

Finance Policy

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1. Purpose

To provide direction to Mackenzie Valley Environmental Impact Review Board (Review Board) Staff, Board members and Panel members on financial planning, control and reporting.

2. Principles

- 2.1 Financial planning is essential to ensuring activities are carried out in an effective, efficient and strategic fashion, with the full involvement of responsible staff and Board members.
- 2.2 Financial control is essential to ensuring funds are maintained in a manner consistent with accepted accounting practices.
- 2.3 Quality and timely financial reporting is essential to ensuring funds received are used in a manner for which they are intended for control and planning purposes and to meet the conditions of funding agreements.
- 2.4 All expenditures shall be related to the conduct of Board business.

3. Definitions

- 3.1 “Expenditure” means the spending of Review Board funds.
- 3.2 “Funding Agreements” means agreements whereby funds are being received by the Review Board for performance of its mandate or related matters.
- 3.3 “Service Contracts” refers to contracts for goods and services including professional services.
- 3.4 “Hospitality” means expenditures for goods and services in support of building stakeholder relations.
- 3.5 “Gifts” means any gratuity, discount, entertainment, hospitality, training, transportation, lodging, meals, or other item that constitutes a personal benefit to the recipient.
- 3.6 “Payment Authority” means those persons authorized to make payments consistent with this Policy and Review Board funds available.
- 3.7 “Spending Authority” means those persons authorized to commit funds within specified limits and in accordance with this Policy.
- 3.8 “Capital Asset” means non-financial assets having physical substance that is acquired, constructed or developed and that:

- i) are held for use by the Review Board;
- ii) have a useful life extending beyond a year and are intended to be used on a continuing basis;
- iii) are not intended for sale in the ordinary course of operations; and
- iv) have a unit cost of \$3,000 or more.

4. Applicability

- 4.1 This policy applies to the Review Board, which includes: the Chief Executive Officer, Board members, Panel members, Executive Director and staff.

5. Finance General

- 5.1 The fiscal year for the Review Board is April 1 to March 31.
- 5.2 Funds shall be maintained in one or more bank accounts and a \$500.00 petty cash fund.
- 5.3 The Review Board shall have an Executive Director and such staff as necessary to carry out its functions in a fiscally responsible manner.
- 5.4 The Executive Director is ultimately responsible for overall Review Board budgetary control.
- 5.5 The Executive Director may develop guidelines and procedures consistent with this policy.

6. Finance Planning

- 6.1 The Executive Director, working with the Board, shall be responsible for development of a Three Year Strategic Plan. The Three Year Strategic Plan shall be updated by September 15 every three years or as otherwise directed and be approved by the Review Board.
- 6.2 The approved Three Year Strategic Plan shall be submitted to the Minister of Aboriginal Affairs and Northern Development (AANDC) for departmental information and comment.
- 6.3 The Executive Director, working with the Chair, shall be responsible for preparing an annual Expenditure Plan through a process that involves Board members and staff. The Expenditure Plan shall include a detailed budget based on funding levels provided by AANDC for the forthcoming fiscal year, and shall be approved by the Review Board.

- 6.4 The approved Expenditure Plan shall be submitted to the Minister of AANDC for consideration prior to March 31 of each year unless otherwise directed by the Review Board.

7. Finance Control

General

- 7.1 All expenditures require the signature of two Payment Authorities.
- 7.2 All Funding Agreements require the signature of the Executive Director and Chief Executive Officer.
- 7.3 The Executive Director shall ensure all delegated Spending Authorities and Payment Authorities are maintained in accordance with accounting principles recommended by the Canadian Institute of Chartered Accountants or its successor and the relevant provisions of the Financial Administration Act (Canada).
- 7.4 The Executive Director shall ensure that expenditure authorization controls are enforced.
- 7.5 The Executive Director shall assign the specific budget allocation against which designated staff may exercise their respective delegated Spending Authority.
- 7.6 Spending Authority must not be exercised if it will cause the Review Board to exceed its total approved annual budget.
- 7.7 Where proposed expenditures will cause the Review Board to exceed its total approved budget, the Board must be informed immediately.
- 7.8 Where commitments are incurred that span more than one fiscal period, the required Spending Authority is limited to the total expected commitment over the entire life of the commitment.

