



NISHNAWBE-ASKI LEGAL SERVICES CORPORATION

FINANCIAL POLICIES AND PROCEDURES

Version Control	Date
1.0	October 23, 2019

This Finance Policy document supersedes any previous or earlier versions of finance policies.

CONTENTS

- 000 Introduction5**
 - 001 Intent..... 5
 - 002 Definitions 6
 - 003 Scope..... 8
 - 004 Orientation & Acknowledgement 9

- 100 Financial Administration10**
 - 101 Basis of Accounting 10
 - 102 Use of Estimates..... 11
 - 103 Bookkeeping System 12
 - 104 Delegation of Authority..... 13
 - 105 Conflict of Interest 17
 - 106 Code of Conduct..... 19
 - 107 Records Management 20
 - 108 Contract Management 24
 - 109 Vendor Management 26
 - 110 Insurance..... 29

- 200 Master Data Management32**
 - 201 Chart of Accounts..... 32
 - 202 Vendor Master File..... 34
 - 203 Payroll Master File 36

- 300 Financial Planning and Analysis.....38**
 - 301 Annual Budget..... 38
 - 302 Cash Forecasting 40
 - 303 Budget Review / Monitoring / Variance Analysis 42

- 400 Financial Reporting.....45**
 - 401 Program Reporting..... 45
 - 402 Annual Report 47
 - 403 Year End Close..... 49
 - 404 Appointment of Auditor..... 51
 - 405 Annual Audit..... 53
 - 406 Auditor Recommendations 55

- 500 General Accounting and Month End57**
 - 501 Sub-Ledger Reconciliation..... 57
 - 502 Journal Entries / Adjustments..... 59
 - 503 Bank Reconciliation 61
 - 504 Administration and Overhead Charges..... 64

- 600 Treasury and Cash Management67**
 - 601 Cash and Equivalents 67
 - 602 Petty Cash 68
 - 603 Investments..... 71

604 Lending.....	75
605 Restricted Funds.....	76
606 Unrestricted Funds.....	78
700 Revenue, Receipts, Receivables	80
701 Revenue	80
702 Invoicing	82
703 Line of Credit and Loans.....	84
704 Accounts Receivable	86
705 Collections by Cheque.....	89
706 Collections by Electronic Funds Transfer	91
707 Cheque Deposits	93
708 Harmonized Sales Tax (HST).....	95
709 Donations and Receipts	97
800 Purchases, Payables, Disbursements	101
801 Purchase Orders.....	101
802 Tenders and Requests for Proposals.....	104
803 Payments By Cheque	107
804 Payments by Electronic Funds Transfer.....	109
805 Travel and Travel Advances	112
806 Expense Reimbursement	117
807 Credit Cards.....	120
900 Payroll and Benefits.....	124
901 Payroll Administration	124
902 Honorariums	127
903 Board Remuneration.....	129
904 Employee Bonuses	131
905 Cell Phones.....	133
906 Relocation Expenses.....	134
1000 Asset Management.....	135
1001 Additions	135
1002 Amortization	138
1003 Disposals	140
SCHEDULE A: Delegation of Authority Table.....	142
SCHEDULE B: Finance Policy Declaration Form	146
SCHEDULE C: Credit Card Policy Declaration Form	147

Preamble

On March 1, 1990, Nishnawbe-Aski Legal Services Corporation (“NALSC”) was created to address the shortcomings in the administration of justice within Nishnawbe-Aski Nation (“NAN”); and to improve access to justice for members of NAN.

Since 1990, NALSC has grown steadily and worked hard to develop a professional image, and to hire qualified staff to carry out the corporation’s mandate.

Innovative and creative programs have made NALSC a leader, and at times - an example - in alternatives to justice options. NALSC has met with success in these areas.

Mandate

To promote creative community-based justice systems and to deliver on a wide range of law-related services including legal, paralegal, public legal education, and law reform services to members of NAN.

Mission

To deliver the programs and services in a culturally appropriate manner sensitive to the unique values, customs and traditions of NAN communities.

Values & Principles

- Unity, Self Governance, and Sustainability
- Respect and Dignity
- Integrity and Honesty
- Sharing and Partnership
- Humility
- Courage
- Compassion and Caring
- Wisdom
- Truth

Purpose

NALSC, having the responsibility to administer funds for its services, is responsible for setting policies and procedures and ensuring these policies and procedures are put in effect. This will ensure adequate reporting to the Board of Directors and funding agencies and shall ensure all reporting requirements are met.

The following guidelines will assist the organization to regulate financial administration and will provide guidelines for the Board of Directors and staff regarding financial policies and procedures.



POLICIES & PROCEDURES MANUAL

SECTION: Intent

POLICY: Introduction

Page 5

NUMBER: 001

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

000 INTRODUCTION

001 INTENT

This “Finance Policy” (hereinafter the “Policy”) is intended to provide for the effective and efficient operation of NALSC (or the “Organization”).

This Policy is intended to provide a high-level services and stewardship of assets by trained and competent employees within a framework of transparency, accountability, prudent and ethical financial management throughout all the operations and activities of the Organization.

Books of account, records in relation thereto, and financial and management control shall be established and maintained in such a manner as to provide reasonable assurance that:

- Assets are safeguarded, accounted for and controlled;
- The transactions of NALSC are in accordance with generally accepted accounting principles; and
- The financial, human and physical resources of NALSC are managed economically and efficiently and the operations of NALSC are carried out effectively.

Internal controls shall be established. Internal controls include all policies, procedures, systems and practices which:

- a) Maintain reliable reporting systems;
- b) Safeguard assets;
- c) Prevent and detect error and fraud; and
- d) Optimize the use of resources.

NALSC shall establish and maintain a system of policies, procedures and other safeguards to ensure that financial transactions are properly authorized, executed and recorded and to ensure that resources are managed and used to best effect. As part of the system of internal controls, lines of authority shall be established, and duties shall be segregated to the greatest extent possible.

NALSC’s financial duties are segregated (distributed) among multiple people and lines of authority to protect against fraud and error to the extent feasible. The distribution of duties aims for maximum protection of the organization’s assets while also considering efficiency of operations.



POLICIES & PROCEDURES MANUAL

SECTION: Definitions

POLICY: Introduction

Page 6

NUMBER: 002

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

002 DEFINITIONS

1. Accrual Basis of Accounting records revenues when earned and expenses incurred (i.e. when services are provided, goods are used or distributed), regardless of when payment (cash) is exchanged.
2. Annual Assembly is a meeting of the Members of the Organization held on or before September 30th of each year during which the Board of Directors present their Annual Report and Annual Audit.
3. Annual Audit means an audit of NALSC's consolidated financial statements by a licensed auditor prepared in accordance with the applicable generally accepted auditing standards.
4. Annual Budget means the revenues and expenditures projected for each service area and approved by the Board of Directors.
5. Auditor means a person or firm of chartered public accountants duly licensed in Ontario who is appointed by the Board of Directors to express an opinion of the Organization's financial statements.
6. Board Members are the officials appointed by NALSC's Membership to govern the affairs of the Organization, to administer this Policy and to oversee financial matters generally.
7. Contract is an agreement between NALSC and another party for any work, the purchase of any items, commodity, equipment, goods, materials or supplies, or the performance of a service of any kind.
8. Department means an administrative division or agency of the Organization and includes any internal organizational, project or service-delivery units, and committees of the Organization,
9. Disbursements mean all monies paid out on behalf of NALSC.
10. EFT means an electronic funds transfer.
11. Employee includes, for the purposes of this Policy, any contractors retained by NALSC with responsibilities for the administration, management or control of Organization funds.
12. Employee Benefits include all cash and gifts of any value as well as any other non-cash gifts provided to an employee by the Organization.
13. Expenditure means funds that the Organization pays out during the fiscal year.
14. Financial Staff are employees responsible for implementing this Policy and for maintaining the accounting records, compliance, and internal control framework for NALSC.
15. Fiscal Year-End means March 31st.
16. Funding Agreement means any written contract, contribution agreement (CA) or transfer payment agreement (TPA) between NALSC and another party (government or otherwise) or parties through which moneys are provided to the Organization.



POLICIES & PROCEDURES MANUAL

SECTION: Definitions

POLICY: Introduction

Page 7

NUMBER: 002

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

17. Internal Controls are the policies and procedures established to prevent deliberate or misguided use of funds for unauthorized, inappropriate, unethical or ineligible purposes.
18. Journal Entries are double entries in the accounting system (debit & credit) recording the business transactions of the Organization.
19. Organization Funds means all moneys received for the use and benefit of NALSC, including all revenues, grants, contributions, loans and earnings.
20. Petty Cash is an accessible store of money kept by the Organization for small expenditures that is restored periodically to that fixed amount.
21. Managers are members of the management team with the delegated responsibility for carrying out a specific project or activity in accordance with a funding agreement, work plan or other terms of reference. Manager responsibilities generally include:
 - a) Budget and work plan preparation and management;
 - b) Staff supervision, direction and training;
 - c) Procurement;
 - d) Project reporting and funder liaison; and
 - e) Facilitation of timely project/service delivery in an efficient and ethical manner.

For the purposes of this Policy, the term Manager is meant generically to indicate a stewardship role in the overall internal control framework rather than an individual's position in the Organization – employees who coordinate projects may hold the position of a director, Manager or administrative support.

22. Receipts mean all monies received by NALSC.
23. Signing Authority means a person authorized by the Board of Directors to sign and approve expenditures of the Organization.
24. Tangible Capital Assets are the physical assets owned or controlled by NALSC such as office furnishings, equipment, computers and leasehold improvements.



POLICIES & PROCEDURES MANUAL

SECTION: Scope

POLICY: Introduction

Page 8

NUMBER: 003

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

003 SCOPE

The rules and procedures contained in this Policy apply to all Board Members, employees and certain contracted service providers.

This Policy is intended to comply with Generally Accepted Accounting Principles (GAAP) and accounting requirements applicable to the Organization.

This Policy has been developed to regulate the receipt, expenditure, control and recording of NALSC transactions to ensure:

- a) Accountability to the Organizations stakeholders;
- b) A complete record of all financial transactions in a form suitable for both Organization management and audit;
- c) NALSC employees are given proper direction for the performance of their duties;
- d) NALSC can meet its funding agreement obligations and financial responsibilities; and
- e) NALSC is viewed as a highly reputable organization by the business community overall.

This Policy supersedes any previous policies and shall have full force and effect when it has been approved by the Board of Directors. This Policy or any part of it may be amended by the Board of Directors.

New Board Members are to be provided with a copy of this Policy upon appointment and confirm in writing that they have received a copy of this Policy to acknowledge they understand that they are bound to enforce and comply with this Policy.

New Employees are to be provided with a copy of this Policy prior to commencing employment. All new employees must confirm in writing that they have received a copy of this Policy to acknowledge they understand that they are bound to comply with this Policy.

Existing Employees are to be provided with a copy of this Policy (or any amendments thereto) within one month of approval by the Board of Directors. All employees must confirm in writing by completing an annual declaration, that they have received a copy of this Policy to acknowledge they understand that they are bound to comply with this Policy. Refer to [Section 004 – Orientation and Acknowledgement](#).

