness of the amounts.

There are three types of G.S.T. rebate methods:

- G.S.T. paid in error – Code 1 – the original invoice identifying the G.S.T. paid in error is attached to the claim.
- G.S.T. paid in error – Code 8 – imputed
- G.S.T. 50% - G.S.T. paid on off-purchases of transportation (taxi, airline tickets, bus passes, travel claims, Big Grassy River First Nation gas), short term accommodations, meals and entertainment.

Goods delivered to the First Nation locations are exempt from Goods and Services Tax.

SECTION	SUBJECT	APPROVED
2.3	Financial Reports	Annual Audit Package 08-10-2004

Big Grassy River First Nation's audited report details the previous fiscal year's financial position.

Currently, the Annual Audit consists of (in accordance to Indian and Northern Affairs Canada Year End Reporting Handbook – Audit Review Policy, Procedures and Guide, and Year End Reporting Hand Book Supplement):

1. Audited Financial Statements and Notes

- a) Statement of Financial Position
- b) Statement of Financial Activities
- c) Statement of Changes in Financial Position
- d) Statement of Tangible Capital Assets
- e) Notes to Financial Statements
- f) Program/Service Revenues and Expenditures Schedules
- g) Statements of Receipt and Disposal Capital Moneys
- h) Schedule of Salaries, Honoraria, Travel Expenses and Other Remuneration

2. Management Letter

The auditor is to provide the Chief and Council with a management letter stating whether or not Big Grassy River First Nation had in place effective controls and procedures.

3. Auditor's Opinion and Compliance

The Auditor is to state whether Big Grassy River First Nation is in compliance with General Accepted Accounting Principles (GAAP) as well as other Program Operating Agreements.

The auditor shall express an opinion as to the fairness of the financial statements as a reflection of the financial position of Big Grassy River First Nation as at March 31st, and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a consistent basis. If the auditor is unable to express an opinion, he/she shall give reasons for his failure to do so with recommendations for improvement.

4. Trust Fund Report

A report may be presented for trust funds held privately or held by Indian and Northern Affairs Canada in the CRF.

SECTION	SUBJECT	APPROVED
2.3	Financial Reports	Annual Audit Package 08-10-2004

A yearly audit of Big Grassy River First Nation's administrative and financial records is to be performed by an appointed Chartered Accounting Firm. The appointment of an Auditing Firm is to be conducted through a Big Grassy River First Nation Chief and Council resolution process.

Big Grassy River First Nation will appoint its Band Manager to obtain quotes and service proposals from 3 - 4 auditing firms once every 5 years, or earlier. The auditor should be independent from the First Nation, qualified and recognized under the provincial laws where the auditor has an office.

The audit report shall be prepared by July 31st following the end of the fiscal year.

Upon acceptance, ten pre-numbered audited financial statements shall be signed by the Chief and Council.

Big Grassy River First Nation will establish terms of reference that will apply to the audit appointment:

- The financial statements shall report on all financial activities of Big Grassy River First Nation.
- There shall be no limits placed on the scope of the auditor's investigation, and he/she shall be supplied with all the information he/she requests.
- The auditor shall have the right of access at all reasonable hours to the accounting records and statement, supporting vouchers and documents, policies and procedures, all funding agreements, all employment contracts, all asset records, all payroll records, Band Council Resolutions, minutes of the Chief and Council and Management Team meetings.
- The examination shall be in accordance with generally accepted auditing standards and shall include a general review of accounting principles and such tests of accounting records as the auditor considers necessary in the circumstances.

SECTION	SUBJECT	APPROVED
2.3	Financial Statements	Annual Audit Package
		08-10-2004

Duties of the Auditor shall include:

1. Conducting the audit and preparing the report in accordance with GAAS (Generally Accepted Auditing Standards) of the CICA (Canadian Institute of Chartered Accountants) handbook.
2. Verification of the Statement of Revenue and Expenses
3. Verification of the Balance Sheet.
4. Verification of the Annual Program Data Report.
5. Auditor's Report shall provide an opinion on the First Nation's compliance to funding agreements and to certify the First Nation's financial reports for accuracy.
6. Provide the First Nation with an audit draft within two weeks of the Audit for review by Chief and Council
7. Provide the First Nation with a finalized audited package within two weeks of return of the reviewed audit draft by Chief and Council.
8. Provision of any other item as may be reasonably requested from time to time by the funding agencies.