Delegation of Spending Authority and Payment Authority

- 7.9 The Board shall delegate Spending Authority to the Chief Executive Officer and Executive Director within the limits specified in this Policy.
- 7.10 The Executive Director may delegate Spending Authority to staff for specific budget allocations within the limits specified in this Policy.
- 7.11 The Board may delegate Payment Authority to the Chief Executive Officer, Executive Director, Vice Chairperson, senior staff and any Board members deemed necessary for efficient operations.
- 7.12 Spending Authority must be delegated to positions identified by title, not to individuals identified by name, who may be authorized to commit funds within

budgets assigned to them through their respective position within the organization.

- 7.13 For interim periods only, the Executive Director may delegate Spending Authority of one staff position to another.
- 7.14 Transfer of delegated Spending Authority must be documented in writing.

Expenditures against Approved Budgets

- 7.15 Subject to 7.16 below, and for expenditure items provided in an approved budget, Spending Authority limits shall be as follows:
 - i) Finance and Administration Officer up to \$15,000
 - ii) Manager of Environmental Impact Assessment up to \$15,000
 - iii) Executive Director up to \$50,000
 - iv) Chief Executive Officer up to \$75,000
 - v) Expenditures above \$75,000 require the approval of the Board by resolution.
 - vi) The Executive Director may delegate Spending Authority to other Review Board staff to a maximum \$1,000
- 7.16 Spending Authority for service contracts exceeding \$25,000 require the approval of the Board by resolution.
- 7.17 If expenditures are made in excess of the approved task budgets, it is the responsibility of the Executive Director to endeavor to identify offsetting sources of funds.
- 7.18 For expenditures in excess of approved task budget amounts, Spending Authority shall be delegated as follows:
 - i) Executive Director up to \$5,000
 - ii) Chief Executive Officer up to \$15,000
 - iii) Expenditures above \$15,000 require the approval of the Board.

8. Finance Accounting

- 8.1 The Executive Director shall ensure financial records are maintained in accordance with Generally Accepted Accounting Principles recommended by the Canadian Institute of Chartered Accountants.
- 8.2 The Board will appoint an independent accountant to conduct the annual audit, and the Executive Director shall provide the Board with an annual audited

statement for Board approval by the end of the first quarter of the fiscal year following.

- 8.3 The Executive Director shall provide the Board quarterly variance reports and other financial information as requested by the Board.
- 8.4 Approved variance reports and other financial information may be provided to AANDC for information and planning purposes.

9. Expenditure Management

General

- 9.1 The Executive Director is responsible for negotiating Service Contracts. .
- 9.2 The Executive Director is responsible for the review of all Service Contracts for consistency with this Policy prior to being signed.
- 9.3 The Chief Executive Officer, Executive Director and staff are responsible for ensuring they have appropriate Spending Authority prior to entering into Service Contracts.

Service Contracts

- 9.4 Service contracts must contain, as a minimum, the following items:
 - a) A clear description of the purpose and deliverables of the contract
 - b) The consideration for the contract or set rates
 - c) Duration or deadlines for contract agreements
 - d) Cancellation or termination terms
 - e) Payment terms
 - f) Authorized signatures from both parties
 - g) Entire Agreements clauses
 - h) Assignment clauses
 - i) Governing law clauses
 - j) Termination clauses
 - k) Confidentiality clauses
 - l) Ownership of Intellectual Property and Copyright clauses
 - m) Renegotiation or modification terms
 - n) Conflict of interest clauses

- o) Indemnification clauses
 - p) Notices clauses
 - q) Default clauses
- 9.5 Service Contracts must not be used as a means of entering into a short-term employment situation. In order for a Service Contract not to be an employment contract the following conditions must be fulfilled by the Service Contract:
- a) The Service Contract must be for a specific engagement or service.
 - b) The contractor must be independent of the Review Board. Independence is often indicated by requirements in the Service Contract for provision of materials and supplies by the contractor, independence of action by the contractor during the contract task or period.
 - c) The contractor may not be a Board member, a Panel member or an employee.
- 9.6 Standard contract documents shall be adopted based on the recommendation and periodic review of expert legal counsel.

Assets

- 9.7 The acquisition of all capital and operations and maintenance supplies shall be made with approval of appropriate expenditure authorization and through use of internal purchasing processes. Acquisitions outside internal purchasing processes shall occur only with prior approval of the Executive Director.
- 9.8 The acquisition of capital assets of \$5,000 or more shall be based on two written price quotations from different sources, to find competitive suppliers. The lowest price quoted may not necessarily be accepted. The requirement for written price quotations may be waived by the Board on a case-by-case basis.