This Policy shall be reviewed by the Executive Director and the Finance Controller on an annual basis. Any recommended changes or additions shall be made by the Board of Directors.

The Board of Directors shall review and approve any recommendations for amendments to this Policy.



POLICIES & PROCEDURES MANUAL

SECTION: Orientation and Acknowledgement

POLICY: Introduction

Page 9

NUMBER: 004

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

004 ORIENTATION & ACKNOWLEDGEMENT

The purpose of this Policy is to insure all employees are aware of the processes and guidelines approved by the Board of Directors and the Executive Director with respect to finances.

The following policies and procedures are to be followed when orienting new staff. Managers are to ensure that their staff members receive an orientation to all applicable policies and procedures as part of their regular orientation.

All staff (and contractors, if applicable) involved in the financial administration of NALSC, shall make an annual declaration acknowledging their review and understanding of this Policy.

1. Managers are to ensure that their staff members are aware of revisions to the policy and procedures.
2. Board members and employees must maintain familiarity with and abide by the policies and procedures in this manual.

All staff, including Managers, Executives, and Board Members shall sign an annual declaration, confirming that they have read and understand NALSC’s current financial policies and procedures. Refer to [Schedule B: Finance Policy Declaration Form](#).

Management will identify individuals who have not acknowledged this Policy and notify the Executive Director.

If non-compliance is identified, NALSC will address and rectify the issue within 90 days.

Contractors shall acknowledge and review this Policy on an engagement / project basis.



POLICIES & PROCEDURES MANUAL

SECTION: Basis of Accounting

POLICY: Financial Administration

Page 10

NUMBER: 101

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

100 FINANCIAL ADMINISTRATION

101 BASIS OF ACCOUNTING

POLICY

The accounting procedures used by NALSC must conform to Generally Accepted Accounting Principles (“GAAP”) requirements to ensure accuracy and comparability of information as well as compliance with external standards.

NALSC shall use the accrual basis of accounting.

The accrual basis of accounting eliminates budget and reporting distortion created by:

- advance payments (such as annual insurance premiums);
- prepayment of goods or services (e.g. deposits, future travel); and
- acquisition of inventory and resources for future use or distribution (e.g. Supplies and materials).

For example:

- a) Consulting Services (including workshop facilitation, research/reports) are to be completed prior to the fiscal year end or project end date to which they relate. That means the consultant is to provide NALSC with all deliverables (including reports) before the fiscal year or project end date. If a project or services are to be provided multi-year or straddling a fiscal year end, the funding revenue (if received) and the corresponding expenses are deferred until spent/incurred.
- b) Program Supplies and Other Resources (e.g. Program materials, supplies, consumables including office supplies, educational or workshop materials) are treated as inventory until consumed (or used) for program or administrative purposes.
- c) Tangible Capital Assets (such as furnishings, equipment, and computers) must be available for active use to be recorded and amortized.
- d) Travel and Travel-related expenses such as workshop registrations are expensed in the year that travel or the event takes place. Tickets or fees purchased in advance are treated as Prepaid Expenses.



POLICIES & PROCEDURES MANUAL

SECTION: Use of Estimates

POLICY: Financial Administration

Page 11

NUMBER: 102

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

102 USE OF ESTIMATES

POLICY

Where estimates and assumptions are required to determine the amounts of assets and liabilities or revenues and expenses, an explanation of the methodology and relevant calculations shall be provided as part of the journal entry and supporting transactional documents.

The estimates, assumptions and resulting financial transactions prepared by Financial Staff shall be reviewed and approved by the Executive Director.

Actual results can differ from best estimates. As additional information becomes available, the estimates shall be adjusted accordingly at that time.



POLICIES & PROCEDURES MANUAL

SECTION: Bookkeeping System

NUMBER: 103

POLICY: Financial Administration

Date: October 23, 2019

Page 12

Revised: N/A

Approved: October 23, 2019

103 BOOKKEEPING SYSTEM

POLICY

NALSC shall maintain an appropriate computerized bookkeeping system to record all financial transactions affecting assets, liabilities, fund balances, revenue and expenditures including banking, accounts receivable, accounts payable, payroll, general ledger and overall asset management.

The bookkeeping system and software shall be password protected with individual user accounts assigned.

The accounting data shall be backed up daily. It will also be backed up weekly on two (2) separate media for safekeeping, on and off-site.



POLICIES & PROCEDURES MANUAL

SECTION: Delegation of Authority

POLICY: Financial Administration

Page 13

NUMBER: 104

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

104 DELEGATION OF AUTHORITY

POLICY

The Board of Directors may authorize the Executive Director to delegate any Executive Director duties or functions related to the NALSC's financial administrative system to an employee, committee, contractor or agent except:

- the approval of policies and procedures or the giving of directions respecting any financial administration matter which is the responsibility of the Board of Directors;
- the approval of budgets, budget amendments, borrowings and financial statements;
- the approval of the Delegation of Authority Table; and
- any matter relating to the employment or authorities of the Executive Director, Finance Controller, or the Finance Assistant.

The Executive Director can assign any or all of his or her financial management activities or functions except:

- maintaining and revising the Delegation of Authority Table;
- ensuring those with delegated authority understand their responsibilities and have the skill and knowledge necessary for the effective exercise of the authority;
- establishing protocols for delegation and temporary assignments to deal with absences due to illness, vacation, or other extended leaves; and
- on a regular and periodic basis, monitoring performance of individuals' delegated authorities to ensure that the delegated authority is being exercised in the manner intended and that there is no delegation of authority when specifically precluded under this policy.

All employees, committees, contractors or agents of NALSC are responsible when acting under delegated authority to ensure the activity or function is within the authority and limitation of their delegation and that they have followed other relevant policies and procedures.

Employees, committees, contractors or agents of NALSC may reassign functional authorities and responsibilities as long as it is made in accordance with the Delegation of Authority Table.

Employees, committees, contractors or agents will ensure that decisions or transaction approval falling outside of their scope of authority are referred to the Executive Director or otherwise as appropriate.

Regardless of the delegation of any financial administration authority by the Board of Directors, the Board of Directors remains responsible for the financial management of NALSC.

Refer to [Schedule A: Delegation of Authority Table](#).

PROCEDURE



POLICIES & PROCEDURES MANUAL

SECTION: Delegation of Authority

POLICY: Financial Administration

Page 14

NUMBER: 104

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Procedures for Delegation

The Executive Director is responsible for preparing and updating the Delegation of Authority Table in accordance with this policy for NALSC.

The Executive Director will ensure an appropriate level of documentation, including a signed delegation of authority statement or agreement, accompanies and is maintained with the Delegation of Authority Table.

The Executive Director will submit the Delegation of Authority Table to the Board of Directors for approval and the Board will at least annually, with a motion duly recorded in the minutes, approve the Delegation of Authority Table.

The Executive Director will ensure that the delegation of authorities is communicated to each Manager and other persons as appropriate to ensure the delegated responsibilities can be carried out effectively.

The Board, Committees, Executive Director, Finance Controller, employees, contractors, or agents delegate authority only when there is assurance that the control objectives of authorization of the decision or transaction will be effectively served.

Procedures for the Delegation of Authority Table

The Delegation of Authority Table will include components of the financial management system that require decisional and approval authority to carry out activities, make commitments, collect and disburse funds on behalf of NALSC.

Any delegation of authority granted will be aligned with the hierarchical organizational chart structure.

Updates made to the Delegation of Authority Table by the Executive Director will be approved by the Board. The Executive Director will submit an updated Delegation of Authority Table to the Board for approval as soon as practicable.

Temporary delegation of responsibility

Short-term – Each program or department with authority under the Table will establish a protocol for delegation of responsibility to deal with absences due to illness, vacations, and other forms of temporary leave. Delegations of assignment are to be documented and distributed to the Executive Director.

Long-term – Any delegation of responsibility of a long-term nature will be approved by the Executive Director and appropriately documented.

Procedures for monitoring and evaluation



POLICIES & PROCEDURES MANUAL

SECTION: Delegation of Authority

POLICY: Financial Administration

Page 15

NUMBER: 104

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

The Executive Director will at least annually, monitor and evaluate the performance of the delegated duties and functions and if necessary, make recommendations to the Board for amendments to the Delegation of Authority Table.



