

**VUNTUT GWITCHIN GOVERNMENT**  
**Government of Vuntut Gwitchin First Nation**

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**CHIEF AND COUNCIL**

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P.O. Box 94  
Old Crow, Yukon  
Y0B 1N0

Phone: (867) 966-3261  
Fax: (867) 966-3116  
Web: [www.vgfn.ca](http://www.vgfn.ca)

**VUNTUT GWITCHIN FIRST NATION**  
**COUNCIL RESOLUTION 11-15-2023 – #64**

**RE: Finance Policy and Procedures**

**WHEREAS:**

- A. The Vuntut Gwitchin First Nation (VGFN) *Constitution* establishes the Vuntut Gwitchin Government (VGG) and a Council;
- B. Council has the duties and powers prescribed to it under the *Constitution* to, among others, set clear policies and guidelines and ensure good management and reporting in all aspects of the Vuntut Gwitchin Government within the jurisdiction of the Council;
- C. VGFN has identified financial management requirements within Article XVI of the Constitution and within Part 2 and Part 3 the Governance Act.
- D. VGFN's Financial Policy, which provides a framework for financial management, was developed in 1995.
- E. In 2021, the VGFN General Assembly resolved that the Finance Policy be updated.
- F. VGG retained a consultant to undertake a Finance Department Review and Assessment who made a number of recommendations including that the General Assembly directive for finance policy change is accomplished and finance procedures for interdepartmental management are developed.
- G. Council endorsed these recommendations through Council Resolution 07-28-2023-#40.
- H. Council has reviewed the draft Finance Policy and Procedures.

**THEREFORE THE COUNCIL OF THE VUNTUT GWITCHIN FIRST NATION RESOLVES THAT:**

- 1. The Finance Policy and Procedures is approved and effective immediately.
- 2. VGG Staff are briefed and trained on the new Finance Policy and Procedures.

**THIS RESOLUTION** being duly approved by a quorum of the Council at a meeting duly convened on November 15, 2023 at Old Crow, Yukon.



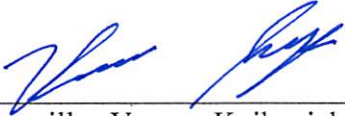
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Chief Pauline Frost



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Councillor Crystal Linklater



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Councillor Vernon Kyikavichik

absent

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Deputy Chief Debra-Leigh Reti



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Councillor Harold Frost Jr.



**VUNTUT GWITCHIN FIRST NATION  
Finance Policy and Procedures**

Financial Policy and Procedure

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## Financial Policy and Procedure

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### INTRODUCTION

#### Organization of the Policy Manual

This Policy Manual integrates both policies and procedures, and sets out the goals and intentions of VGFN government and provides general guidance on decision-making.

This Policy is authorized by the Council in order to direct the overall VGFN government administrative affairs.

This Policy must always comply with VGFN constitution, treaties and laws, or in some cases, with the legislation and labor codes of other levels of government.

Procedures must always comply with respective policies.

#### Policy and Procedure Development

All policies and procedures contained in this manual were developed and have been reviewed and approved by the Management Committee and Council.

#### Scope and Purpose of the Financial Policy

The POLICIES in this MANUAL will serve to guide the daily operation of the Finance department and the departmental financial operation. This policy does not cover the administration of funds covered by specific legislation (i.e., Trusts) established by Council.

The POLICIES in this MANUAL will be in force as authorized by the Council.

The POLICIES in this MANUAL must comply with the constitution, self-government agreement, legislation (i.e., Governance Act) of VGFN government and laws of general application.

The POLICIES in this MANUAL will provide the government with policies and procedures to improve accountability, effectiveness, efficiency, and transparency.

The POLICIES in this MANUAL will be distributed to all departments of the VGFN government.

The POLICIES in this MANUAL are the responsible of the Directors to ensure that all current and future employees become thoroughly familiar with the contents, meanings and applications of the policy.

The POLICIES in this MANUAL are clear and binding until revised. In cases of dispute, the departmental Director is the FIRST LEVEL, Management Committee is the SECOND LEVEL, and Council is the THIRD LEVEL of interpreters of these policies, unless a policy is enshrined in law other than a law passed by the VGFN government.

## Financial Policy and Procedure

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### Finance Department Mandate

The responsibility of the Finance department is to ensure the financial stability and to minimize the financial risk to VGFN Government.

The Finance department is responsible for administering, ensuring the accurate and timely recording and reporting of financial information, and assisting in the budgeting and auditing processes.

### ROLES AND RESPONSIBILITIES (BRIEFING NOTES)

#### Council responsible for; <sup>1</sup>

- Clear outline of responsibilities, delegation of authority and specified accountabilities roles of Management Committee and Directors.
- Government results, impacts, benefits, program outcomes, recipients, and relative value.
- Regular monitoring and performance evaluation of government growth and change.
- Effective controls and restrictions for financial management of the government.
- Approval of fiscal year department strategic plans and financial budgets.
- Authorizing un-budgeted expenditures, opening/closing bank accounts, borrowing from financial institutions, and appointment of audit firm.
- Approval of the Financial Policy and Procedure manual and any proposed amendments or revisions.
- Monitoring, evaluating, and approval of quarterly Balance Sheet and Income Statements presented by Director of Finance.
- Adhering to the government Constitution, By-Laws, Memorandums, articles of association, and governmental policies and procedures.

#### Management Committee responsible for; <sup>2 3</sup>

- Adhering to governing documents, e.g., constitution, memorandum and articles of association.
- Providing leadership, decision-making, and directing the vision of the government.
- Establish the fundamental values, the ethical principles and strategic direction of the government.
- Ensuring strategic goals are adhered to and met with a positive outcome.
- Monitoring, evaluating and ensuring the effective management of activities of the government.
- Ensure appropriate policies and procedures are developed and implemented.
- Recommend amendments or revisions to policy and procedures for effective financial management.
- Ensure compliance with all relevant legal and regulatory requirements of the government.
- Ensures that all government money, property and resources are properly used, managed and accounted for.
- In consultation with the Directors update the five (5) year capital plan.
- Monitoring and evaluating the fiscal year budgets of the government.

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<sup>1</sup> Constitution: Article XVI-Financial Administration: Article XVII-The seal

<sup>2</sup> Governance Act: Management Committee directives

<sup>3</sup> MCD: #8 – Preparation of 5 Year Capital Plan and Budget Estimates

## Financial Policy and Procedure

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- Financial and management accountability of the government to the Council and stakeholders (i.e., funding agencies).

### Executive Director responsible for; <sup>4</sup>

- Management accountability of the government to the Council and stakeholders.
- Direct the administrative affairs of the government, delegation of authority and specified accountabilities roles of departmental Directors.
- Guardian of VGFN government seal and written laws.
- Adhering to employment responsibilities and requirements (i.e., job description).

### Directors responsible for;

- Clear outline of responsibilities, delegation of authority and specified accountabilities roles of Managers.
- Financial and management accountability for their respective department and programs.
- Implementation and ensuring that the Financial Policy and Procedure is adhered to at all times.
- Recommend amendments or revisions to the Financial Policy and Procedures for effective financial management.
- Ensuring sufficient department controls and checks are implemented for accuracy of financial data.
- Ensuring department actions do not threaten the financial stability of the government.
- Monitoring, evaluating and ensuring the effective management of department activities.
- Reviewing and authorizing all department relevant financial (i.e., payables, receivables) documentation.
- Accountable for all department contribution agreements, proposals, contracts and budgets.
- Informing the Director of Finance of any errors or discrepancies in the Financial Statements.
- Fiscal year department strategic plan and financial budget development.
- Adhering to employment responsibilities and requirements (i.e., job description).

### Managers responsible for;

- Accountability of program or project objectives to department Director.
- Establish fiscal year strategic program/project goals.
- Adhere to and review the Financial Policy and Procedure.
- Managing annual fiscal year operating programs or projects revenue and expenditure budgets.
- Monitor and evaluate program or project ensuring sufficient controls and checks are implemented for accuracy of financial management.
- Accountable for all contribution agreements, proposals, contracts and budgets within their jurisdiction.
- Informing the department Director of any errors or discrepancies in the Financial Statements.
- Adhering to employment responsibilities and requirements (i.e., job description).