Professional Services

- 9.9 The acquisition of professional services of \$5,000 or more other than legal, accounting and professional development shall be, where possible, based on 3 written price quotations from different suppliers. The lowest or any price quoted may not necessarily be accepted. The requirement for written price quotations may be waived by the Board on a case-by-case basis.
- 9.10 Professional services contracts for the provision of legal, accounting, communications, computer and information technology services may be renewed on a “sole source” basis annually subject to Board approval.

- 9.11 Acquisition of professional services shall be by a public tendering process.

10. Asset Management

Inventory

- 10.1 The Executive Director shall ensure an inventory of all equipment (computers, printers, photocopiers, furniture, fax machines, etc.) is maintained.
- 10.2 The inventory shall be reviewed annually to make additions and identify surplus or obsolete equipment.
- 10.3 Office equipment may be loaned to Board members on approval from the Executive Director. An inventory of items loaned shall be maintained.
- 10.4 The Executive Director shall ensure that a general insurance policy is maintained covering damage, theft and fire.

Surplus

- 10.5 At the discretion of the Executive Director disposition surplus assets with book value of less than \$200 may be disposed of by any means.
- 10.6 As determined by the Executive Director, where surplus assets are deemed to have a book value greater than \$200, the Chief Executive Officer shall approve the means of disposition upon recommendation by the Executive Director

11. Board Member Communication Expenses

- 11.1 To facilitate conduct of Review Board business, the Chairperson may receive \$300.00 per month and other Board members may receive \$200.00 per month for non-duty travel related expenses associated with communication including internet access, telephone, fax and cell phone costs unless provided for directly by the Review Board. Should a Board member incur costs higher than \$300.00 and \$200.00 respectively, in any given month, for non-duty travel related communications expenses the Board member may be reimbursed for those expenses based on receipts provided.

12. Hospitality and Gift Expenses

Hospitality Expenses

- 12.1 Hospitality expenses associated with Review Board business may be approved by the Chief Executive Officer or the Executive Director to a maximum \$200.00 per occasion. The Board may authorize expenditures greater than \$200.00.
- 12.2 Alcoholic beverages shall not be charged as a hospitality expense.
- 12.3 Catering expenses related to the conduct of stakeholder meetings, workshops and public hearings are deemed to be “not hospitality” expenses for purposes of the Finance Policy.

Gift Expenses

- 12.4 Gifts may be purchased in support of relationships with individuals and organizations important to Board business; for example, as appropriate expressions of appreciation, sympathy and respect for cross-cultural traditions. Examples of gift purchases are flowers, plaques, books, wreaths, blankets and tobacco for “feed the fire” ceremonies.
- 12.5 Gift purchases may be approved by the Chief Executive Officer or the Executive Director to a maximum \$100.00 per occasion. The Board may authorize expenditures greater than \$100.00.
- 12.6 Gifts to Board members and staff in appreciation for service on leaving the Board or for long-term services shall be limited to:
 - i) \$150.00 for service less than 5 years; and
 - ii) \$250.00 for service greater than 5 years.

13. Credit Card Management

- 13.1 Credit cards may be issued to the Chief Executive Officer and to the Executive Director to make purchases for Review Board business.
- 13.2 Expenditures of a personal nature shall not be charged to a Review Board credit card.
- 13.3 Each credit cardholder shall sign an agreement to acknowledge and agree to honour the set limitations on use of the credit card specified by the Finance Policy.
- 13.4 Individual credit card expenditures must be accompanied by detailed receipts identifying goods and services received and must be submitted in a timely manner.
- 13.5 Credit card invoices shall be signed by each respective cardholder to certify that the expenditures identified on the invoice were made on Review Board business.

- 13.6 Payment of each invoice for expenditures charged to the Credit card issued to the Executive Director shall be authorized by the Chief Executive Officer or in his/her absence, by the Vice-Chairperson.
- 13.7 Payment of each invoice for expenditures charged to the Credit card issued to the Chief Executive Officer shall be authorized by the Vice-Chairperson.

14. Insurance Management

- 14.1 Additional liability insurance coverage may be purchased for Board members.
- 14.2 Disability insurance coverage may be purchased for Board members.

15. Accountability

- 15.1 The Chief Executive Officer and Executive Director are accountable to the Board for implementation of this Policy and Review Board expenditures.
- 15.2 The Board is accountable to the Minister of AANDC for its expenditures.

Approved by Motion of the Mackenzie Valley Environmental Impact Review Board on the 28th day of November 2014.



Certified by: _____
JoAnne Deneron, Chairperson

November 28th, 2014
Date