Big Grassy River First Nation's fiscal year end is March 31.

The First Nation's Responsibility:

1. Accurate recording of all financial transactions
2. coordinate and plan the audit with all other audits required
3. cause or make to be caused, the completed of all financial reports including but not limited to, profit and loss statements, balance sheet, statement of change...
4. making program, financial and admin records, Council and Committee minutes and reports available to the auditor and provide assistance to the auditor as necessary
5. forward a completed copy of the Auditor's report and audit statements to the appropriate agencies as required.
6. ensure the presentation of audited statements in a well advertised meeting of members.

SECTION	SUBJECT	APPROVED
2.3	Financial Statements	Annual Audit Package
		08-10-2004

Unless otherwise indicated, those columns on statements or schedules which are headed i.e. "2004", should be dated, as follows:

- a) The first column should be for the current year.
- b) The second column should be for the previous year.

For purposes of all annual reports, the term "year" or "reporting year" indicated in any of the following illustrations or explanations refers to the fiscal year.

Ten original copies of the completed audited financial statements, duly certified by Big Grassy River First Nation's Auditor and Big Grassy River First Nation's Chief and Council are to be directed to the attention of Big Grassy River First Nation and other required readers as approved by the Chief and Council.

SECTION	SUBJECT	APPROVED
3.1	Cash	Cash Management
		08-10-2004

Big Grassy River First Nation is responsible for managing its cash assets in a way that maximizes potential investment income. Current assets are managed through the following methods:

Bank Accounts

Big Grassy River First Nation maintains its cash assets in current accounts at registered chartered financial institutions. Big Grassy River First Nation annually negotiates with the Bank to establish the rate of interest in its current accounts and signs an agreement to cover the one-year period.

Any change in financial institutions will be ratified by Band Council Resolution.

Line of Credit

In the event of a cash flow shortfall, the Chief and Council through Band Council Resolution has approved the establishment of a line of credit to avoid crisis situations.

SECTION	SUBJECT	APPROVED
4.1	Financial Management Accounting System	08-10-2004

Big Grassy River First Nation uses an Accrual Accounting System for the management of all financial information. The recording of the majority of transactions are accomplished using the Adagio computerized accounting program.

The computerized system includes:

1. General Ledger
2. Accounts Payable
3. Payroll
4. Accounts Receivable

The aforementioned are balanced monthly and audited annually by a Chartered Accounting Firm appointed by the Chief and Council.

Detailed information concerning the operation of the Adagio Accounting System can be found in the user's guide and reference manuals provided with the software program.

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SECTION	SUBJECT	APPROVED
4.2	Financial Management Operating Reports	08-10-2004

The following reports are obtained monthly and quarterly from the Accounting System to verify and reconcile Big Grassy River First Nation's financial situation:

Monthly

1. Trial Balance
2. General Ledger
3. Posting Journals
4. Journal Entries
5. Monthly Transaction Batches (including Supplementary)
6. Statement of Operations (Revenue & Expenditures)

Quarterly

7. Statement of Financial Position (consolidated) (Balance Sheet)
8. Accounts Payable Distribution (Expense Register)
9. Accounts Receivable Listing

In addition to the above generated computer reports, monthly bank reconciliation is prepared by the Accounting Officer and filed with the bank statements. The Management Team reviews and approves the Revenue and Expense summary and monthly transaction records:

Accountants and Accountants Terminology

Big Grassy River First Nation prepares its monthly reports on a full accrual basis and it is therefore necessary to perform the following functions:

- The receivables are reviewed monthly and the allowances or doubtful accounts is adjusted appropriately. Write-off of travel advances or receivables cannot be made without approval by the Management Team.
- Capital Assets are written off at the time of purchase against the related program funding therefore amortization is done in accordance with Public Service Accounting Board's (PSAB) at year two.
- A double entry bookkeeping is used to minimized errors in recording transactions. Charges are designed as debits and revenue as credits (positive and negative).