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<sup>4</sup> Governance Act: Executive Director

## Financial Policy and Procedure

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### Director of Finance responsible for; <sup>5</sup> <sup>6</sup>

- Financial and management accountability of the government to the Council, Management Committee, and stakeholders (i.e., funding agencies).
- Monitoring relevant financial legislation to ensure that the government is compliant.
- Financial accounting and reporting in accordance with GAAP.
- Overall managing of all financial tasks of the government.
- Ensuring sufficient controls and checks are implemented for accuracy of financial data.
- The administration of the financial operations of the organization.
- Establishing guidelines for budget forecast and annual budget preparation.
- Evaluating the need for new accounting technology.
- Financial risk management monitoring to ensure organization risks is minimized.
- Conducting an annual review of Financial Policies and Procedures.
- Recommend amendments or revisions to the Financial Policy and Procedures for effective financial management to Management Committee.
- Presents financial documents or topics for review or approval to Council and Management Committee.
- Adhering to employment responsibilities and requirements (i.e., job description).

### Finance Manager responsible for;

- Ensuring the Finance department procedures comply with the relevant policy and procedure, legislation, and any other requirement of external bodies including but not limited to Canada Revenue Agency, Yukon government, Workers' Safety and Compensation Board, and Federal Government.
- Overseeing and administering all aspects of the daily operations (i.e., payables, receivables, etc.) of the Finance department.
- Ensure sufficient controls and checks are implemented for accuracy of financial data.
- Produce and evaluate monthly financial statements in accordance to GAAP.
- Annual review of Financial Policies and Procedures with Finance department employees.
- Recommend amendments or revisions to the Financial Policy and Procedures for effective financial management to Director of Finance.
- Adhering to employment responsibilities and requirements (i.e., job description).

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<sup>5</sup> Constitution: Article XVI-Financial Administration

<sup>6</sup> Governance Act: Director of Finance

**Financial Policy and Procedure**

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**DEFINITIONS**

**Fixed Asset** – any asset valued at or above Five Thousand dollars.

**Asset Tangible Capital** - permanent, long-term, and tangible asset held for business use (i.e., Real estate, manufacturing equipment, etc.).

**Audit** – verification of the financial statements with a view to express an audit opinion, intended to provide reasonable assurance that the financial statements are presented fairly.

**Auditor** - a person representing a CPA firm, appointed and authorized to review and examine the financial standing of the government.

**Budget** – annual financial operational budget, where revenue is rationed to the expense.

**Chart of Accounts** – generic listing of accounts designed to capture financial information in one of the five categories; Assets, Liabilities, Equity, Revenue and Expenses.

**Council** – the legal elected Governing Council of VGFN.

**Contribution Agreement** – a legal document or contract with a third party to contribute equity or funds to a project under certain specified conditions.

**Director** – an employee managing internal department and program activities.

**Delegate** – person identified pursuant to VGFN Constitution.

**Financial Statement** – provide information about the financial strength, performance and changes of the financial position in making economic decisions.

**Fiscal Year** - 12 consecutive months of government operations established in the Constitution

**GAAP** – means Generally Accepted Accounting Principles

**Government** – administrative body of Vuntut Gwitchin First Nation (VGG).

**Honorarium/Honoraria** - payment compensation for services for which fees are not legally required.

**Manager** – employee responsible for preparation and administration of departmental program or project plans and budget.

**Management Committee** – appointed committee that issue directives applicable to public officers.

**Payable** – liability the government owes to suppliers for goods or services.

**Petty Cash** - cash kept on hand for incidental expenses.

**Receivable** – asset owed to the government for goods or services rendered.

**Variance Reports** – report stating the difference between budget and actual costs.

**Financial Policy and Procedure**

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**FINANCIAL MANAGEMENT**

**Financial Policy and Procedure Development**

SCOPE Management Committee and Directors

PURPOSE Policies and Procedures are living documents, which from time to time will need change to meet operational needs.

POLICY /PROCEDURE Management Committee is responsible for the development, review and amendments or revisions.

Management Committee, Director of Finance and Finance Manager will conduct an annual review of Financial Policies and Procedures.

Management Committee will have dialogue and approve by consensus any policy or procedure amendments or revisions.

The policy or procedure amendments or revisions will be presented to Council for final review and approval.

The implementation of the Finance Policy and Procedure is delegated to Directors within their departments and programs.

Management Committee will review other policies for financial policy implications.

Proposed policy or procedure amendments or revisions will be directed in writing to concerned department Director or Executive Director.

Directors will work with the concerned citizen or employee to discuss potential to amendments or revisions or to create necessary suggested policy or procedure.

Directors will consult with the Director of Finance and/or Policy analyst.

Director of Finance will present the suggested policy or procedure amendments or revisions to the Management Committee.

All policy or procedure amendments or revisions will be incorporated by the Policy Analyst, and documented in an Amendment Log attached to the Policy Manual.

**Financial Policy and Procedure**

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**Financial Accountability**

SCOPE Directors and Managers

PURPOSE Accountability

POLICY

/PROCEDURE Finance is responsible for ensuring sufficient controls and checks are implemented to ensure accuracy of financial data.

Finance is responsible for ensuring policies and procedures controls and processes are adhered to by Directors and/or Managers.

Finance will not change or process any documentation without the appropriate or evident department initials, authorizations, and program accounting coding.

Finance is responsible for the accurate and timely recording of the financial transactions provided by the administrative departments and external agencies.

Finance in conjunction with Management Committee submits annual audited reports to Council for presentation to the General Assembly.

Directors are responsible for the financial management of their managers.

Directors must ensure all documentation submitted to the Finance department has the appropriate or evident department initials, authorizations, and program accounting codes for processing.

Directors in conjunction with Managers must prepare and submit annual activity reports to Council for presentation to the General Assembly.

**Finance Department**

Finance duties

- Separate operational responsibility from record keeping; decision making.
- Separate the custody of assets from accounting.
- Separate the authorization of transactions from the custody of related assets.
- Separate duties within the accounting process to ensure no one person is preparing and completing a transaction stream.

Accounting Control

- Verification of all financial documents before processing by a designated finance employee; authorizes and initial off.
- Document posting controls are in place to ensure accuracy and consistency of accounting processing.
- Employees must initial off work performed and be clearly identifiable to ensure work can be traced.
- Finance employees must ensure the appropriate initials, authorizations, and accounting coding are evident before processing documentations.
- Finance will ensure all department fiscal year budgets are entered into the accounting system.

## Financial Policy and Procedure

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### Directors and Managers

#### Planning Responsible and Guide-lines

It is the clear duty of every employee to ensure that funds are utilized wisely and productively and only for the purpose stipulated in the appropriate work plan.

A well-constructed budget provides a supporting framework within which Directors and/or Managers can achieve objectives goals, and also provides a yardstick to measure results against costs incurred.

Budget allocations have been set at levels calculated to allow departments to achieve the objective goals. Directors and/or Managers should be completely familiar with the provision made for their activity.

Participation in financial control is essential for all Directors and/or program Managers, putting limited dollars to work in the most effective way is a responsibility shared by all levels of management. The most effective spending of budgets is to take advantage of discounts and excursion rate, without a proper expenditure planning situations may develop which is often expensive and inefficient.

Reviewing monthly financial variance reports will indicate to Directors and/or Managers where activity levels have increased or decreased and allows for a more effective program work plan and budget revise.

Program activity reports in conjunction with the monthly financial variance report will be provided to Management Committee and/or Council. Managers prepare and submit monthly written activity reports to the department Director, for submission to Executive Director five working days before Management Committee and/or Council meets.

Directors and/or Managers prepare and submit project activity and financial reports as required to the external funding agencies.

Contribution agreement or project financial statements shall be reviewed by the department Director and/or program Manager for accuracy prior to submission to external funding agency.

#### Monitoring Spending

If a project surplus is projected and funds may not be carried over to new fiscal year, then the department Director and/or program Manager shall contact the external funding agency to seek permission to carry over funding.

#### Completing Documentation

Directors and/or Managers shall ensure project financial documentation is complete, accurate and properly authorized for processing by Finance.

#### Monthly Variance Reports

Directors will ensure that monthly finance statements and general ledger reports are correct and coded properly.

**Financial Policy and Procedure**

**Fiscal Calendar**

SCOPE Management Committee and Directors

PURPOSE Management accountability

**POLICY**

**/PROCEDURE** Administrative government will adhere to the fiscal calendar schedule for accurate management accountability.

Director of Finance and Management Committee will conduct an annual review of fiscal calendar and approve by consensus any amendments or revisions.