POLICIES & PROCEDURES MANUAL

SECTION: Delegation of Authority

POLICY: Financial Administration

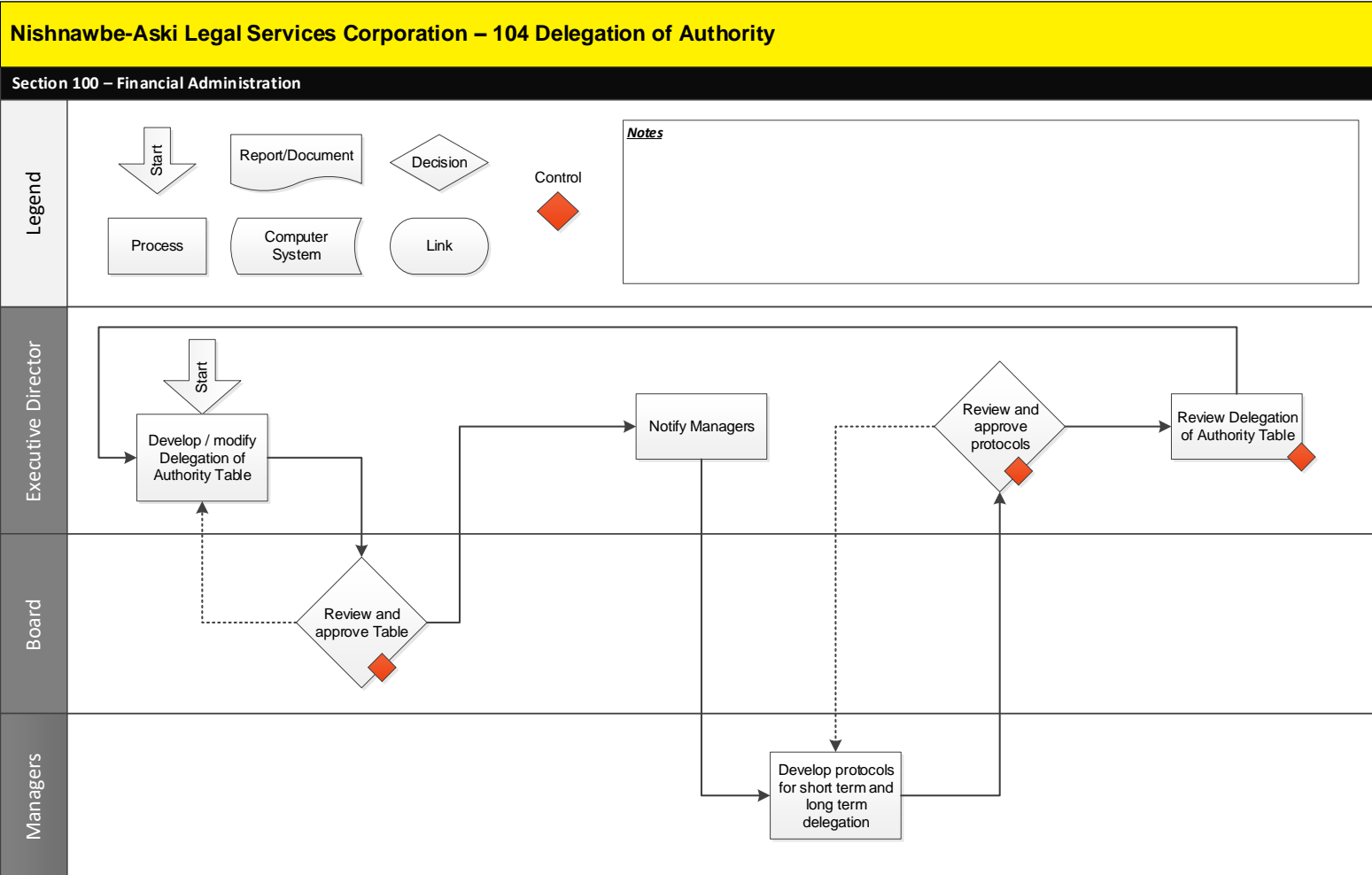
Page 16

NUMBER: 104

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019





POLICIES & PROCEDURES MANUAL

SECTION: Conflict of Interest

POLICY: Financial Administration

Page 17

NUMBER: 105

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

105 CONFLICT OF INTEREST

POLICY

No director, employee or agent of NALSC shall use their office, employment or relationship for personal gain or to the detriment of the interests of the Organization.

Refer to NALSC’s Human Resources Policies for further information on Conflict of Interest.

PROCEDURE

Employees are to notify their Managers of any potential conflicts of interest.

Managers will investigate the nature of potential conflict. Investigations should include discussion with the Executive Director as necessary.

Managers will determine if the activity should be approved or prohibited and notify the employee.



POLICIES & PROCEDURES MANUAL

SECTION: Conflict of Interest

POLICY: Financial Administration

Page 18

NUMBER: 105

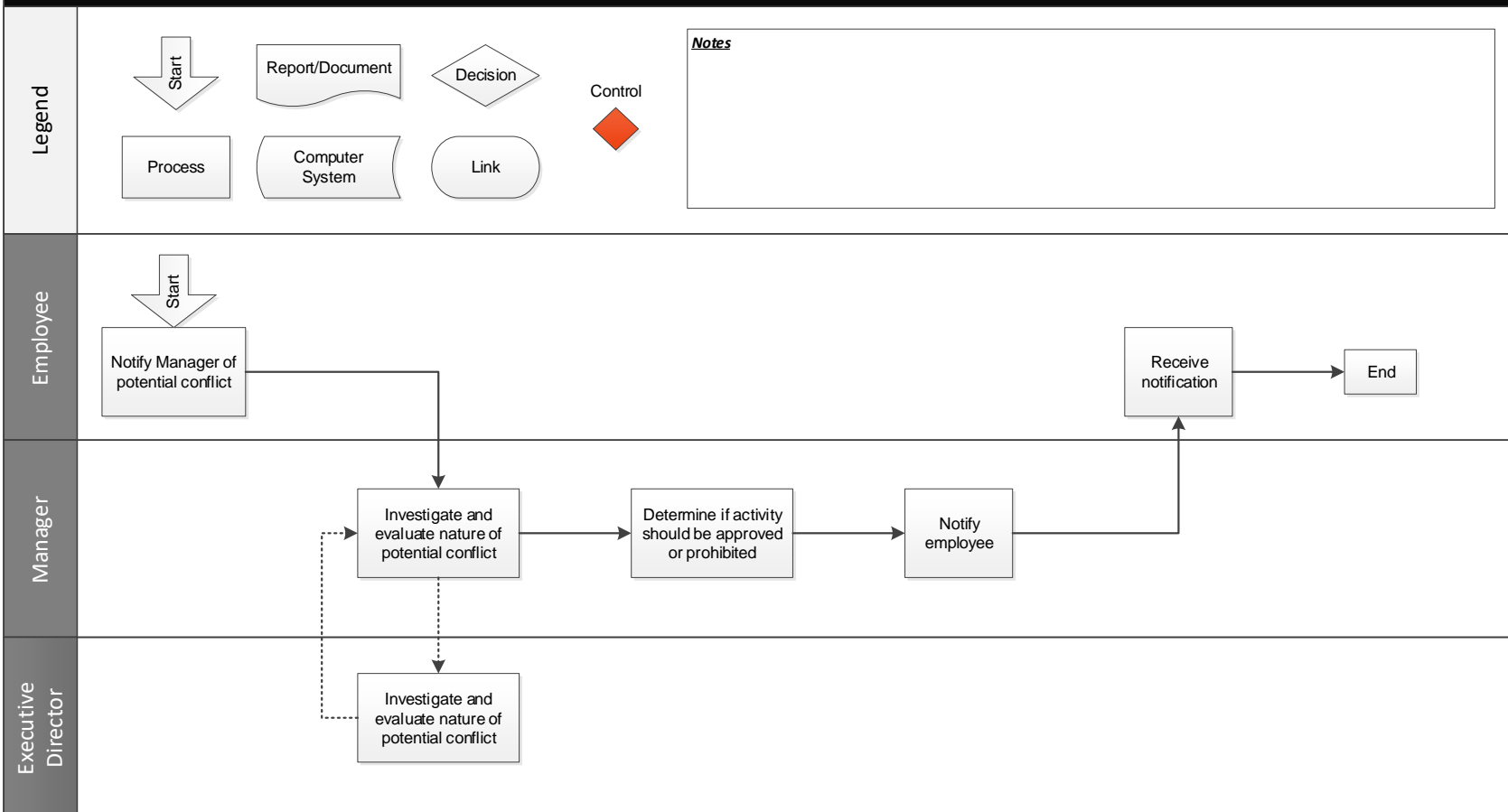
Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Nishnawbe-Aski Legal Services Corporation – 105 Conflict of Interest

Section 100 – Financial Administration





POLICIES & PROCEDURES MANUAL

SECTION: Code of Conduct

POLICY: Financial Administration

Page 19

NUMBER: 106

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

106 CODE OF CONDUCT

POLICY

It is the duty of the Board, Management, and all employees to conduct all financial matters in a manner that reflects credit upon themselves and the Organization.

It is the responsibility of the Board, Management, and all employees to assist in safeguarding of NALSC assets (including cash, investments and property), supplier accounts, funding arrangements and financial information. All incidents of a suspicious nature and all questionable situations must be reported immediately.

The Board, Management, and all employees are expected to observe and carry out the requirements of all policies and procedures established to ensure the efficient, transparent and ethical operation of the Organization and compliance with all regulations and agreements.

Individuals entrusted with or access to Organization cash, credit cards, other assets, accounts or personal protected information must be bondable and provide a satisfactory criminal reference check.

Personal use of NALSC property or accounts is expressly prohibited.

The Board of Directors, Management, and all employees shall not in any circumstances solicit, proposition or agree to receive from any third party any form of gift, hospitality or other inducement in return for doing or not doing something in relation to the discharge of their duties and responsibilities on behalf of the Organization or for showing favour or not showing favour in relation to such duties and responsibilities. Notwithstanding, it is accepted that in some circumstances, it may be perfectly appropriate for Board Members or employees to receive modest gifts or accept hospitality which arises out of the conduct of normal Organization business where it can reasonably be regarded as being in the Organization’s best interests.

Acts to create misleading or false financial information (e.g. on invoices, cheque requisitions, purchase orders, contracts, reports, or other financial documents) or to alter (including the unauthorized destruction or removal of) financial records are serious violations of this Policy and will not be tolerated.

Board Members, Management, and employees (and contractors, if applicable) involved in the financial administration of NALSC, shall make an annual Code of Conduct declaration.

Refer to NALSC’s Human Resources Policies for further information on the Code of Conduct.



POLICIES & PROCEDURES MANUAL

SECTION: Records Management

POLICY: Financial Administration

Page 20

NUMBER: 107

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

107 RECORDS MANAGEMENT

POLICY

The Executive Director shall implement a system of safe keeping for all NALSC financial files. All files must be stored in a secure area. Files must not be left unattended in areas accessible to unauthorized individuals. Filing systems shall be established for the retention of:

- a) All resolutions and motions.
- b) Minutes of Board of Directors and Management meetings.
- c) NALSC financial records including vouchers, invoices, bank statements, voided and cancelled cheques, agreements, ledgers and other documents that support the transactions recorded in the computerized accounting system.
- d) Sensitive and/or protected financial records such as banking information and employee contracts.

For all records:

- a) There must be controlled access to the keys to the room where financial files are stored (physical and / or electronic files).
- b) The security and storage of financial files must be discussed with new staff during the orientation process.
- c) Access should be limited to designated financial, human resources and management personnel.
- d) Refer to [Section 103 Bookkeeping System](#) of this policy which provides additional guidelines in regard to electronic information systems.

All financial records and supporting documents are retained securely for no less than seven (7) years or as required by law.

The following financial records are to be retained on a permanent basis:

- a) Annual Audited Consolidated Financial Statements
- b) General Ledgers
- c) Minute Books

PROCEDURES

Accountability

The Finance Controller shall ensure that the recordkeeping framework outlined in this Policy is applied to all financial records. All employees, contractors, or volunteers that are in custody of financial records must ensure they are managed in accordance with this Policy.

Permanent records such as financial policies, and procedures will be reviewed and updated by the steward periodically, but at least every two years, or more frequently as required.



POLICIES & PROCEDURES MANUAL

SECTION: Records Management

POLICY: Financial Administration

Page 21

NUMBER: 107

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

All original signed copies of contracts, agreements, and other documents are retained by the Executive Assistant.

Creation and Collection

All important activities and decision-making processes of NALSC should be identified, including the records required to support those processes, to ensure accountability, preserve an audit trail, and protect NALSC from liability.

Whenever possible, the record shall contain information about one single function or activity so as to facilitate information classification, organization, retention and retrieval. NALSC's records shall be legible, written in plain language and adapted to their specific audience.

Only one copy of each record should be created or collected. When creating or collecting a record, individuals should first check to see if the record is already in existence. In instances of multiple copies of the same record, copies should be securely disposed in accordance with the requirements of this policy.

Organization and Classification

Financial records should be subject to a consistent naming convention, with the name of the record including the title, version number and date. An official repository (i.e. electronic or paper file or folder) shall be identified and designated for each record, in which the record must be stored. The number of record repositories should be limited and be consistent to support the format and type of record.

Records should be made accessible, shared and re-used to the greatest extent possible, subject to technological, legal policy and security restrictions.

Maintenance, Protection and Preservation

Records must be protected and stored in the appropriate repositories in a way that preserves their long-term availability, understandability and usability.