SECTION	SUBJECT	APPROVED
4.3	Financial Management Payroll	08-10-2004

Big Grassy River First Nation uses CanPay Grand Master 1 software for employee payroll.

A master record of all Big Grassy River First Nation employees shall be prepared - recording employee name, annual earnings, and program paid under.

The employer shall have each employee complete and sign a TD-1 form, where applicable.

A record of employment shall be issued to the employee within five (5) days after termination of employment.

The employer will issue T4 slips to each employee who has worked during any calendar year.

All T4 summaries are to be completed accurately and distributed by February 28 of the following year.

The Finance Clerk shall maintain individual records of all employees and these records shall contain year to date hours worked, sick days, vacation days and accumulated time. This task will require the completion of bi-weekly time sheets by all employees with verification by all Directors/Supervisors.

Rates of pay for all employees shall be established by the Band Manager based on the programs recommendation, salary grids and availability of funds.

Payroll shall be issue every 2nd Friday.

SECTION	SUBJECT	APPROVED
4.3	Financial Management Payroll	08-10-2004

Pay Deductions

Pay deductions shall be in accordance with governing statutes, by voluntary authorization of the employee if requested.

Overpayment of wages shall constitute a lawful deduction and shall receive priority.

Salary cheques for employees who are pending termination are not to be issued if such will result in an overpayment.

No employees shall be given his/her cheque earlier than the official pay day except under the following circumstances and upon written request to the Band Manager and approval from the Band Manager.

Circumstances that may warrant earlier receipt of pay cheque are as follows but not limited to:

1. In emergency situations at the discretion of the immediate supervisor and upon the approval of the Band Manager, i.e. hospitalization
2. Employees travelling on Big Grassy River First Nation business on the official pay day
3. Employees on vacation prior to the official pay day.

Pay cheques will be given to another person other than a specific employee, only if that other person has written authorization from the employee to pick up his/her cheques on a certain date.

SECTION	SUBJECT	APPROVED
4.4	Financial Management Employee Benefits	08-10-2004

Big Grassy River First Nation provides both mandatory government benefit programs and employer sponsored benefit programs. They include the following:

1. Employment Insurance (EI)
2. Canada Pension Plan
3. Benefits (Rice Financial-CINUP)
 - a) Accidental Death and Dismemberment (ADD) - optional
 - b) Long Term Disability (LTD) - mandatory
 - c) Basic Life Insurance - optional
 - d) Medical Benefits (prescriptions, dental, glasses) – optional
 - e) Employee Pension – optional
4. Vacation Pay

In all cases, regular remittances for employee benefits are made to the required agencies and are based on salaries paid by Big Grassy River First Nation for all its employees. Remittances must be reconciled at year end to actual total salaries paid by Big Grassy River First Nation.

SECTION	SUBJECT	APPROVED
4.5	Financial Management Disbursements	08-10-2004

(a) All disbursements or payments made by Big Grassy River First Nation will have approved supporting documentation. Documents required for cheques issued are:

l) **Accounts Payable** – Where possible, purchases are to be made with purchase orders. Invoices covering goods and services shall be verified by Finance and approved for payment by the Band Manager and matched to the approved purchase order.

(b) All disbursements or payments issued by Big Grassy River First Nation are to be in the form of a cheque, and authorized automatic bank debits.

(c) Signing Authorities and Limitations

Big Grassy River First Nation Chief and Council will provide the Band Manager with the authority to commit Big Grassy River First Nation funds and sign cheques within the set limitations.

Cheque Signing

Big Grassy River First Nation and financial institutions will maintain a formal list of names, titles and signatures of those individuals who have signing authority. Individuals who have signing authority will include the following:

- Chief
- Councillors
- Band Manager
- Social Services Administrator

There shall be two authorized signatures on all cheques prepared by Big Grassy River First Nation one of which shall be the Band Manager. Where cheques are prepared for the purposes of Social Assistance payments, one of the two signatures must be the Social Service Administrator.