April	~ Directors ensure completion of fiscal year-end reporting requirements. ~ Director of Finance or delegated enters the fiscal year budgets in the accounting system.
May	~ Annual fiscal year audit
June	~ Draft audit review by Management Committee. ~ Annual government reports. ~ Management Committee review of expenditure and Variance Reports. ~ Notice Property Services & Management regarding Property Tax due date.
July	~ Finalize audit accepted by Management Committee and Council ~ Fiscal year-end adjusting journal entries ~ Property Tax- Due on the July 1 <sup>st</sup> .
August	~ Community accountability – General Assembly.
September	~ Management Committee review expenditure and variance reports.
October	~ Council budget planning. ~ Management Committee provides update to the current Strategic Plan. ~ Amended Annual Budget to Management Committee and/or Council for approval. ~ Finance preparation for mid-year audit.
November	~ Department development of strategic plans regarding budgets. ~ Mid-term audit. ~ Council approval of strategic plans.
December	~ Departmental and/or program(s) development of budgets. ~ Management Committee review expenditure and variance reports.
January	~ Management Committee initial review of budgets and strategic plans. ~ Capital planning and budgets.
February	~ FTA revenues confirmed. ~ Revenues estimates adjusted. ~ Management Committee recommends budgets and strategic plans to Council.
March	~ Council review and approval annual strategic plans and budgets. ~ Management Committee review expenditure and variance reports.

**Financial Policy and Procedure**

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**Audit Firm Appointment <sup>7</sup>**

SCOPE	Council and Management Committee
PURPOSE	Provide a fair and accountable process for appointing auditors for the annual fiscal year-end audit.
POLICY /PROCEDURE	Management Committee will recommend selection of an auditing firm to Council, who may renew the existing contract for audit services or direct Management Committee to issue a competitive tender call.

The Director of Finance will contact three prospective accounting firms in good standing with the Chartered Professional Accountants prior to September 1<sup>st</sup>.

The Director of Finance will request each firm to submit a proposal to conduct the annual fiscal year-end audit. The appointment of an audit firm will be for the duration of three-year term. The proposal will include:

- Expected cost
- Projected timeline
- Qualifications of staff
- Certifications of the auditing firm
- Proposed audit strategy
- Other details as necessary

A minimum of three proposals will be required for review. If required, a second call for proposals' will be conducted prior to February 1<sup>st</sup>.

Director of Finance will receive and compile auditing firm proposals for presentation to Management Committee for review and recommendation.

The Director of Finance will present Management Committee's recommended auditing firm selection to Council.

Council appoints the selected audit firm by council resolution.

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<sup>7</sup> Governance Act: Accountant: Appointment of auditor

**Financial Policy and Procedure**

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**Annual Audit <sup>8 9</sup>**

SCOPE Management Committee and Finance Department

PURPOSE Financial accountability within the management administrative structure; ensuring financial resources are appropriately expended.

POLICY /PROCEDURE VGFN financial records shall be audited or reviewed annually, in accordance with General Accepted Audit Standards.

The auditing firm will conduct the audit or audit review in accordance of GAAP, be required to submit the fiscal year-end reviewed financial statements no later than July 31<sup>st</sup> of the calendar year in which the fiscal year ends on March 31<sup>st</sup>, unless exceptional circumstances arise.

Director of Finance sets the date and time of the audit and liaises with the auditors regarding the fiscal year-end audit process.

Director of Finance and Finance Manager ensures that financial records are ready, accurate and complies with GAAP by the date agreed upon with the auditors.

Finance Manager ensures that all actual financial documentation is in good order and maintained in an efficient filing system.

Director of Finance and/or Finance Manager prepares the general ledger by reconciling and balancing all accounts, ensures that all adjusting journal entries have documentation support and booked into a journal entry binder/folder.

Directors are responsible for explaining changes in expenditures from the previous fiscal year-end and variances between budgets and actual for current fiscal year-end.

Directors and/or Managers are responsible for explaining questionable program financial changes that arise to the auditors.

Director of Finance and the auditing firm will present the draft fiscal year-end financial statements to Management Committee, then to Council for review and final approval.

Management Committee and the auditing firm must be available to present the approved fiscal year-end financial statements at the General Assembly; to answer any fiscal year-end financial statement enquiries.

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<sup>8</sup> Constitution: Article XVI-Financial Administration: Audit of accounts

<sup>9</sup> Governance Act: Annual audit; Supplementary report; Powers of the auditor

**Financial Policy and Procedure**

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**Management Committee** <sup>10</sup>

SCOPE	Management Committee
PURPOSE	Manages and accountable for the administrative financial affairs of VGFN government.
MEMBERS	Council appointed designates.
MEETINGS	Held as needed
AUTHORITY	The authority, duties and responsibilities of the Management Committee are established under <u>Governance Act</u> .

Management Committee is responsible for monitoring the fiscal year budget development and ultimately recommends the proposed budget to the Council for approval.

Council may refer or assign any matters relating to financial administration to the Management Committee.

Management Committee establishes the dates, normally every two weeks, and locations for meetings.

Minutes of these meetings and decision documents are recorded, and available to Council for review.

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<sup>10</sup> Governance Act: Management Committee directives

**Financial Policy and Procedure**

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**Financial Reporting**

SCOPE Management Committee and Directors

PURPOSE Ensure accurate and timely financial variance reporting to Directors, Management Committee and Council.

POLICY /PROCEDURE Directors will receive Financial Income Statement reports by the 15<sup>th</sup> of each month or the next business day (for the previous month) from the Finance Manager.

Management Committee will receive departmental Directors' final approved Financial Income Statement, Balance Sheet and Accounts Receivable reports at the next scheduled meeting from Director of Finance.

Management Committee can establish other periodic financial reporting as it deems appropriate.

Finance Manager will ensure all appropriate period batches are posted to the general ledger prior to generating the Financial Income Statement reports.

Directors will have one week, or five business days, to review the Financial Income Statement reports to identify errors or omissions to the Director of Finance.

Finance Manager will ensure appropriate authorization and documentation back-up is received from the Directors prior to posting program journal entry adjustments into the general ledger.

Finance Manager will complete approved revisions and provide revised Finance Income Statement to the respective department Director or designate by the 23<sup>rd</sup> of each month.

**Financial Policy and Procedure**

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**Public Monies<sup>11</sup>**

SCOPE Management Committee and authorized personnel

PURPOSE Ensure accountability regarding public monies.

**POLICY**

**/PROCEDURE** Management Committee is ultimately accountable for Council approved fiscal year administrative budgets.

Directors are accountable for approved fiscal year administration budget(s) and/or program(s) within their jurisdiction.

Every individual authorized to spend public monies will account for it in the manner provided under VGFN Government Constitution, laws, policies, procedures and regulations authorizing expenditures.

All monies will be accounted for according to Generally Accepted Accounting Principles (GAAP).

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<sup>11</sup> Governance Act: Division 1 – Revenue: Consolidated Revenue Fund; Collection and deposit of money; Disposition of fines

**Financial Policy and Procedure**

**Bank** <sup>12 13</sup>

SCOPE Management Committee and Director of Finance

PURPOSE Efficient financial institutions and accountability

**POLICY**

**/PROCEDURE** Management Committee is the final authority in the selection of banking institution.

No person will open or close a bank account for the receipt, deposit or transfer of public monies or trust monies except when authorized by Management Committee.

VGG will maintain separate authorized bank accounts but not limited to:

- General Operating
- Replacement Reserve
- Trust

Director of Finance and Finance Manager will ensure VGG obtains the best possible services from the banking institution.

Director of Finance in consultation with Management Committee will explore alternative banking institution, if the bank is not providing the best services.

Management Committee will recommend alternative banking services to Council for review and approval.

Bank accounts will be reconciled and balanced to the general ledger monthly by Finance.

The bank reconciliations will be reviewed and initialed by the Director of Finance.

Unreconciled amounts must be cleared before the next month’s reconciliation is prepared.

<b>Authority to open and close bank accounts</b>		
Chief	In conjunction with Executive Director or Director of Finance	Yes
Deputy Chief In the absence of the Chief and under the direction of the Chief	In conjunction with Executive Director or Director of Finance.	Yes
Executive Director	In conjunction with Chief or Deputy Chief or Councilor.	Yes
Director of Finance	In conjunction with Chief or Deputy Chief or Councilor	Yes
Councilor Appointed to Management Committee	In conjunction with Executive Director or Director of Finance	Yes

<sup>12</sup> Governance Act: Collection and deposit of money

<sup>13</sup> MCD: #3 – Persons authorized to open and close bank accounts; # 6 – Authorized Bank Accounts for Deposits

**Financial Policy and Procedure**

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**Investments** <sup>14</sup>

SCOPE Management Committee and Director of Finance

PURPOSE Guarantee interest income on public monies

**POLICY**

**/PROCEDURE** Director of Finance will estimate a six-month forecast of monies required for administrative disbursements; monies not required for immediate disbursements will be invested in a short-term cashable interest-bearing investment.