- Backups should be taken of all electronic records on a regular basis and stored in a physical location separate from the location of the original records.
- Any records that are only in hardcopy paper-based format should be assessed to determine if they need to be scanned or if other physical security measures need to be taken (e.g. use of fire/waterproof cabinets) to ensure their long-term availability.

Records that contain personal information or information of a confidential nature related to the Board, or a third party, such as the confidential financial information related to a business, should be labelled as CONFIDENTIAL.



POLICIES & PROCEDURES MANUAL

SECTION: Records Management

POLICY: Financial Administration

Page 22

NUMBER: 107

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Confidential records should be protected with appropriate safeguards to ensure only those with a need to know will have access to the records:

- For electronic records, confidential records should be protected with controls on the document itself (such as password protection) and other administrative controls, such as restricting access to the electronic repositories in which the record is stored. Confidential records should not be emailed without appropriate protection.
- For hardcopy paper-based records, confidential records should be stored in secure filing cabinets at all times unless being used and transported in a secure manner if required to be offsite.

Retention and Disposition

All financial records and supporting documents are retained securely for no less than seven (7) years or as required by law.



POLICIES & PROCEDURES MANUAL

SECTION: Records Management

POLICY: Financial Administration

Page 23

NUMBER: 107

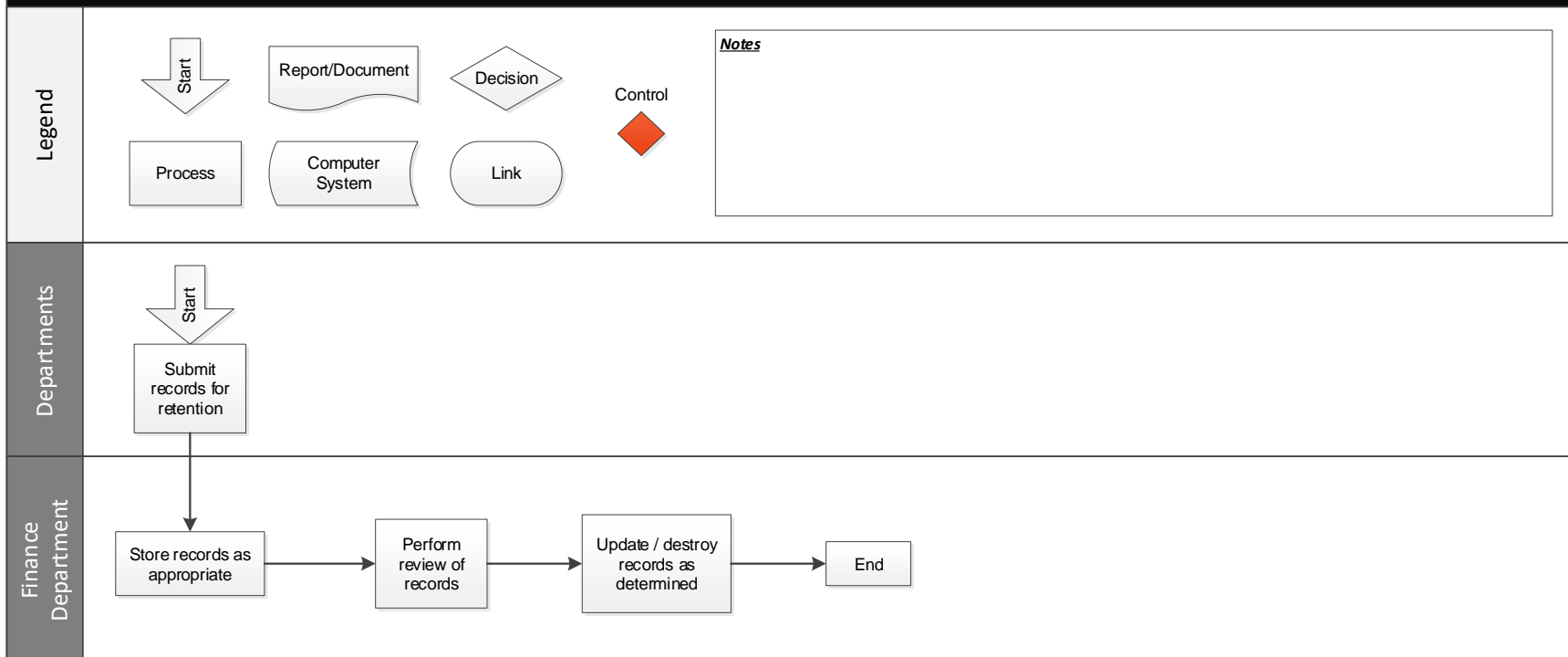
Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Nishnawbe-Aski Legal Services Corporation – 107 Records Management

Section 100 – Financial Administration





POLICIES & PROCEDURES MANUAL

SECTION: Contract Management

POLICY: Financial Administration

Page 24

NUMBER: 108

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

108 CONTRACT MANAGEMENT

POLICY

NALSC is required to keep accurate record of contracts. Contracts must have all signatures and approvals to be considered valid.

All original signed copies of contracts are retained by the Executive Assistant.

PROCEDURES

When a contract is required, NALSC will request the third party to submit their contract or contract template. Contracts are reviewed by the Manager, Finance Controller (focus on financial implications) and Executive Director. The contracts will also be reviewed by Legal Counsel as necessary. The contract will be signed by the Executive Director or the Board Chair as per the Delegation of Authority Table.

Any negotiations to the NALSC contracts will involve the Executive Director.

Any changes/amendments to original contracts must be drafted and/or reviewed and approved by the Executive Director and/or Board, in accordance with the Delegation of Authority. The Finance Controller will also be required to review and approve any financial changes to ensure any financial implications from the contract amendments are known.



POLICIES & PROCEDURES MANUAL

SECTION: Contract Management

POLICY: Financial Administration

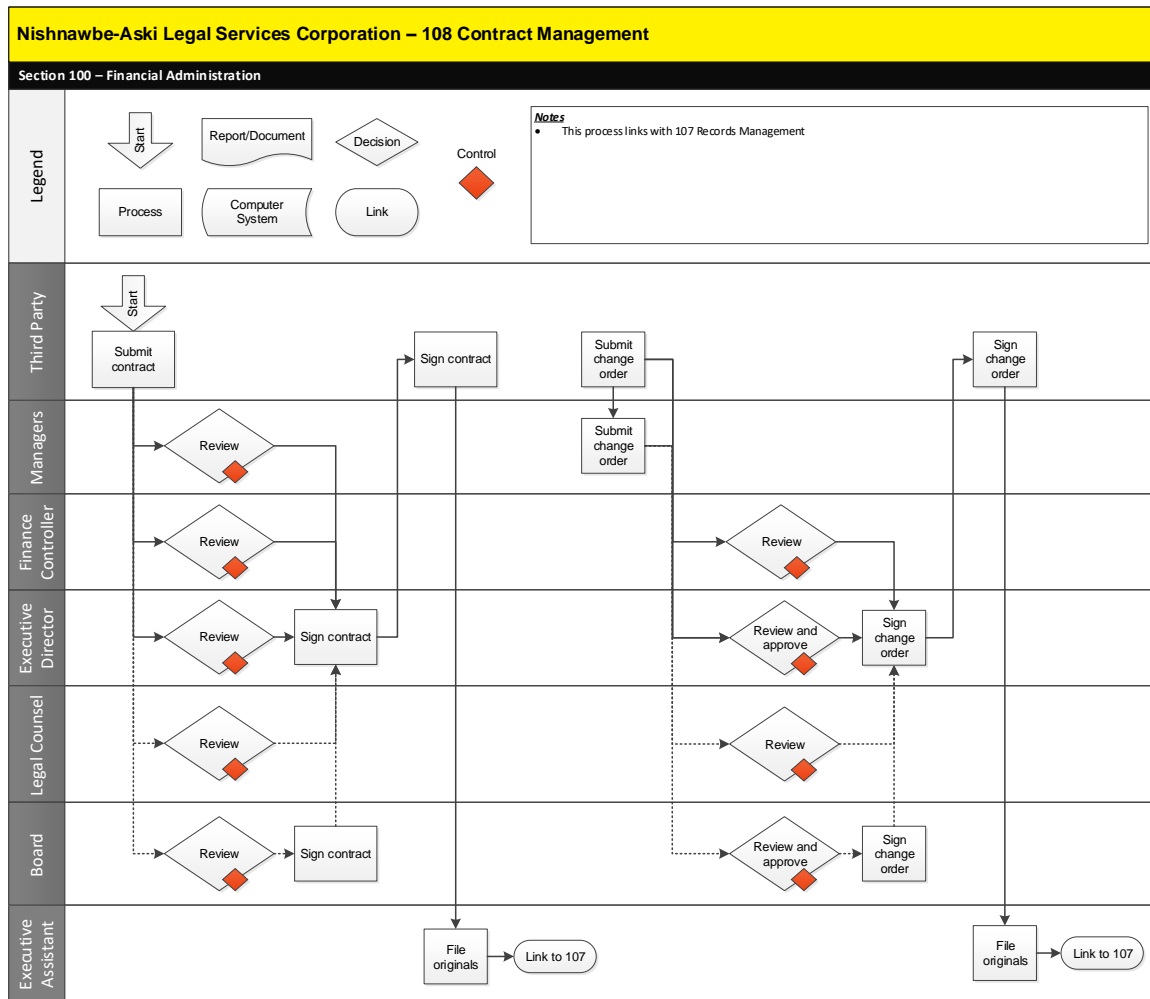
Page 25

NUMBER: 108

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019





109 VENDOR MANAGEMENT

POLICY

NALSC is required to manage all vendor relationships to ensure that vendors provide goods and services as per agreed upon terms and conditions (i.e. contracts, purchase orders, etc.).

Vendor/contract management is often initiated at the initial meeting between the responsible Department members, and vendor representatives. From that point, the Manager can exercise control through a series of progress reports or meetings. Ensuring results and cost control within the project schedule are chief objectives of vendor management.

PROCEDURES

Due diligence needs to be exercised in managing all vendor contracts to ensure that the parties fully meet their respective obligations as efficiently and effectively as possible. Once the contract has been awarded, the responsible Department establishes control and monitors performance to ensure all work is completed within the requirements of the contract.

The areas of control include:

- cost control;
- schedule control;
- compliance with specifications, terms of reference, statement of work (quality assurance and control); and
- compliance with terms and conditions, deliverables, paperwork requirements and administrative aspects of the performance.

Problem areas are to be acted upon promptly and corrective action taken, as applicable, by the Manager.

The Managers should keep vendor/contract files which should include copies of letters, meeting notes, and documentation of phone conversations as evidence that vendor management has occurred during the period of the contract.

NALSC will evaluate the performance of its vendors on an ongoing basis to:

- Ensure that all contract requirements and technical specifications are met;
- Identify performance problems early and correct them with all contracting parties involved; and



POLICIES & PROCEDURES MANUAL

SECTION: Vendor Management

POLICY: Financial Administration

Page 27

NUMBER: 109

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

- Provide information on a supplier's performance when considering the supplier for future contract.