There shall be two authorized signatures on all cheques prepared for Big Grassy River First Nation Social Service’s Program one of which shall be the Social Service Administrator.

SECTION	SUBJECT	APPROVED
4.5	Financial Management Disbursements	08-10-2004

Any change in signing authorities will be ratified by Band Council Resolution.

- (d) No Big Grassy River First Nation cheques are to be signed blank.
- (e) All cheques are to show the proper amount as well as description of payment and/or period covered before being presented with the appropriate supporting vouchers to the authorized signing officers.
- (f) All blank cheque supplies shall be under the custody of the Band Manager and kept in a locked metal filing cabinet. The key shall be placed in the safe at the end of each day.
- (g) Disbursement control - the originals of cheque requisitions, invoices, vouchers, etc., shall be kept in Accounting Officer's control for the purpose of audit.
- (h) Cheques; lost, destroyed, stolen or spoiled:
 - (i) Whereby a cheque has not been received by a payee, the matter is to be referred to the finance office and a stop payment will be issued by Big Grassy River First Nation to the bank.
 - (ii) Before a duplicate or replacement cheque is issued, a written agreement will be entered into whereby the payee agrees to return the original cheque to Big Grassy River First Nation should it later be received by the payee.
 - (iii) Cheques issued by Big Grassy River First Nation, which are not cashed six (6) months after the date of issue, are to be cancelled. Big Grassy River First Nation is to notify the bank in writing including a full description of the cheque(s).
 - (iv) Cheques that are spoiled or otherwise made invalid shall have VOID written across them and kept in a file for the purpose of audit.

SECTION	SUBJECT	APPROVED
4.6	Financial Management Purchase Orders	08-10-2004

Where possible, all purchases or financial commitments will require a purchase order, a cheque requisition or other written approval. All purchase orders and cheque requisitions are to be completed, coded and actual or quoted costs presenting to the Band Manager and/or designate for approval.

A purchase order will be issued for all purchases in excess of \$20.00 in value.

All purchases should be approved by the Band Manager and/or designate for the budget to which the expenditure will be charged.

The Band Manager and/or designated Program Director shall be responsible for the approval of purchase order requisitions for day-to-day office supplies or services.

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

No purchase is to be approved unless funds are provided within program/project budget.

The Chief and Council will appoint the Band Manager to sign purchase orders to a maximum of \$5,000.00

A pre-numbered purchase order system shall be utilized.

Each request for purchase requisition is to state the following:

1. the description and quantity of goods or services to be acquired
2. the actual cost or amount not to be exceeded or a close estimate
3. the budget and line item/general ledger account number to be charged
4. signature approving the request
5. date approval granted
6. the name and address of the supplier
7. the name of the designated employee making the arrangements for the purchase
8. date
9. department

SECTION	SUBJECT	APPROVED
4.6	Financial Management Purchase Orders	08-10-2004

The purchase order shall be completed in duplicate. After a number is assigned it will be passed on to the designated employee making the arrangements for the purchase.

The copies are distributed as follows:

White Copy 1 - Sent to the supplier; and

Pink Copy 2 - Filed finance copy in open file and matched to invoice when received.

When the order for supplies/equipment is delivered:

- (a) the employee who takes receipts for the purchase shall count and examine the goods and compare the supplies received with the packing slip, note any discrepancies on the packing slip, and sign it;
- (b) this information will be submitted to the Accounting Officer and the invoice will be attached to the packing slip and purchase order.

Completed purchase orders will be submitted to the Accounting Officer who will then issue a cheque or process payment of billing once invoice has been received.