Director of Finance will investigate the best investment options by at least two recognized security-rating institutions and make an investment decision for approval by Management Committee.

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<sup>14</sup> Governance Act: Division 3 – Assets: Investments

**Financial Policy and Procedure**

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**Signing Authority<sup>15 16</sup>**

SCOPE Management Committee and Directors

PURPOSE To delegate and clarify signing authorities.

External: Cheques, bank transfers, contracts, contribution agreements or any other legal documents.

Internal: Contracts, cheque requisitions, purchase orders, and travel claims.

**POLICY**

**/PROCEDURE**

Council authorizes and delegate external and internal signing authorities by resolution or decision document to the Management Committee.

Finance department will receive copy of the passed resolution or decision document with list of the external and internal authorized signers and signing limitation.

Cheques require two authorized signatures; Bank transfers, contribution agreements, and other contractual legal document are signed by Management Committee or Council, unless otherwise authorized.

Delegates with signing authorities cannot authorize financial transactions to themselves or to members of their immediate family.

Appointed members of the Management Committee for external signing authority can endorse to the limitation set forth unless otherwise authorized.

Directors and Managers approve and signs employee’s internal expenditures in their jurisdiction to the limitation set forth unless otherwise authorized.

The Executive Director approve and signs all department Director’s expenditures claims to the limitation set forth unless otherwise authorized.

The Chief approves and signs the Executive Director’s expenditures claims.

Employees that temporarily assumes an “*ACTING*” appointment must sign documents with the appropriate position title.

Upon election of new Council, the Director of Finance will motion for a resolution or decision document naming the delegates for external and internal signing authorities.

Director of Finance will ensure that the appropriate forms are signed and filed with the financial institutions.

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<sup>15</sup> Governance Act: Senior management signing authorities

<sup>16</sup> MCD: #1 – Contract authorization and payment authority by public officers

**Financial Policy and Procedure**

**Signing Limitation**

<b>Authorized signers &amp; Signing limitation</b>			
	<b>In excess of \$100,000</b>	<b>Up to \$100,000</b>	<b>Sole <u>internal</u> authority</b>
Chief	In conjunction with Executive Director <u>and</u> Director of Finance	In conjunction with Executive Director <u>or</u> Director of Finance	Nil
Deputy Chief In the absence of the Chief and under the written direction of the Chief	In conjunction with Executive Director <u>and</u> Director of Finance	In conjunction with Executive Director <u>or</u> Director of Finance	Nil
Executive Director	In conjunction with Chief <u>or</u> Deputy Chief <u>and</u> Director of Finance.	In conjunction with Chief <u>or</u> Deputy Chief	\$50,000
Director of Finance	In conjunction with Chief <u>or</u> Deputy Chief <u>and</u> Executive Director	In conjunction with Chief <u>or</u> Deputy Chief	\$50,000
Signing Director In the absence of the Executive Director and under the written direction of the Executive Director	In conjunction with Chief <u>or</u> Deputy Chief <u>and</u> Director of Finance.	In conjunction with Chief <u>or</u> Deputy Chief	Nil
Councilors	Nil	In conjunction with Executive Director <u>or</u> Director of Finance	Nil
Directors	Nil	Nil	\$20,000
Managers	Nil	Nil	\$5,000
Other employees	Nil	Nil	Nil

**Financial Policy and Procedure**

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**Budget Process <sup>17</sup>**

SCOPE Council, Management Committee, and Directors

PURPOSE Management control of finances for fiscal year strategic plans.

**POLICY**

**/PROCEDURE** Administrative budgets will not exceed the FTA funding guaranteed for the forthcoming fiscal year.

Budgets will not carry a deficit without prior approval from Council.

Budgets and strategic plans preparation for the forthcoming fiscal year will be draft by December 31<sup>st</sup> by Directors with consultation of the Finance Director.

Directors by February 15 will present the final draft budgets and strategic plans for review and approval by Council.

Management Committee by March 15 will review, have dialog, and amend department draft budgets and strategic plans for final draft approval.

Director of Finance by March 20 will finalize the fiscal year budget, brief the Chief and Council and ensure the Appropriation Act is drafted.

Any contingencies such as adjustments, transfers, unforeseen activities or expenditures not budgeted for must be submitted in writing to Management Committee for presentation and recommendation to Council for approval of amendments to budget.

Any multi-year surpluses and expenditure must be submitted in writing to Management Committee for presentation and recommendation to Council for approval to carry forward into forthcoming fiscal year.

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<sup>17</sup> MCD: #9- Preparation of Budget Estimates

**Financial Policy and Procedure**

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**Budgetary Transfers** <sup>18 19</sup>

SCOPE Council, Management Committee and Directors

PURPOSE Outlines authorization and process for internal budgetary transfers allocations.

POLICY

/PROCEDURE Council approves internal aggregate departmental budgetary transfers exceeding one hundred thousand (100K) per fiscal year by Resolution.

Management Committee approves internal aggregate budgetary transfers exceeding Director’s limits up to one hundred thousand (100K).

Directors per budgetary transfers limits within their jurisdiction are in accordance with policy “Signing Limitation” Sole internal authority.

Budgetary transfers cannot infringe on funding resulting from or impacting a contribution agreement without funder permission.

Directors have authority and responsibility for management of budgets within their jurisdiction unless otherwise authorized.

Directors can propose budgetary transfers within their jurisdiction as long as overall fiscal year approved operating budgets are not surpassed.

Directors aggregate budgetary transfers cannot exceed one hundred thousand (100K) per fiscal year.

Directors have to consult with the Director of Finance for evaluation that budgetary transfer threshold is not exceeded and program funds are available.

Budgetary transfers can occur between program revenue categories or expenditure categories.

Directors are required to complete a Budgetary Transfer Authorization form or a memorandum or 3rd Party Funding transfer approval with appropriate authorization. The authorization form will include the following:

- Date
- Effective Date
- Account number
- Dept number
- Program number
- Fiscal budget
- (+) = To “Increase budget”
- (-) = From “Decrease budget”
- Reason for transfer
- Requestor name
- Authorization name/signature
- Director of Finance initials

Director of Finance will make the budget changes upon receiving the budgetary transfer authorization form or memorandum signed by appropriate parties.

**Restricted funds are excluded from this Policy**

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<sup>18</sup> Governance Act: Division 2 – Expenditure; Appropriation Acts

<sup>19</sup> MCD: #5 – Authorization for Directors with Respect to Budgetary Transfers

**Financial Policy and Procedure**

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**Unbudgeted Expenditures**

SCOPE	Council and Management Committee
PURPOSE	Guidelines for expending monies that are not approved in fiscal year budget, all efforts should be made to avoid expenditures under this policy.
POLICY /PROCEDURE	Council and Management Committee shall only make expenditures that are included in the approved fiscal year operating budget, capital budget, and supplemental budget or in accordance with this policy.

**Urgent Unbudgeted Expenditures**

Unbudgeted expenditure under one hundred thousand dollars (\$100K) which, due to legitimate timing reasons, cannot be brought to a forthcoming Council meeting is referred to as an Urgent Expenditure.

Management Committee shall have the jurisdiction to authorize an Urgent Expenditure.

Prior to approval by Management Committee, the proponent of an Urgent Expenditure shall provide a written request for the funds including the following:

- Purpose of the expenditure;
- Reason the expenditure is urgent and cannot be included in an annual or supplemental budget;
- Estimated expenditure supporting documentation; and
- Any ongoing financial, legal, political or social considerations related to the proposed expenditure.

Urgent Expenditure requests will be provided to the Director of Finance for confirmation of funding available to cover Urgent Expenditure to Management Committee.

If the Director of Finance does not or cannot confirm funding to cover the Urgent Expenditure the request cannot be brought to the Management Committee.

Management Committee will report approved Urgent Expenditures at the next scheduled Council meeting.

**Non-Urgent Unbudgeted Expenditures**

Unbudgeted expenditure under one hundred thousand dollars (\$100K) which is not time sensitive and can be brought to a forthcoming Council meeting is referred to as a Non-Urgent Expenditure.

Non-Urgent Expenditures must be approved by Council.

Non-Urgent Expenditures can be delayed until captured in new fiscal year budget process or can be brought to Council in the form of a supplemental budget.

Supplemental budget will follow the same development and approval process as set out in Budget Process policy.