Vendor performance evaluation ensures that all parties fully meet their obligations as efficiently and effectively as possible.

The Manager will provide feedback on the vendor's performance the Finance Controller who maintains the Vendor Performance Management database. This database shall be reviewed and considered by all personnel when purchasing goods and services.



POLICIES & PROCEDURES MANUAL

SECTION: Vendor Management

POLICY: Financial Administration

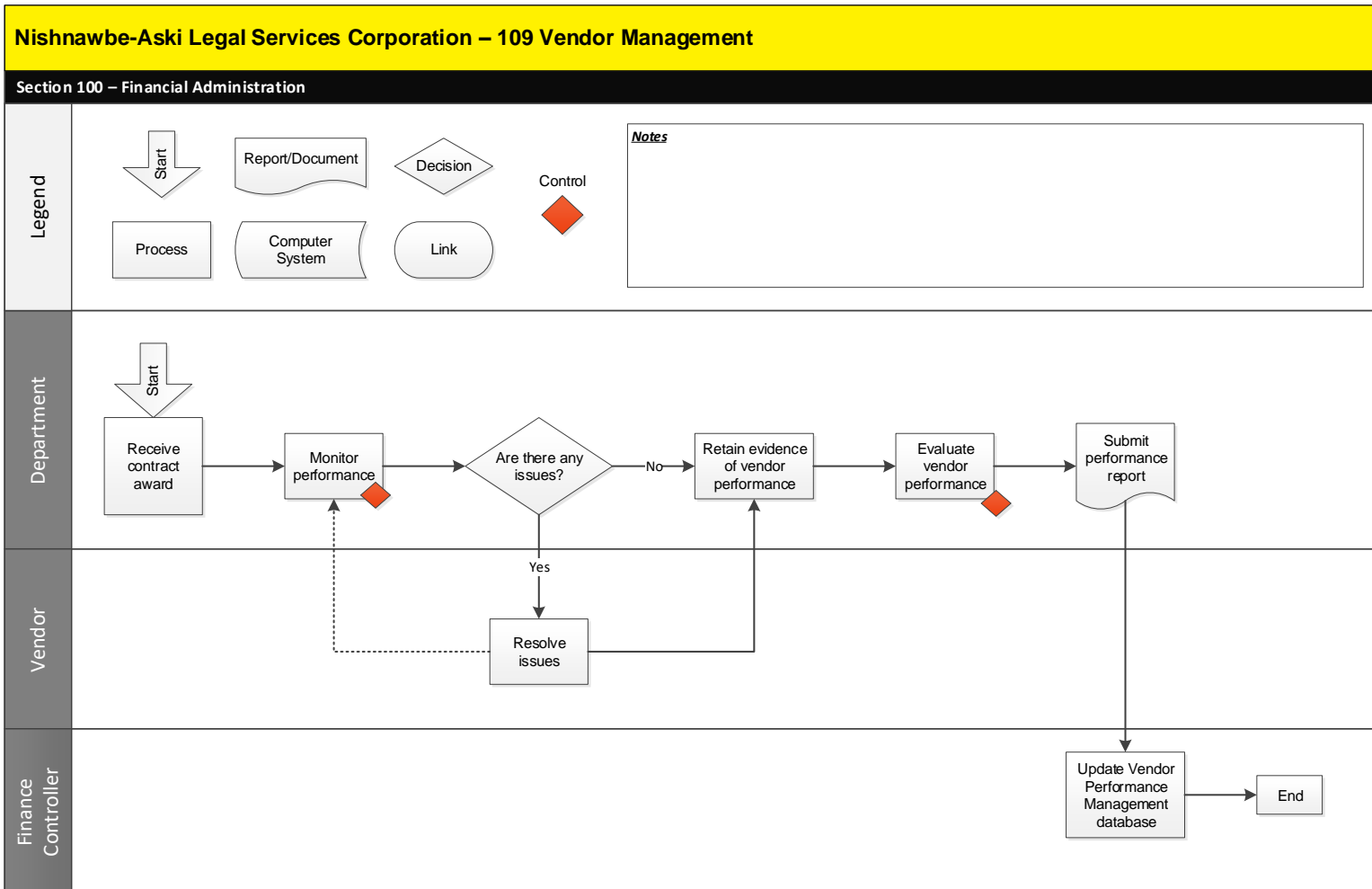
Page 28

NUMBER: 109

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019





POLICIES & PROCEDURES MANUAL

SECTION: Insurance

POLICY: Financial Administration

Page 29

NUMBER: 110

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

110 INSURANCE

POLICY

NALSC shall ensure adequate insurance coverage is obtained to protect the full value of all of the NALSC assets, activities and operations and shall take out the appropriate level of insurance.

Reasonable, adequate coverage will be maintained to safeguard assets. Such coverage will include property and liability, worker's compensation, employee dishonesty and other insurance deemed necessary (i.e. automobile insurance, cyber, etc.).

The Executive Director will carefully review insurance policies on an annual basis, prior to renewal.

The Finance Controller will maintain copies of all insurance policies in the appropriate files.

PROCEDURES

Identify significant material risks

The Finance Controller, with assistance from the Executive Director and legal counsel, will develop a list of potential significant material risks to the NALSC financial assets, tangible capital assets and the operations of NALSC. This may include an examination of:

- Potential sources of liability of NALSC arising from its operations;
- Values and use of property and equipment;
- Values and use of assets under control of NALSC;
- Potential sources of liability for individuals such as Board members and staff members of NALSC; and
- Other risk areas that could result in a loss to NALSC and could be insured.

Identify insurance products

Based on the risk analysis performed, the Executive Director will identify the risks where insurance coverage is appropriate.

The Executive Director, with the assistance of the Finance Controller will review options from several different insurance providers and will make a recommendation to the Board on which to accept. The Executive Director's determination of a recommended option will take into consideration the following:

- Cost of the coverage;



POLICIES & PROCEDURES MANUAL

SECTION: Insurance

POLICY: Financial Administration

Page 30

NUMBER: 110

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

- Attributes and features of the proposed coverage including what is and is not covered and any gaps or exclusions; and
- Independent advice on the reputation and strength of proposed insurance providers.

Where appropriate, legal advice will be sought as required to ensure that the terms and conditions of coverage sought are appropriate for NALSC.

Approval for insurance coverage

The Board will review the proposed options presented by the Executive Director and document their approval.

Once approved by the Board, procurement of the insurance coverage will follow [Section 802 – Tenders and Requests for Proposals](#).

Maintenance of insurance coverage

The Executive Director will maintain a schedule of insurance policy expiration dates and payment dates and monitor on a regular basis to ensure that coverage does not lapse.

The Executive Director will review insurance coverage on an annual basis to ensure that it continues to adequately address the risks and meet the needs of NALSC.



POLICIES & PROCEDURES MANUAL

SECTION: Insurance

POLICY: Financial Administration

Page 31

NUMBER: 110

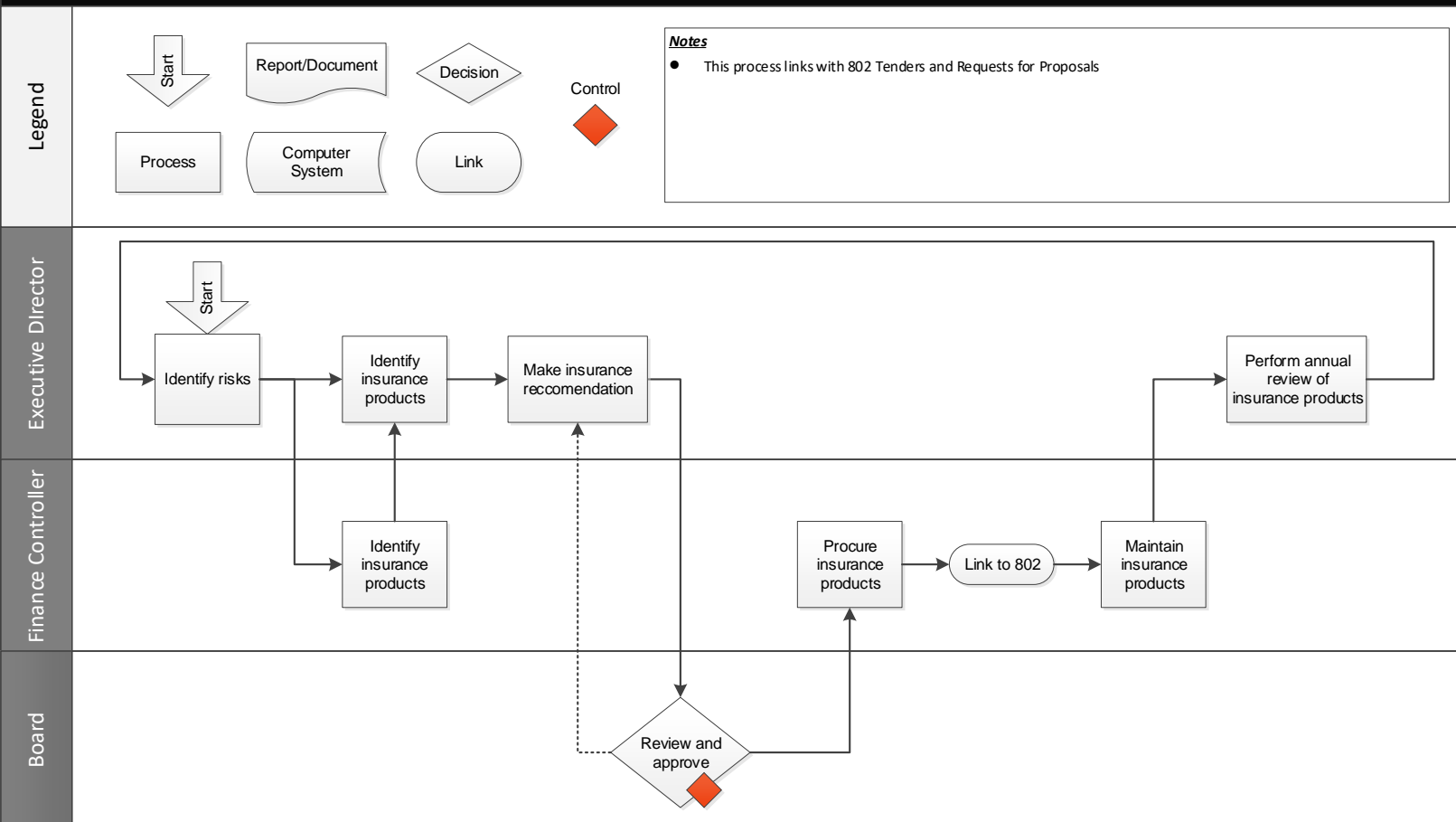
Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Nishnawbe-Aski Legal Services Corporation – 110 Insurance

Section 100 – Financial Administration





POLICIES & PROCEDURES MANUAL

SECTION: Chart of Accounts

POLICY: Master Data Management

Page 32

NUMBER: 201

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

200 MASTER DATA MANAGEMENT

201 CHART OF ACCOUNTS

POLICY

The Chart of Accounts will include all accounts that appear on, or are consolidated into, NALSC's financial statements.