SECTION	SUBJECT	APPROVED
4.7	Financial Management	Approval of Payments
		08-10-2004

- i. The Cheque Requisition form shall be used by Big Grassy River First Nation for all non payroll disbursements.
- ii. Expenses greater than \$5,000.00 must be approved by the Chief and Council prior to committing to the purchase.
- iii. Authorization to approve payment for purchases for \$5,000.00 or less shall be approved by the initiating Program Director, Band Manager and member of Council.
- iv. Cheques or payments will not be issued from Big Grassy River First Nation account(s) unless supplies have been received or services have been rendered.
- v. Payment of invoices received will be paid regularly on a monthly basis to avoid any interest charges as cash flows allow.
- vi. Contracts - Big Grassy River First Nation will pay contracts according to agreed upon schedules.
- vii. Big Grassy River First Nation will not approve any expenditure, expend or commit funds to any expenditure which is not supported by funds identified in a signed contribution agreement.
- viii. Big Grassy River First Nation will not act as a financial institution - to provide financial support (loans and advances) to any person or enterprise.
- ix. Internal transaction - in any case where there is a purchase within program to program, this shall be authorized in a journal entry form approved by the Band Manager and filed accordingly.

SECTION	SUBJECT	APPROVED
4.7	Financial Management Approval of Payments	08-10-2004

- x. All salaries, wages and other remuneration are to be established and approved by Chief and Council including salary grids and Band Manager's contract and others as applicable.
- xi. On receipt of an invoice the Accounting Officer shall contact the appropriate people to make sure that all of the goods or services billed on an invoice have, in fact, been received in good condition.

The following procedure shall be followed (for invoices not previously approved through the purchase order system):

- **Ordering** – person who placed the order shall provide explanation as to why purchase order was not used.
- **Verification** - the invoice shall be sent to the appropriate program person for verification. This person will initial the original invoice: "**Received** " or **(initial) - (date)**
- **Approval** - the invoice shall then be sent to the appropriate Program Director who shall sign for approval: "**Approved for payment** " - **(signature) - (date)**
- **Payment** - the invoice will be returned to the Accounting Officer for payment.

SECTION	SUBJECT	APPROVED
4.8	Financial Management Expenses	08-10-2004

Page 1 of 1

Administrative and Other Expenses

Depending on the nature of the expense, administrative or other, an invoice for payment will be verified by one of the following staff persons of Big Grassy River First Nation:

1. Accounting Officer
2. Band Manager

Routine or recurring expenses may be verified by the Accounting Officer. These expenses will include telephone, fuel, hydro, water, mortgage and supplies. Non-routine or unusual expenses will be verified by the Band Manager or, in his/her absence, the Accounting Officer.

In all cases, a copy of the invoice for payment will be attached to the cheque issued by Big Grassy River First Nation. Authorized signing officers will review the attached documentation before signing the cheque.

SECTION	SUBJECT	APPROVED
5.0	Other Procedures Introduction	08-10-2004

Page 1 of 1

In addition to the aforementioned procedures, there are a number of other payment practices for Big Grassy River First Nation's expenses that are discussed hereafter. They include the following subject areas:

1. Corporate Credit Cards
2. Tendering Guidelines
3. Travel Policies
4. Honorarium
5. Assets
6. Fundraising

SECTION	SUBJECT	APPROVED
5.1	Other Procedures Corporate Credit Cards	08-10-2004

Big Grassy River First Nation has obtained corporate credit cards (Canadian Tire and Visa) with a limit of 1,000.00 each. The purpose of using credit cards is to reduce interruptions of service when purchases must be made from vendors that do not accept purchase orders.

All credit card purchases must comply with the finance policies and procedures manual, including purchase orders and approvals.

Procedures:

The Band Manager is not to exceed the spending limits as prescribed by the Chief and Council.

All receipts must be handed in a timely manner, which are to be attached to the visa statements for payment and these statements will be reviewed and initialed by the Accounting Officer.

The Chief and Council must authorize the renewal of the credit cards one month prior to the expiry date.

Big Grassy River First Nation must adhere to the terms and conditions issued by the credit card company.

Big Grassy River First Nation credit card will be kept in the possession of the Band Manager at all times.

In the event personal credit cards must be utilized, it must only occur in cases of last resort and only after approval from the Band Manager and/or Program Director. Any such purchase in excess of \$500.00 shall need prior written approval by the Band Manager and/or Program Director.

All approved credit card purchases shall be reimbursed in a timely manner providing all appropriate documentation has been provided utilizing the cheque requisition system.