## Financial Policy and Procedure

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### **Unbudgeted Expenditures**

Unbudgeted expenditure over one hundred thousand dollars (\$100K) is referred to as a Major Expenditure.

Major Expenditures must be approved by Council.

Major Expenditure will be initiated by a written proposal from its proponent including:

- Purpose of the expenditure;
- Reason the expenditure is urgent and cannot be included in an annual budget;
- Estimated expenditure including supporting documentation; and
- Any ongoing financial, legal, political or social considerations related to the proposed expenditure.

Major Expenditure requested will be provided to the Director of Finance for confirmation of available funding to cover the Major Expenditure to Management Committee to recommend to Council.

If the Director of Finance does not or cannot confirm funding to cover the Major Expenditure the request cannot be brought to Council outside of the annual budgeting process.

If the Director of Finance confirms funding and Management Committee approves that the Major Expenditure be brought to Council, the Major Expenditure will be brought to the next Council meeting as a supplementary budget that includes:

- The written proposal;
- Confirmation of funding;
- Management Committee recommendation.

**Financial Policy and Procedure**

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**Contribution Agreements<sup>20</sup>**

SCOPE Directors and Managers

PURPOSE Directors directive to obtain external funding; ensure accurate financial aspects and processing of legal binding contribution agreements documents are properly managed.

POLICY /PROCEDURE Initiating department negotiating for funding source with external agencies, will attempt to obtain the following:

- management or administration fee
- project budget schedule
- terms of payment
- project/financial reporting schedule

Initiating Director will ensure that contribution agreement proposal applications comply with the general ledger chart of accounts.

Upon initial receipt of an unsigned contribution agreement a copy will be delivered to the Finance department for internal filing and follow up.

Contribution agreements received will be reviewed by the Director and the Director of Finance to ensure terms, conditions and funding levels are acceptable.

Directors are responsible for presenting the contribution agreement to the Management Committee or designates for approval and signatures.

Contribution agreements will not be processed until the original agreement signed by all parties is received by Finance.

The Finance Manager upon receipt of original signed off contribution agreement, plus the project budget, department code, and general ledger account codes will start the accounting process.

The original signed contribution agreement will be internally stored in the Finance department; the initiating department will retain copies of documentation for their internal files.

Initiating departments with contribution agreements dependent on the submission of claim will provide copy of the claim to the Finance Manager for financial accountability prior to the submission to the funding agency.

Directors are responsible for ensuring reporting requirements are adhered to according to the contribution agreement requirements.

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<sup>20</sup> Governance Act: Contributions and grants received by the government

**Financial Policy and Procedure**

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**Financial Records**

SCOPE	Finance Department
PURPOSE	Financial records are safely stored and available for accounting and accountability purposes.
POLICY /PROCEDURE	Finance Manager is responsible for establishing an orderly financial filing system.

All current financial documents will be stored in secured filing cabinets that include but not limited to the following:

- Cheques
- Invoices
- Receipts
- Vouchers
- Expense claims
- Purchase orders
- Cheque requisitions
- Contracts
- Contribution agreements
- Grant agreements
- Legal documents
- Communications

Current and previous fiscal year financial records will be kept in the Finance department.

All stored financial records must clearly indicate fiscal year and contents and stored in storage for up to seven years; at which time files older than seven years can be destroyed in accordance with the ruling by Canada Revenue Agency with the authorization of Council.

**Financial Policy and Procedure**

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**FINANCIAL OPERATIONS <sup>21</sup>**

**Purchasing**

SCOPE Management Committee, Directors and employees

PURPOSE Provide a uniform and systematic method of purchasing the goods and services required; define the responsibilities and authorities; clarify the purchasing requirements and limitations.

POLICY /PROCEDURE This policy applies to all budgets administered regardless of source of funds.

The authority to delegate funds for purchases of supplies, materials, services, and equipment is granted solely to the respective departmental Directors in consultation with Management Committee, unless otherwise authorized.

Purchases will be made in accordance with the Signing Authority and Signing Limitations policy; subject to approved departmental budgets and contribution agreements; purchase orders over \$5,000 subject to policy guidelines Tangible Assets.

**Credit Card**

Director of Finance will be the final authority to assign credit cards to Council or employees'; credit cards will be kept in a secured place; Finance will keep a log of Council or employees issued a credit card for expenditures. The credit card log will include the following:

- Credit card number
- Employee's name
- Date issued/requested
- Expense, department program code
- Payee name
- Amount
- Brief description
- Signature (*Signing Authority/Limitations policy*)
- Date returned

Credit cards will only be used for departmental expenses and under no circumstances be used for personal expenses.

Credit cards will only be used in circumstances when a purchase order will not be accepted; subject to available credit on the credit card; with the authority of Executive Director or Director of Finance or designate delegate.

The Council members or employees that are issued the use of credit card(s) is responsible for submitting the prepaid invoice to Finance promptly; Accounts Payable employee will store and log receipt of the prepaid invoice for reconciling the credit card statement.

Finance will notify the credit card holder of item not confirmed by receipt if not resolved, the Executive Director and/or Director of Finance will be notified prior to any action being taken to notifying the credit card company.

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<sup>21</sup> Financial Policy and Procedure: Signing Authority: Signing Limitations

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**Financial Policy and Procedure**

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**Petty Cash**

Finance Manager will manage Petty Cash fund of no more than Two Hundred dollars (\$200).

Finance Manager and/or designated employee will approve and authorize Petty Cash expenditures.

Petty Cash voucher(s) will be completed and signed off by employee(s). Petty Cash voucher slip will include the following:

- Date
- Cash amount
- Reason for requests
- Expense, department, program code
- Employee's name
- Director's Signature

The Petty Cash delegates are responsible for balancing and submitting a replenishment cheque requisition including vouchers and expenditure receipts attached prior to month-end.

**Purchase Order**<sup>22</sup>

Finance will maintain electronic filing log of issued purchase orders allocated.

Purchase orders are issued to vender agencies and signed by the respective Director or by an authorized designated signing authority. The Purchase order form must include:

- Date
- Payee name
- Amount or quote
- Brief description
- Expense, department, program code
- Employee's name
- Director's Signature

**Goods and Services Tax**

Finance will calculate and code the GST on payables and receivables into the appropriate Balance Sheet Accounts.

Finance will verify that the GST is calculated correctly and that the vender has a valid GST number on the payable and receivable documentation.

Finance Manager will complete a GST rebate application according to rebate schedule set by Canada Revenue Agency

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<sup>22</sup> Finance Policy & Procurers: Signing Authority

**Financial Policy and Procedure**

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**Payment Control and Restrictions <sup>23</sup>**

SCOPE	Management Committee and employees
PURPOSE	To outline, controls and restrictions on all expenditures related to administrative operations.
POLICY /PROCEDURE	All expenditures are subject to approved departmental budgets; expenditures outside of budget are subject to <u>Unbudgeted Expenditures</u> .

Specific Expenditures policies and procedures in this policy manual will be subject to this policy.

**Payment Authorization**

No payment will be issued unless a requisition for payment containing the required supporting documentation is processed. Required supporting documentation as follows:

- Cheque requisition with appropriate documentation
- Invoice with purchase order
- Contract or memorandum of understanding
- Travel claim form with appropriate documentation

Cheque requisitions, purchase orders, travel claims, and contracts or memorandums must include:

- Date
- Vender name
- Expense, department, program code
- Receipt or invoice
- Brief description
- Payment amount
- Signature (Signing Authority policy)

At the discretion of the Director of Finance, expenditures will not be processed until contribution agreements or other agency funder’s monies are available, unless authorized by Management Committee or Council.

The authority for an employee to sign requisitions for payment, extends only to expenditures for which the respective employee has assigned responsibility subject to Signing Authority and Signing Limitation policy.

**Payment Processing**

Finance will process payable invoices with accompanied purchase orders appropriate account, departmental and program coding and signed by the respective Director.

Invoices without purchase order, must be accompanied by a cheque requisition authorized by the Director with appropriate account, departmental and program coding.

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<sup>23</sup> Finance Policy and Procedures: Unbudgeted Expenditures; Signing Authority; Signing Limitation

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**Financial Policy and Procedure**

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Invoices in excess of an approved purchase order, will not be process without the authorization of the Director.

Travel claims must be accompanied by expense receipts; contracts, memorandum of understanding, or any other legal payable must be accompanied by a cheque requisition.