PROCEDURE

The Finance Controller will review the Chart of Accounts on an annual basis to ensure that the Chart of Accounts includes appropriate accounts for accurate reporting. Adjustments will be made based on the Finance Controller's review.

Managers may submit a request to add or change the Chart of Accounts. Requests will be submitted in writing to the Finance Controller.

The Finance Controller will review all requests for additions or changes to the Chart of Accounts. Any changes will be reviewed and approved by the Executive Director. Once approved, the Finance Controller will add or update the Chart of Accounts based on review.

The Executive Director will complete an annual review of the Chart of Accounts.



POLICIES & PROCEDURES MANUAL

SECTION: Chart of Accounts

POLICY: Master Data Management

Page 33

NUMBER: 201

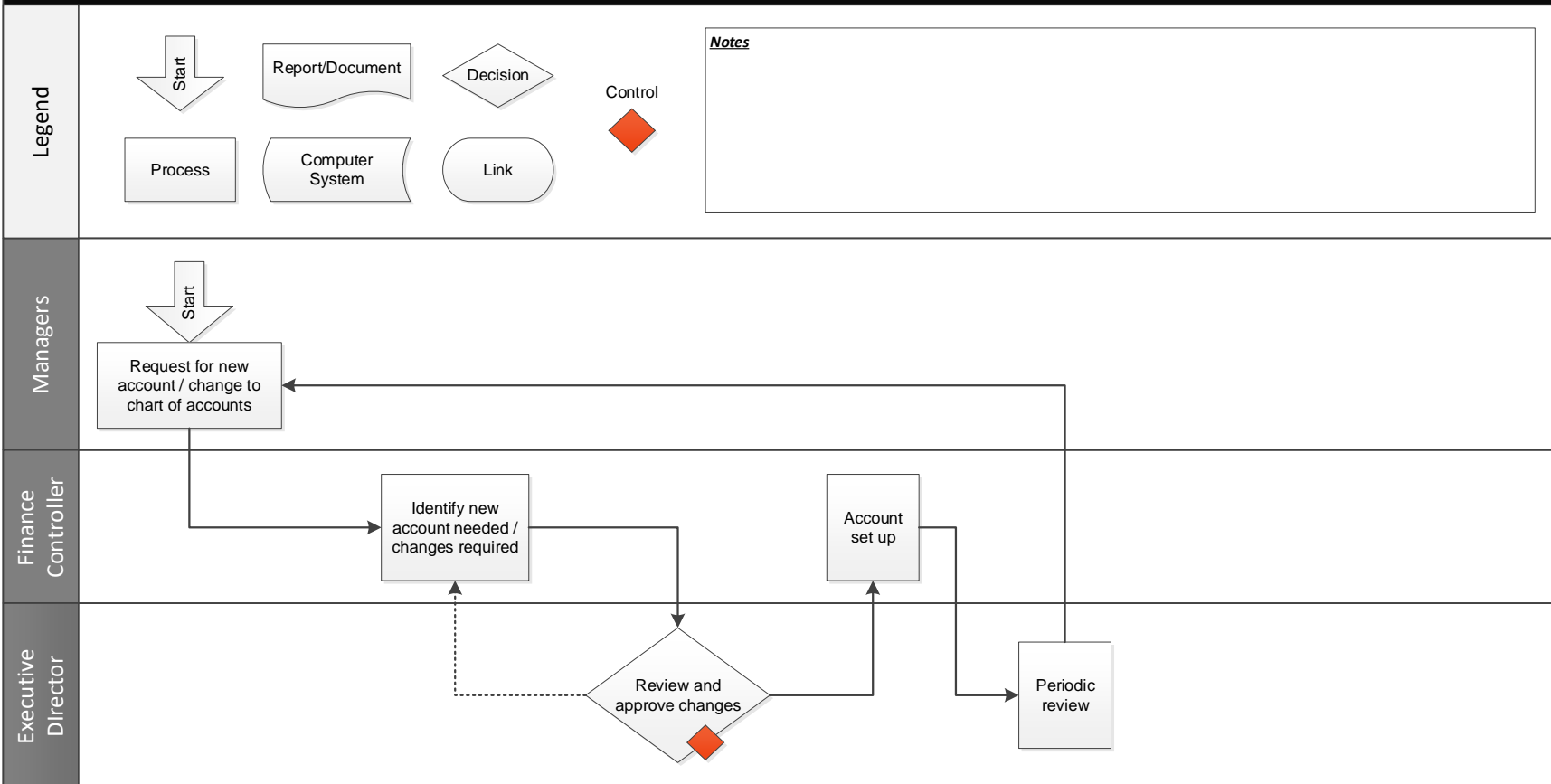
Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Nishnawbe-Aski Legal Services Corporation – 201 Chart of Accounts

Section 200 – Master Data Management





202 VENDOR MASTER FILE

POLICY

The Finance department is responsible for maintaining the master vendor list or approved supplier list to streamline purchasing, to avoid duplication and to provide for periodic review and evaluation of supplier and service provider relationships. Departments are required to notify the Finance department of any additions or changes to the Vendor Master File.

The following information must be verified for all new vendors:

- a) Legal name and address.
- b) Phone, fax and email contact information.
- c) Business Number (BN) and/or HST registration number.
- d) WSIB Firm number or clearance certificate.
- e) Information about their business location, size of operations and clients served (office location, web site, advertising)
- f) Proof of insurance

Only approved Vendors are to be added to the Vendor Master File in the system.

Access to the Vendor Master File is restricted to the Finance Controller and Finance Assistant.

PROCEDURE

Managers will submit requests for vendor set up or changes to the vendor file to the Finance Assistant. Managers will submit any supporting documentation with their request.

The Finance Assistant will review and approve the request and the supporting documentation. Once approved, the Finance Assistant will request approval from the Finance Controller before updating the Vendor Master File.

Once the Vendor Master File has been updated, the Finance Assistant will notify the Finance Controller of update completion. The Finance Assistant will notify all appropriate Managers.

Annually, the Executive Director will review the Vendor Master File to verify the information is accurate.



POLICIES & PROCEDURES MANUAL

SECTION: Vendor Master File

POLICY: Master Data Management

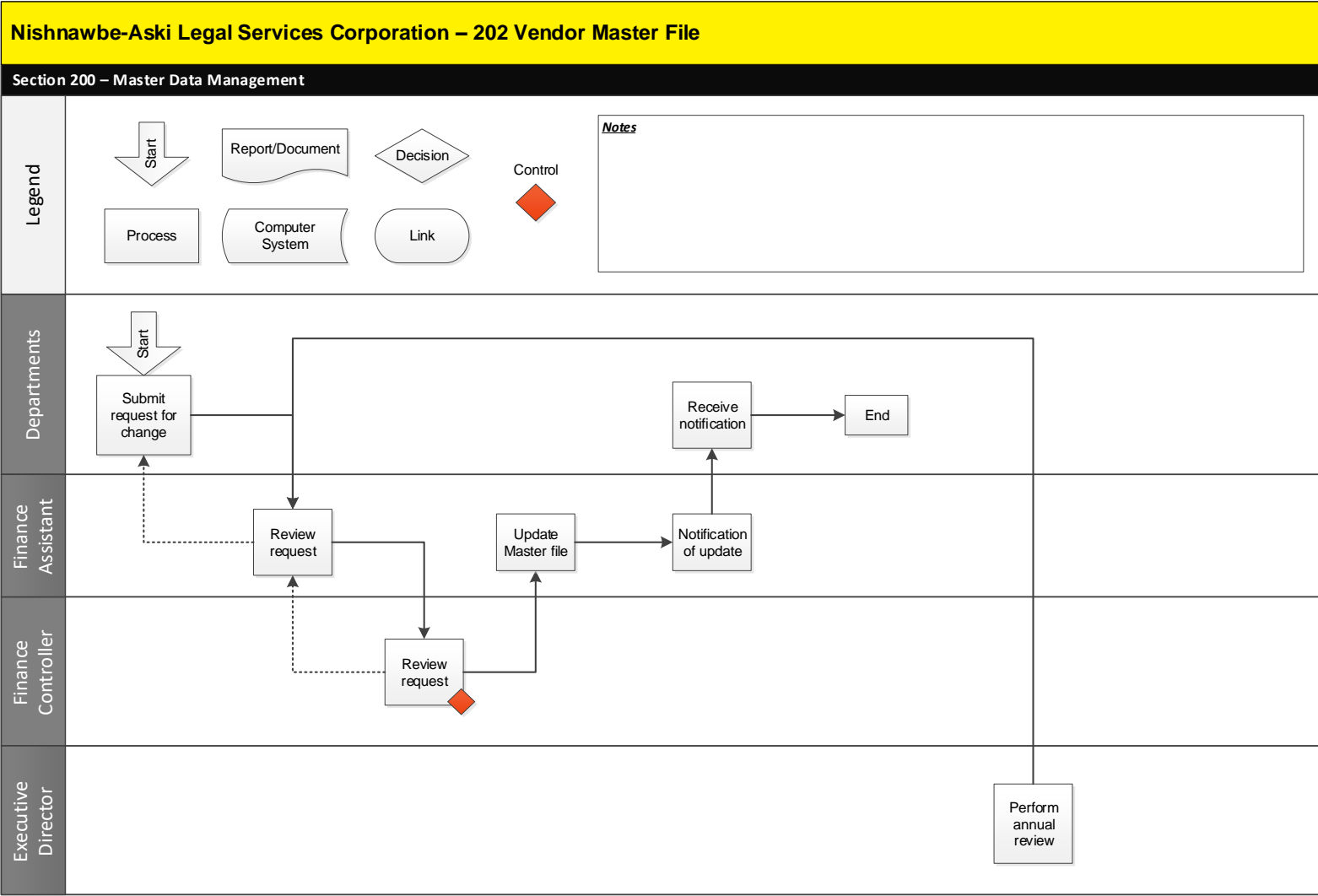
Page 35

NUMBER: 202

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019





POLICIES & PROCEDURES MANUAL

SECTION: Payroll Master File

POLICY: Master Data Management

Page 36

NUMBER: 203

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

203 PAYROLL MASTER FILE

POLICY

The Human Resources Department will submit a request to the Finance Controller for new employee set up or update. All requests submitted will include any supporting documentation, including approvals from the Human Resources Department. The Human Resources Manager will ensure that all appropriate documentation is gathered before employee set up.

The Finance Controller will ensure timely updates to the Payroll Master File as part of the onboarding / off-boarding process.

The Human Resources Department and appropriate Managers will review all additions or updates to the Employee Master File.

Access to the Payroll Master File is restricted to the to Finance Controller.

PROCEDURE

The Human Resources Manager will submit requests for employee set up or update to the Travel/Payroll Coordinator. The Human Resources Manager will submit the employee file with any supporting documentation and approvals with their request.

The Travel/Payroll Coordinator will review the supporting documentation and add to or update the payroll master file and provide the supporting documentation to the Finance Controller who will review the new employee or existing employee update entry.