SECTION	SUBJECT	APPROVED
5.2	Other Procedures Tendering Guidelines	08-10-2004

Page 1 of 2

The Chief and Council of Big Grassy River First Nation has adopted guidelines for staff to use in calling for tenders (quotations) and in receiving them, and procedures for implementing these guidelines.

How Tenders/Quotations May be Called

Tenders will be called where required by funders and on the direction of Council.

Big Grassy River First Nation shall offer its contracts by invitation to tender process and a minimum of three (3) tenders should be received before the contract is awarded.

Big Grassy River First Nation's invitation to tender will be advertised by a local or a regional newspaper, facsimile notice, and/or by letter and will indicate the following:

- i) the date and hour of closing.
- ii) sufficient details from which comparable bids can be made.
- iii) the date, hour and place tenders will be opened.

Big Grassy River First Nation will delegate the Band Manager to ensure the tender period is not less than five (5) full working days.

Big Grassy River First Nation will not enter into any contract without the following criteria being met:

- I. funds are identified in a budget or are provided for in an approved and signed contribution agreement
- II. all major contracts exceeding \$5,000 are to be approved by the Chief and Council prior to signing
- III. all contracts must be reviewed by Big Grassy River First Nation prior to signing
- IV. all contracts must be drawn up on standard Big Grassy River First Nation letter head stating financial commitments, terms of reference, time frames and reporting procedures. All contracts are to contain a termination clause, payment schedule, work schedule and are to identify place of work.
- V. For Big Grassy River First Nation contracts not exceeding the amount of \$5,000.00, the Chief and Council will appoint or delegate the Band Manager to offer the contract for tenders by telephone or any other means of communication. Upon receipt of offers, the Band Manager will review and award the contract.

SECTION	SUBJECT	APPROVED
5.2	Other Procedures	Tendering Guidelines
		08-10-2004

All tenders received by Big Grassy River First Nation will be reviewed. Where the lowest tender is not accepted, a quorum vote of the Chief and Council will be used or required before the award is made. Upon acceptance of a tender a binding contract will be signed by the two parties.

All contracts accepted and signed by Big Grassy River First Nation will be kept in the filing system of the Finance department.

How tenders/quotations may be received

Quotations for products and services may be received through one or more of the following methods:

1. By facsimile transmission
2. In writing, unsealed
3. In writing, sealed

SECTION	SUBJECT	APPROVED
5.3	Other Procedures	Travel Policy
		08-10-2004

Big Grassy River First Nation identifies and records travel costs paid for by the First Nation including personnel, Chief and Council and appointed representatives. All travel claims require approval.

All travel arrangements for public transportation (air, train, bus) shall be made by the Secretary / Receptionist through the use of a travel requisition approved by the Band Manager and/or Program Director.

Travel by public transportation must be made in the most direct route and only economy class shall apply unless otherwise approved by the Band Manager.

Prior to travelling employees are required to fill out a Travel Requisition form estimating all expenses (except public transportation). The Secretary / Receptionist will make all travel arrangements necessary for the Chief and Council to travel to attend meetings and conferences.

Purchase order requisitions and travel advance requisitions must be approved by the Band Manager.

When travel arrangements for transportation are changed, it is the traveller's responsibility to advise the Secretary/Receptionist so he/she can void and reissue a new purchase order. All unused tickets are to be returned to the Band Manager.

All travel arrangements for accommodations will be made by the Accounting Officer through the use of a purchase order system. When accommodation arrangements are changed it is the responsibility of the traveller to advise the Accounting Officer and/or the hotel prior to the deadline so that:

1. Big Grassy River First Nation is not charged for unused rooms approved.
2. A new purchase order number may be issued if necessary.

The traveller shall be held responsible for room and flight changes that are incurred where proper cancellation notice has not been provided.

SECTION	SUBJECT	APPROVED
5.3.1	Other Procedures Travel Policy – Employees 08-10-2004	Page 1 of 1

At the end of each trip each employee is required to fill out a Travel Expense Claim Form (See Appendix), stating destination, travel dates and times and purpose of trip, department number and trip report. Receipts for all expenses must accompany the travel claims. Ticket stubs and copies of hotel receipts should also be attached. From there the process will be as follows:

1. the travel claim should first be given to the Band Manager and/or appropriate Program Director for verification and signature for completion of travel.
2. the travel claim will be returned to the Accounting Officer for processing of adjustments, if any charges are not approved, and payment of any amount owing to the traveller.