Finance will not process documents that do not constitute a payable invoice as a statement of account, packing slip, a quote/estimate for services or products, documents that are not itemized, detailed service being rendered or vendor printout slips showing only total amounts (Visa, debit, etc.).

**Payables – Fiscal Year-end** <sup>24</sup>

Directors are responsible to ensure purchase orders, payable receipts, and cheque requisitions for outstanding expenditures are submitted to Finance for entry into payable accrues prior to April 25<sup>th</sup>, unless multi-year surpluses and expenditure applies Budget Process policy.

All relevant fiscal year-end accrues will be processed prior to April 30<sup>th</sup>, upon submission of the “**Trial Balance**” to the auditors, no further transactions will be posted to the previous fiscal year-period without consulting with the auditors.

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<sup>24</sup> Finance Policy and Procedures: Budget Process

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**Financial Policy and Procedure**

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**Accounts Payable** <sup>25</sup>

SCOPE Management Committee and employees

PURPOSE Guidelines and controls for the processing of Accounts Payable.

**POLICY**

**/PROCEDURE** Accounts Payable is responsible to ensure vendors and subsequent payment transactions are accurately recorded in Accounts Payable system.

Accounts payable cheques are released twice a month, on the 15<sup>th</sup> and 30<sup>th</sup>, regardless of terms.

Accounts Payable will review payable documents before processing according to Payment Controls and Restrictions policy.

Directors are responsible to ensure relevant information is accurate on payable documentation. Payable documents found with errors or omissions will be returned to the department for correction.

Accounts Payable will ensure invoices and receipts match to purchase orders and cheque requisitions, if there are discrepancies all relevant documentations will be returned to the issuing department for correction or authorization.

Accounts Payable will attempt to ensure that no duplicate payments are processed, especially when payable documentation are photocopies, fax copy or email.

Accounts Payable will process the details of payables and process payment cheque on the next run, in accordance Finance procedures as follows:

- Payables will be posted to the period in which the expenditure incurred.
- Payments will be posted to the period the cheque run was processed.

Only two accounts payable runs will be processed each month. In order to have payables processed in the run, all documentation must be in Finance prior to three days of the payable run.

The Finance Manager is responsible for reviewing and initialing invoice batches prior to cheque run and for posting the batches to the general ledger.

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<sup>25</sup> Finance Policy and Procedures: Payment Controls and Restrictions

**Financial Policy and Procedure**

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**Deposit of Public Funds <sup>26</sup>**

SCOPE Management Committee and Finance Department

PURPOSE Regulate the deposit of all public monies physically received and ensure accountability.

POLICY /PROCEDURE Public monies are deposited the last business day of the week and un-deposited monies for a given month will be deposited no later than the last business day of the month.

All deposits will be made within one day after the preparation by the Finance Manager or designated delegate.

Finance Manager will review and compare the deposit to the receipt book for deposit accuracy and acknowledge accuracy by initialing the copy of the deposit slip.

Finance Manager or designated delegate is responsible for scanning or photocopying cheques for bank reconciliation.

Accounts receivable will process and file documents on appropriate bank and receivable files with all pertinent documents.

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<sup>26</sup> MCD: #6 – Authorized Bank Accounts for Deposits

**Financial Policy and Procedure**

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**Accounts Receivable**

SCOPE Management Committee and employees

PURPOSE Control, accuracy, and accountability of Accounts Receivable

POLICY /PROCEDURE Directors or delegates are responsible for ensuring pertinent documentation with the payment conditions are submitted to Finance as listed below but not limited to:

- Rental units' agreements
- Renovation agreements
- Water delivery invoices
- Pump outs invoices
- Road maintenance invoice
- Day care invoices
- External sponsorship agreements
- Payroll deduction agreements
- Loan agreements
- Emergency reimbursements
- Travel reimbursements
- Education reimbursements

Directors must ensure pertinent receivable documentation for processing pertain the following information:

- Customer name
- Customer address
- Total amount receivable
- Payment conditions
- Brief description
- Background documents
- Revenue, department, program code
- Customer and Council or Director Signature

Accounts Receivable will apply a monthly interest charge on overdue receivables over 30 days upon authorize from Management Committee.

Accounts Receivable will run monthly invoices and customer statement for mail out within five business days after month-end; run a monthly period end Receivable Summary Statement for submission with Financial Income Statement to Management Committee.

Accounts Receivable or designated finance delegate will issue, initial or sign off the payees or customer receipts for cheques or cash received in numerical receipt book.

The receipt book is a three-part form and distribute as follows:

- Original to payee or customer.
- Duplicate for processing and attachment to receivable invoice and file.
- Triplicate kept in receipt book for month-end balancing.

The receipt book must include:

- Date
- Payee name
- Cheque number or Cash
- Amount
- Revenue, department, program code
- Reference description

Finance will establish **Public Uncollectable Write-off list** and a **filing system** for customer files for storage.

## Financial Policy and Procedure

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Accounts Receivable is responsible for up-dating the Public Uncollectable Write-off list and pull customer file for storage in uncollectable filing system, when directed by Director of Finance with approval from Management Committee and/or Council.

Accounts Receivable will put the customer's account on **hold status** until the Director of Finance or auditor completes fiscal year-end adjusting journal entry.

### **Receivables Collection**

Director of Finance will contact the Directors about outstanding receivables initiated from their department, and provide copy of customer statement, and copies of all outstanding invoices, to start the process of appropriate steps for collecting outstanding receivables that are ***ninety days*** overdue.

All communications with the customer must be documented and forwarded to the Account Receivable for filing on customer's file. Such as follows but not limit to:

- Verbal conversation with customer should be noted in a memo with date, time, who the contact person was and conclusion results.
- Meeting with customer should be noted in a memo with date, time, who was presiding and conclusion results.
- Copies of collection letters mailed to customer.

Upon all efforts to collect the outstanding receivable has been exhausted with negative results, the Director will advise the Director of Finance or Management Committee for consideration to add customer to the doubtful receivable list.

Upon Management Committee approval to add the customer to the doubtful receivable list, the Director in writing will notify the customer that their account has been moved to the ***Doubtful Receivable***, and is no longer eligible for credit, and that this action does not waive the right for future collection action.

Director of Finance will notify the Accounts Receivable to put the customer's account on **hold status**.

### **Public Uncollectable Write-off**

Prior to fiscal year-end the Director of Finance will present ***Doubtful Receivables*** to Management Committee for review and determination as to which customer accounts are uncollectable.

Management Committee can deem customers with debt up to authorized amount delegated by Council as uncollectable and authorize ***Write-off***. Any debt above allotted amount Management Committee must present to Council for approval of ***Write-off***.

Director of Finance will forward the ***Write-off*** list and authorizing documents that was approved by Management Committee or by Council to the auditors and Accounts Receivable for fiscal year-end and closure of customers' receivable sub-ledger account.

**Financial Policy and Procedure**

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Director of Finance in writing will notify the customer that their account has been ***Written-off***, and that this action does not reinstate, qualify or make them eligible for credit; that this action does not waive the right for future collection action.

**This policy does not apply to forfeiture; fine, monetary penalty, tax, royalty, fee or other sum imposed or authorized to impose by any law.**

**Financial Policy and Procedure**

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**Payroll Control and Processing** <sup>27</sup>

SCOPE Management Committee and employees

PURPOSE Ensure payroll is processed in timely manner.

POLICY

/PROCEDURE Employees will receive pay compensation for **services rendered** on a bi-weekly basis in accordance with authorized pay period schedule subject to Human Resource Policy, 9.3 Payroll Schedule and Deposits.

Payroll advances will only be granted in accordance with Human Resource Policy.

Payroll statutory, garnishments, and/or voluntary deductions will be deducted bi-weekly or monthly or upon employee’s authorized notification of payroll deduction submitted by Human Resources.

Payroll will ensure payroll deductions are submitted to the appropriate agencies prior to the next payroll run.

Human Resources will be responsible for compiling all necessary employment documentation on new employees; revisions on existing employees; ensuring Payroll receives information in a timely basis. Document information required but not limited to as follows:

- TD 1 (Federal and Yukon)
- Legal name
- Social Insurance number
- Birthdate
- Bank information
- Mailing address
- Date of hire
- Wage rate
- Status of employment
- Authorized deductions
- Department and program code
- Director’s name

Conclusion of employment in accordance with Human Resource Policy; Human Resources and Director are responsible for notifying Finance of the termination in writing containing the following information:

- Legal name
- Date of termination
- Reason of termination
- Authorized payout
- Authorized deductions
- Benefit entitlement

Approved timesheets are required to be submitted bi-weekly to Finance Monday morning by 10am, for finalization by Tuesday afternoon, ensuring Friday morning payroll payments.