Once review is complete, the employee file and supporting documents are returned to the Human Resources Manager who is notified of the update.

Annually, the Executive Director will review the Payroll Master File to verify the information is accurate.



POLICIES & PROCEDURES MANUAL

SECTION: Payroll Master File

POLICY: Master Data Management

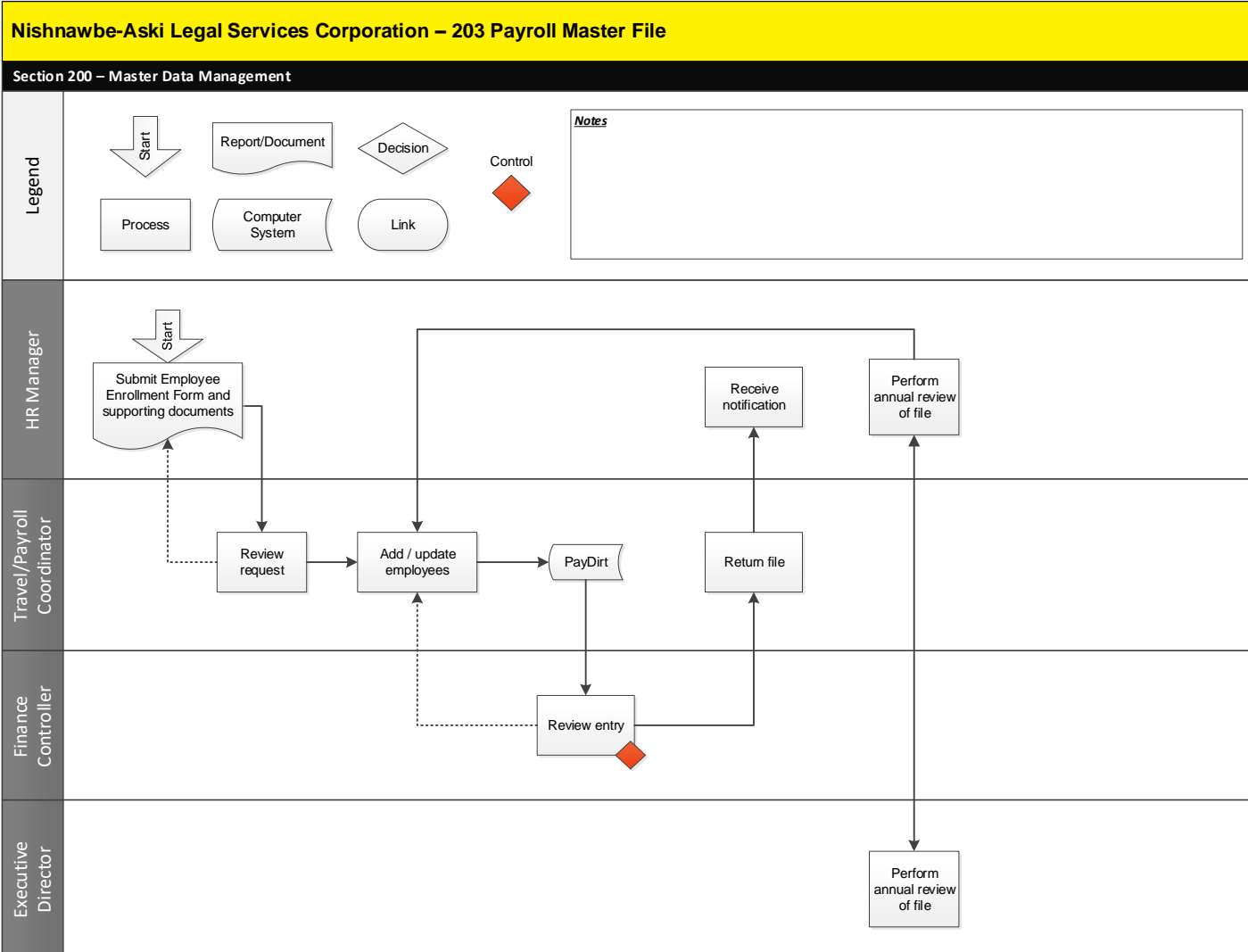
Page 37

NUMBER: 203

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019





POLICIES & PROCEDURES MANUAL

SECTION: Annual Budget

POLICY: Financial Planning and Analysis

Page 38

NUMBER: 301

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

300 FINANCIAL PLANNING AND ANALYSIS

301 ANNUAL BUDGET

POLICY

The Board shall ensure that an annual planning and budgeting process is established that is integrated with the operational and long-term strategy of NALSC.

Annual Budgets shall be assembled by the Management team by February 28th (or 29th) of each fiscal year. The budgets are generally prepared on a fiscal year (April 1-March 31) or shorter basis where applicable.

Detailed budgets may be provided directly to NALSC from funders. Alternatively, funders may provide a lump-sum amount which is then allocated within a detailed budget by NALSC.

Each Manager shall be knowledgeable on their own budgets, ensuring that their funds are spent appropriately and that proper allocations are made. Managers shall have copies of their Funding Agreements to reference during budgeting.

Budgets will be approved by the Executive Director and the Board. Budgets will be reviewed on the validity of expenses and the securing of sources of funding.

Individual Departmental budgets must be submitted before any procurement or expenditures are undertaken.

For ongoing funding, annual budgets shall be prepared by February 28th (or 29th) of the preceding fiscal year.

For new funding, budgets shall be submitted at least two weeks prior to the intended project start date or within 5 business days of funding approval, whichever comes first.

PROCEDURE

The Annual Budgeting process is a collaborative process in where funders either provide budgets to NALSC or provide a lump-sum amount which is then allocated within a detailed budget by NALSC.

The Finance Controller will work with Managers to prepare any budgets based on the information provided by the Funders.

The Finance Controller has the ultimate responsibility to ensure that program and/or departmental budgets are reflective of needs and are submitted as per established deadlines.

The Finance Controller will prepare the budget package (made up of individual program/departmental budgets) and provide it to the Executive Director and the Board for review and approval. Once approved, the Executive Director and Board will sign the finalized budgets. The Finance Controller will enter the budgets into the system.



POLICIES & PROCEDURES MANUAL

SECTION: Annual Budget

POLICY: Financial Planning and Analysis

Page 39

NUMBER: 301

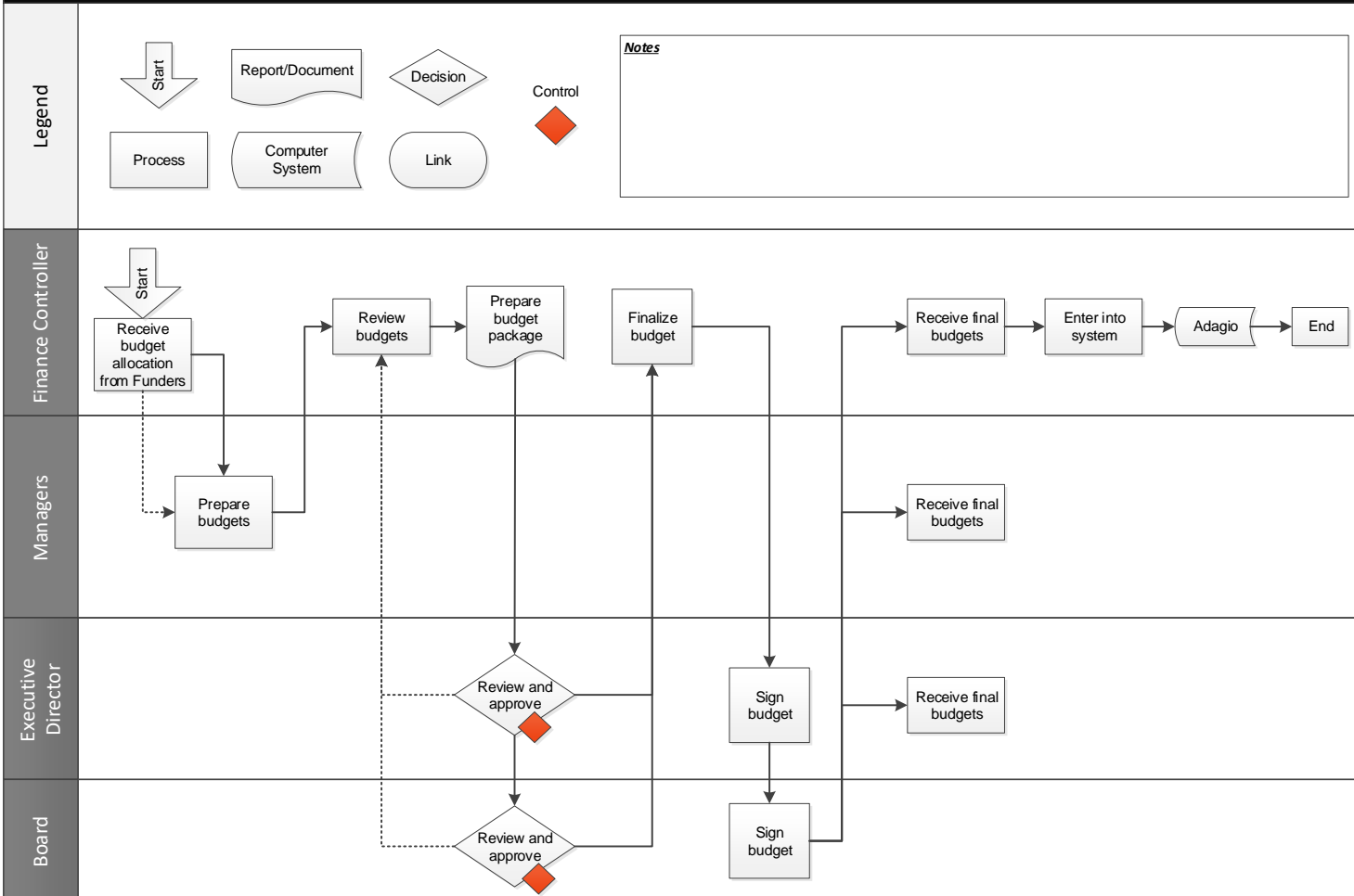
Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Nishnawbe-Aski Legal Services Corporation – 301 Annual Budget

Section 300 – Financial Planning and Analysis





POLICIES & PROCEDURES MANUAL

SECTION: Cash Forecasting

POLICY: Financial Planning and Analysis

Page 40

NUMBER: 302

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

302 CASH FORECASTING

POLICY

To ensure NALSC has adequate cash to pay for day-to-day operations and other expenditures, the Finance Controller is required to maintain a cash forecast tracking the cash inflows and outflows.

Forecasting will be completed monthly and be on a continuous basis.

PROCEDURES

The Finance Controller will prepare the cash forecast.

Before completing any forecasting, the Finance Controller will review current bank balances. The Finance Controller will also review any other supporting documentation required to complete the forecasting, such as the Funding Tracker, listings of upcoming payments and receivables, and bank reconciliations.