Any charges made to Big Grassy River First Nation for any reason that does not relate to Big Grassy River First Nation business, and not repaid immediately, shall be recorded as a receivable to Big Grassy River First Nation.

From time to time, the Chief and Council will set travel rates in accordance with Treasury Board Guidelines (Please see Appendix)

- I. Meal and incidental allowances will be provided to travellers for out of town business only. Meal and incidental expenses may be claimed for meetings attended in the town in which that person (employee/consultant/etc.) resides only if unusual circumstances warrant the extra cost and prior approval is obtained.
- II. An employee may claim meals if required to travel before 8:00 a.m. for breakfast, before 12:00 noon for lunch and before 6:00 pm for dinner; or if arrives home after 8:30 am for breakfast, after 12:30 pm for lunch and after 6:30 pm for dinner.

Mileage

When employees are required to use their private vehicle they will be reimbursed at a rate set by Big Grassy River First Nation. However, should the cost of the total mileage be greater than the cost for airfare, the traveller may claim only the amount it would have cost to go by air.

All staff using private vehicles in the performance of their duties must have a minimum of \$1,000,000.00 Public Liability and Property Damage Insurance coverage.

SECTION	SUBJECT	APPROVED	
5.4	Other Procedures	Honorarium Committee Members	08-10-2004 Page 1 of 1

To ensure the initiatives of the Big Grassy River First Nation takes into consideration the needs of the members, occasionally Adhoc Committees are created to address a specific task, issue or project. These committees will have a Terms of Reference that will guide the parameters of the Committee activities.

In all circumstances a Committee Member must be present for the duration of the meeting in order to be eligible for the honorarium and travel costs.

These provisions will be honoured providing a budget has been identified for the Committee Expenses and for a specified period of time. All scheduling of Committee Meetings must be done in concert with the Administration Department to ensure availability of the necessary dollars.

SECTION	SUBJECT	APPROVED
5.5	Other Procedures Assets	08-10-2004 Page 1 of 1

The Band Manager will maintain a record of all assets of Big Grassy River First Nation. The listing of all assets shall be accompanied by a number identifier for each item which will include where possible, the brand name, model number and serial number. The number identifier sticker will be placed on the item. This practise includes all office equipment, including hardware and software, equipment and vehicles.

The Band Manager of Big Grassy River First Nation shall be responsible for obtaining adequate insurance coverage to protect assets, where applicable, against loss or damage.

When a building, vehicle, equipment, etc. is purchased a photocopy of the covering invoice is to be placed in a file labelled "assets purchased." At the end of the year these will be sorted by service and category in order to prepare inventory lists showing the identification of each item and its costs. Subsequent to the purchase of the asset, BGFN shall be engraved on the asset.

Periodically the Band Manager will verify the existence of the items listed. The Accounting Officer or his/her designate will prepare a list of missing, unserviceable and obsolete items for approval for write-off by the Chief and Council. When approval is received the items shall be deleted from the listings and the deleted listings shall be provided to the auditor.

The Band Manager is to review and initial the listing of assets on an annual basis.

SECTION	SUBJECT	APPROVED
5.6	Other Procedures	Fundraising
		08-10-2004

Big Grassy River First Nation has a responsibility to participate in healthy fundraising activities. Big Grassy River First Nation shall follow the rules set out by the Chief and Council as follows:

- Monies raised will be for the sole use of Big Grassy River First Nation charitable activities.
- Big Grassy River First Nation may participate with other charities in a concerted effort to raise funds as long as it is in keeping with Big Grassy River First Nation's Charitable objectives.

Any staff engaging in a fundraising activity or approaching persons or businesses for donations of goods and services for the benefit of Big Grassy River First Nation must have prior approval from the Band Manager.

Control of Funds

All funds received from fundraising activities will be received only by the Band Manager, who will issue a receipt immediately.

All third-party fundraising must be approved by the Chief and Council.