Directors are responsible for employee timesheets in accordance with Human Resource Policy “Section 9.0 to 9.16”.

Finance will not process timesheets without the appropriate authorizations or valid attached documentations. Payroll documents must be approved and signed by the

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<sup>27</sup> Human Resources Policy February 2022: 9.14 Pay Advances and Loans; 9.15 Garnishee of Wages; 9.16 Employee Approved Additional Payroll Deductions; 14.8 Termination; 14.9 Voluntary Termination (Resignation); 14.10 Notice of Termination and Severance

## Financial Policy and Procedure

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employee and Director or designated Manager or supervisor before submitting to Finance.

Employees are responsible for completing their timesheets and ensure relevant benefit documentations are attached for the appropriate pay period.

Directors must ensure all pertinent payroll documents are submitted by Monday 10:00 am following the end of the current pay period; timesheets not submitted by the deadline will be added to the next bi-weekly payroll processing.

Payroll will verify the accuracy of the documentation submitted and will notify the relevant Director of errors or omissions; Directors will be responsible for notifying the employee and requiring the relevant documents by the end of the workday on Tuesday.

Finance Manager must review and approve payroll data prior to the payroll processes, the electronic direct deposit transfer, or manual cheque run.

Pay adjustments required to employees' pay after completion of the payroll run will be processed on the following pay period; except in exceptional circumstances with the authorization in writing of the Director.

The final payroll payments file must be authorized in accordance with the Authorized Signers and Signing Authority Limits prior to being submitted for processing and payment.

**Financial Policy and Procedure**

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**SPECIFIC EXPENDITURES**

**Travel Regulations and Claims <sup>28</sup>**

**SCOPE** Management Committee, employees and delegates traveling on government related business.

**PURPOSE** Ensuring regular and extended travel claims are justified.

**POLICY /PROCEDURE** Travel rates will be reviewed each new fiscal year in April; travel payment will be based on current authorized rates.

Employees or delegates traveling on business must submit a brief written report describing the meeting, workshop or course attended to the Director or designated delegate for submission to Management Committee or Council.

Employees or delegates for safety will not be expected to drive more than the scheduled below:

- 200 kilometers after working a full day
- 420 kilometers after having worked one half a day
- 640 kilometers on any day when the employee has not worked.

Airfares and hotels are paid with a purchase order or credit card, unless a third-party organization/agency is directly covering cost.

Travel between an employee’s or delegate’s place of residence and place of employment will not be considered for reimbursement.

Any traveler that receives and cashes a travel advance or claim cheque but fails to travel will be required to reimburse the total travel advance amount. It will be the responsibly of the issuing Director or designated delegate that authorized the travel to initiate the repayment process and notify the Director of Finance or Finance Manager.

Employees or delegates who do not attend the full session; must repay full or portion of travel costs received unless session absence was unavoidable and the Director or designated delegate approves the reason for absentee.

Employees or delegates traveling; where vacation or personal time occurs in conjunction with extended or regular business travel must clarify which days are vacation or personal days; hotel, meals, incidentals, transportation or any other costs occurred will not be covered for that portion of the trip.

When employees or delegates receive travel payment or advances; another organization/agency covers or reimburses travel costs; the traveler must ensure that payment is issued to the VGG or endorse payment over to VGG or reimburse travel amount to VGG.

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<sup>28</sup> Travel Policy

## Financial Policy and Procedure

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Meals will not be charged to the room; any room up-grades from standard or per-booked block and personal cost will be the cost of the traveler, listed below but not limited to:

- Deluxe room
- Kitchenettes
- Pet fees
- Pet damages
- Long distance calls
- Movie rentals
- Laundry
- Other personal costs

Employees or delegates authorized to rent a vehicle; all associated rental costs, gas purchase based on receipts will be reimbursed.

Reimbursement requests by employees or delegates such as taxi fares, business calls, fees or any other business costs require receipts and approval from Director or delegate.

Employees or delegates using personal vehicle will be reimbursed for mileage upon submission of authorized travel claim at current travel rate; Directors must ensure that employee or delegates traveling or carpooling on VGG business have comprehensive insurance; Finance reserves the right to confirm proof of insurance before authorizing payment of travel advance or claim.

**Travel Expense Summary** is an electronic form; each Travel Expense Summary shall be given a unique number (i.e., HR001-A for travel advance and HR001-C) for travel claim.

### **Advances**

Travel advance payment must be submitted five (5) business days prior to travel; travel out-side the Yukon will not exceed 75% of estimated travel expenses; Directors or delegates are responsible for ensuring Travel Expense Summary-Advance is properly filled out, coded, and authorized.

### **Claims**

Employees or delegates must complete the Travel Expense Summary- Claim with appropriate expenditure receipts attached within the first business day of return; Directors or delegates are responsible for ensuring it is properly filled out, coded and authorized; travel claim cheques will be processed on 15<sup>th</sup> and 30<sup>th</sup> in accordance with **Accounts Payable** policy.

Employees or delegates that have an outstanding travel claim will not receive another travel advance until the Travel Expense Summary-Claim has been submitted.

## Financial Policy and Procedure

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### Honoraria <sup>29</sup>

SCOPE	Employees, Delegates, Citizens, and Committee members
PURPOSE	Ensure consistency and fairness in compensating for time spent at meetings related to government business.
POLICY /PROCEDURE	Honoraria are restricted to budgetary restrictions limitations, honoraria rates range between <u>One Hundred dollars</u> (\$100) to <u>Four Hundred dollars</u> (\$400) depending on nature of meeting.

A base honorarium will be paid to delegates on official, pre-approved business at the daily rate as follows:

- One hundred dollars (\$100) for attendance of one (1) hour or less;
- Two hundred and Fifty dollars (\$250) for attendance of one (1) hour up to three (3) hours;
- Four hundred dollars (\$400) for attendance of three hours or more.

Delegates will receive compensation according to attendance; it is the delegate's responsibility to notify the person recording attendance that they are present; honoraria are not paid for travel days.

Delegate representatives that are required to travel will receive travel per diems in accordance Travel Regulations and Claims policy.

Employees and/or delegates receiving honoraria compensation from another organization/agency must ensure that payment is issued to VGG or endorse compensation payment over to VGG or reimburse honoraria amount back to VGG.

Directors and/or designate will set-up a receivable for reimbursement of government monies, when delegate representatives retain both VGG and organization/agency portions of the honoraria compensation amounts.

Directors will ensure an employee that retains the other organization/agency honoraria compensation amount, submit a leave for vacation or leave without pay form.

Directors and/or designates are responsible to ensure that individuals are aware of the requirement to fill out TD1 forms which are available from Human Resources.

Human Resources will be responsible for compiling TD1 forms (Federal and Yukon) on individuals receiving honoraria in accordance with Canada Revenue Agency regulations, and ensuring Finance receives the required documents.

Human Resources is responsible for reviewing the Honoraria or Gift Payment form for completeness and assess if an employer-employee relationship exists; verifying that the employee delegate took employment leave.

Finance will not process honoraria without the appropriate valid documentations, honoraria documents must be certified by the delegate and authorized by the appropriate representative; Council, Management Committee, Director or designated delegate.

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<sup>29</sup> Human Resources Policy: Honoraria and Gift Policy

**Financial Policy and Procedure**

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**Hospitality**

SCOPE	Council, Management Committee and Delegates
PURPOSE	Foster good will relationships with public, business associates, governments, and regional/national/international organizations.
POLICY /PROCEDURE	Delegates entertaining is responsible to submit a briefing report which should include: <ul style="list-style-type: none"><li>• Organization or individuals hosted</li><li>• Business subject</li><li>• Conclusion results</li></ul>

Hospitality expenses may be incurred for representatives that are in a position to provide a benefit to the government, as follows but not limited to:

- Meal expenses
- Transportation
- Public entertainment/events

Hospitality expenses will not exceed One Hundred dollars (\$100) per guest plus Twenty per cent (20%) gratuity, and will not include any alcohol or recreational drugs.

Hospitality guests should not exceed four (4) unless prior authorization and budgetary restrictions allow. Hospitality expenditures exceeding approved amount or the number of guests will require justification to Management Committee or Council.

Delegates have to fill out a cheque requisition that includes the names of the attendees with relevant hospitality claim and receipts attached in accordance with Payment Controls and Restrictions plus briefing report.

Hospitality claim form with substantiation for entertainment extended during travel will form part of the travel claim record.

## Financial Policy and Procedure

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### Contracts for Services <sup>30 31 32</sup>

SCOPE Contractors, Professionals, and Citizens

PURPOSE Financial resources are used efficiently and quality services are contracted at competitive prices.

POLICY

/PROCEDURE Contractor qualification and classification must be in accordance to Canada Revenue Agency guidelines or else will be considered as an employee. Contractors are defined by Canada Revenue Agency **as an individual or business that has control of their work process and time, retain ownership of their tools and incur business risk.**

Contracts are restricted to budgetary restrictions limitations; must adhere to the guidelines of Human Resources, Conflict of Interest.

Contracts will not be offered to individuals that have an outstanding receivable with the government, unless a repayment agreement is in place and being honored. Director of Finance or delegate will provide a statement of standing to the Director issuing the contract.

Directors and Director of Finance will be responsible for conducting due diligence on all contracts for service, to establish classification of the **contractor**, and completeness prior to signing, acknowledging review by initialing document pages.

Original copy of contract and contract amendments must be signed by all parties involved and distributed as follows:

- Original contract to Finance
- Duplicate to Contractor
- Triplicate to issuing Department

Any contingencies such as adjustments, transfers, unforeseen activities or expenditures not budgeted for must be submitted to Management Committee by the Director for presentation and recommendation to Council for approval of amendments to budget or timeline.

#### Budgeted Contracts

Must be authorized in accordance with the Authorized Signers and Signing Authority Limits policy prior to being submitted for processing and payment.

#### Contracts Funded Through External Agencies

Must be authorized in accordance with the Authorized Signers and Signing Authority Limits policy prior to being submitted for processing and payment.

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<sup>30</sup> MCD: #13 – Consultant/Contractor Policy and Contract Template

<sup>31</sup> Human Resources Policy: 2.4 Conflict of Interest

<sup>32</sup> Finance Policy and Procedure: Signing Limitation; Unbudgeted Expenditures; Payment Controls and Restrictions

## Financial Policy and Procedure

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### Unbudgeted Contracts

Unbudgeted contracts for funding re-allocation must abide to Unbudgeted Expenditure policy.

Standard Form Contract must include but is not limited to:

- Service terms and conditions
- Start and ending date
- Payable contract total
- 10% holdback if applicable
- Payment schedule
- Payment requirements
- Payment processing
- GST number if applicable
- WCB number if applicable

Finance will not process payment without a Cheque Requisition with relevant documentation attached in accordance with Payment Controls and Restrictions policy.

**Professional Services are excluded from this Policy**

**Financial Policy and Procedure**

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**Professional Services <sup>33</sup>**

SCOPE	Legal, Consultants, Citizens, and arms-length individuals
PURPOSE	Resources and specialized services for the advancement of the government administration
POLICY /PROCEDURE	Professional services are chosen on a competitive basis and must comply with policy <u>Contracts for Services</u> policy approved by the appropriate Director or Management Committee.

Contracts for professional services shall be a standard contract approved by Management Committee.

Professionals for services over Signing Limitation will be tendered for selection of the best expertise requirements. Professional individuals or firms must bid in order to be considered. Selection criteria shall be established before placing tenders for bid. Criteria should cover:

- Terms of reference
- Combination of qualifications
- Expertise in field.
- Past work experience
- Local hire preference

Contracts for professional services should stipulate the length of contract, payment schedule, and amount of contract.

Any contingencies such as adjustments, transfers, unforeseen activities or expenditures not budgeted for must be submitted to Management Committee by the Director for presentation and recommendation to Council for approval of amendments to budget or timeline.

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<sup>33</sup> MDC: #13 – Consultant/Contractor Policy and Contract Template

## Financial Policy and Procedure

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### PURCHASING

#### Tangible Assets <sup>34</sup>

SCOPE Management Committee and Directors

PURPOSE To record and track all tangible assets and their net book value.

#### POLICY

/PROCEDURE Tangible assets purchased and/or controlled by government of VGG that confers a reasonably estimated future economic benefit will be recorded in the appropriate asset account. Tangible assets will be assigned an inventory number and be firmly affixed to the asset.

**Purchase** of assets is subject to the availability of funds. Purchase of assets not budgeted for are to be dealt with as follows:

- Council authorizes the acquisition of an asset exceeding Signing Limitation policy.
- Management Committee authorizes the acquisition of an asset less than or equal to Signing Limitation policy.
- Directors approve by signing off purchase orders and invoices relating to the acquisition of the assets.

In accordance with Canada Revenue Agency ruling, where possible, any expenses incurred in order to put a tangible asset into service will be considered for inclusion in the cost of the asset.

Purchasing assets with contribution agreement funds, Directors must ensure the purchase of the asset is allowed under the terms of the contribution agreement.

Purchases less than Five Thousand dollars (\$5K) will not be considered for inclusion in the asset pool and be recorded as an expense in the relevant department program.

A detailed Master **Tangible Assets Ledger** with original purchase documents and warranties will be maintained by Finance; Departmental internal **Tangible Assets Sub-Ledger** with copies of original purchase documents and warranties will be maintained by Directors. The Tangible Ledgers will include:

- |                        |                                 |
|------------------------|---------------------------------|
| • Date acquired        | • Asset serial numbers          |
| • Department code      | • Asset model numbers           |
| • Asset location       | • Asset purchase cost           |
| • Asset classification | • Asset inventory number        |
| • Asset description    | • Contribution Agreement number |

Department of Government Services and/or Directors will address warranties or extended warranty matters brought to its attention regarding ***tangible assets***.

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<sup>34</sup> MCD: #2 – Disposition of public property; #11 – Fixed Assets

**Financial Policy and Procedure**

Prior to fiscal year-end a departmental inventory of respective assets will be completed and copy of the department inventory list will be sent to Finance for comparison against the tangible assets’ ledger.

Director of Finance determines the category that the fixed asset will be classified according to the following fixed asset chart:

<b>Fixed Asset Category</b>	<b>Threshold</b>	<b>Useful Life</b>
Buildings - Residential	\$20K	25 years
Buildings - CMHC housing	CMHC Agreement	CMHC Agreement
Office Equipment (computers, hardware, photocopiers, software, etc.)	\$1K	3 years
Equipment (tools, generator, etc.)	\$1K	5 years
Furniture & Fixtures (household appliances, monitors, etc.)	\$1K	5 years
Heavy Equipment	\$10K	10 years
Commercial Buildings	\$20K	25 years
Land	Nil	Infinite
Land development & Fixtures (telephone, electrical, sewer & water, etc.)	\$50K	40 years
Leasehold improvements	\$5K	Lease term
Tank Farm	\$10K	20 years
Recreational facilities (playgrounds, skating rink, etc.)	\$20K	20 years
ATVs, Snow Machines, boats, etc.	\$5K	4 years
Vehicles (over 1 ton)	\$20K	10 years
Vehicles (up to 1 ton)	\$20K	5 years

**Disposal** of tangible assets will be dealt with as follows:

- Council authorizes the disposal of assets exceeding Fifteen Thousand dollars (\$15K) depreciated value.
- Management Committee authorizes the disposal of assets up to Fifteen Thousand dollars (\$15K) depreciated value.

Disposal of Asset form will be submitted to Management Committee by the Director for review and approval. Assets over authorized limited will be presented for review and approval to Council by Management Committee. The Disposal of Asset form will include the following:

- Asset documentation
- Department code
- Asset location
- Asset inventory number
- Asset serial numbers
- Asset model numbers
- Asset disposal price
- Disposal method
- Reasons for disposal
- Contribution Agreement number

## Financial Policy and Procedure

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Management Committee is responsible to provide the Disposal of Asset forms including asset documentation for removal from the **Tangible Assets Ledger** to Finance.

Assets as a result of loss, burglary, fire, vandalism or destroyed have to be reported by employees in writing to the Director. Directors will present the report to Management Committee for consideration of **write-off** and copy of report will be forwarded to Council.

**Write-off** of tangible assets lost, burglary, and deemed irretrievable; assets destroyed by vandalism; assets destroyed by fire; a relevant write-off form and appendix approval document or memorandum from Management Committee will be forward to Finance for audit processing.

At fiscal year-end the Director of Finance will review the **Tangible Assets Ledger**, sample for accuracy, prepare adjusting entries and depreciation calculations.

Tangible assets are subject to the ***Half Year Rule***, which limits depreciation to half the normal value in the year of acquisition. Depreciation rates will be determined in accordance with Canada Revenue Agency corporate methods. No depreciation will be calculated on assets disposed of in the fiscal year.