Once the proper information has been gathered, reviewed and verified, the Finance Controller will prepare the monthly cash flow forecast spreadsheet/report and submit it to the Executive Director for review.

The Finance Controller will share the monthly cash flow with Managers as appropriate for their duties.



POLICIES & PROCEDURES MANUAL

SECTION: Cash Forecasting

POLICY: Financial Planning and Analysis

Page 41

NUMBER: 302

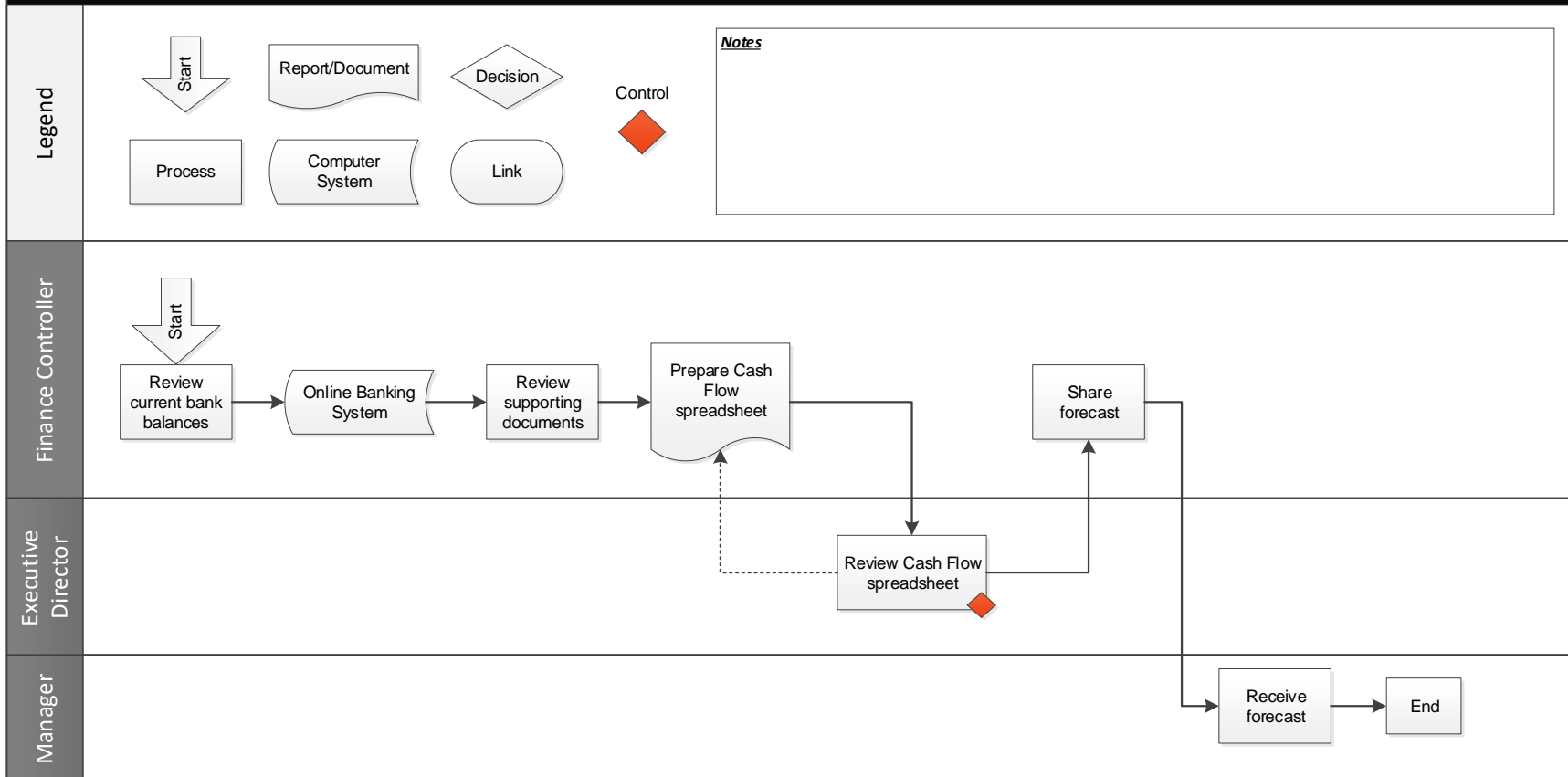
Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Nishnawbe-Aski Legal Services Corporation – 302 Cash Forecasting

Section 300 – Financial Planning and Analysis





POLICIES & PROCEDURES MANUAL

SECTION: Budget Review /
Monitoring / Variance Analysis

POLICY: Financial Planning
and Analysis

Page 42

NUMBER: 303

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

303 BUDGET REVIEW / MONITORING / VARIANCE ANALYSIS

POLICY

NALSC shall ensure that the budget is reviewed and monitored on a frequent basis.

Variance analysis against budgets will be completed monthly.

All variances of significance will be investigated in a timely manner.

Other standard internal financial statements and reports shall be prepared and made available for project monitoring/reporting and Organization oversight as follows:

- a) Monthly budget-to-actual income statement/variance report by Department by the 15th day of the following month
- b) Supporting General Ledger/transaction reports by Department.

Managers may request additional funding from funders by preparing a proposal. Proposals shall be reviewed by the Finance Controller and approved by the Executive Director. Once approved, the Finance Controller will submit the proposal to the Funder.

PROCEDURE

On a monthly basis, the Finance Assistant prints out budget analysis reports by Department. The report includes the current month's budget, actual costs, the resulting variances, as well as the year to date budget, actual costs, and variances. The report is submitted to the Finance Controller. Each Manager will receive a monthly variance report of their Department, as well as the general ledger detailed report.

The Manager should verify that all expenses/revenues contained in the general ledger are accurate and posted correctly. Any errors should be reported to the Finance Controller.

Managers should also examine the monthly variance report to monitor scheduled expenditures, revenue received, etc. The overall budget should be used as a comparison to determine if expenditures are on track, in surplus or deficit. Managers should be aware and watch closely the variances that are accumulating. Efforts must be made to stay within budgetary constraints at all times.

The Finance Controller will examine the variance reports by Department and identify large variance amounts and items that appear to be incorrect or that require clarification.

Once significant variance items are identified, the Finance Controller will investigate the items contacting Managers and requesting explanations. If the Finance Controller is satisfied, variances are documented on the monthly report and kept for backup.

Departments are not permitted to go into a deficit position and if they are carrying a deficit, must be able to explain the reason for such and, if additional funds are required to continue to meet the operating requirements of the Department, will need to present their situation to the Executive



POLICIES & PROCEDURES MANUAL

SECTION: Budget Review /
Monitoring / Variance Analysis

POLICY: Financial Planning
and Analysis

Page 43

NUMBER: 303

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Director. The Executive Director will review the budgetary request and make a decision as to how to deal with the deficit. Any use of appropriated funds must be approved by the Board of Directors.



POLICIES & PROCEDURES MANUAL

SECTION: Budget Review / Monitoring / Variance Analysis

POLICY: Financial Planning and Analysis

Page 44

NUMBER: 303

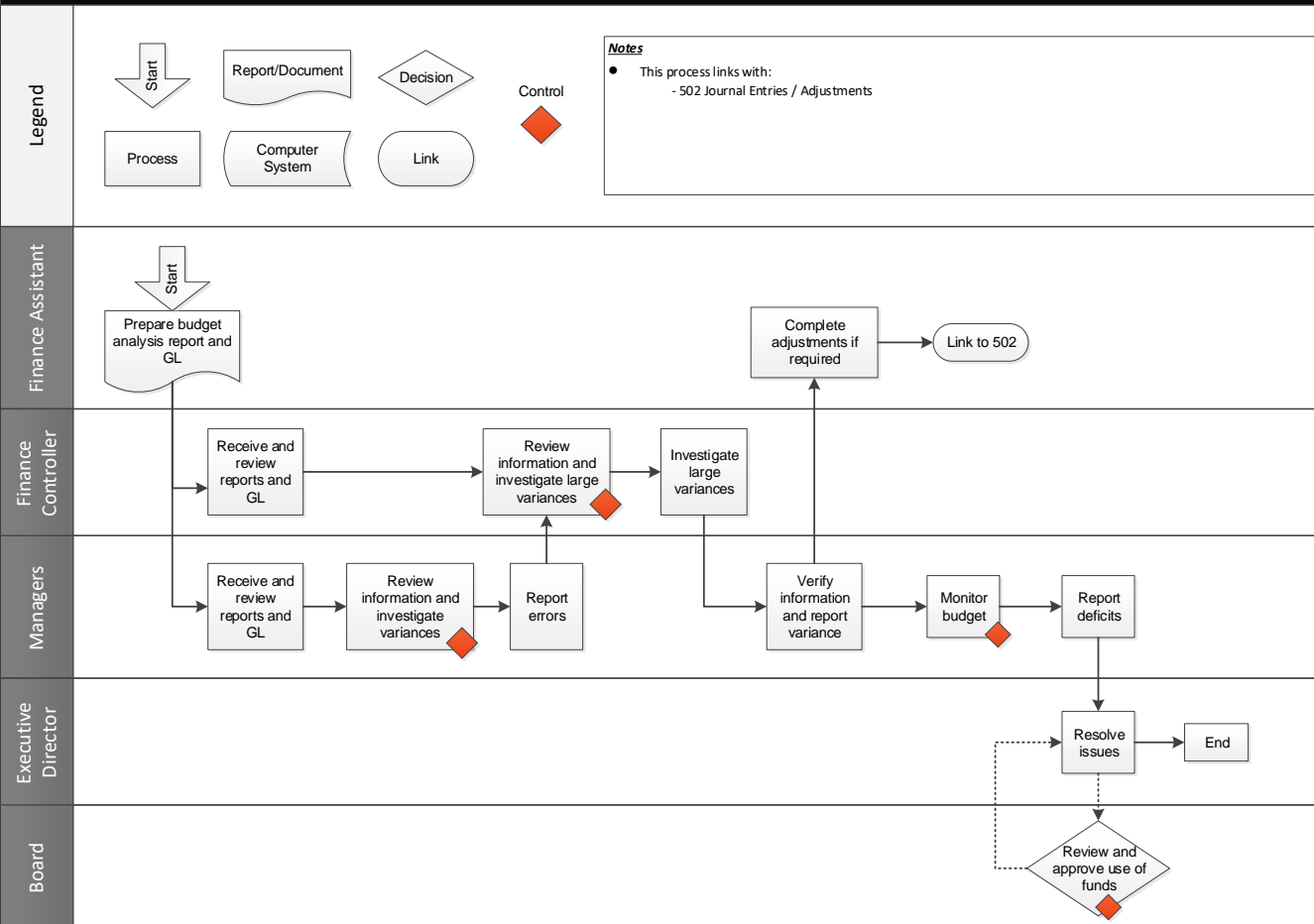
Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Nishnawbe-Aski Legal Services Corporation – 303 Budget Review / Monitoring / Variance Analysis

Section 300 – Financial Reporting





400 FINANCIAL REPORTING

401 PROGRAM REPORTING

POLICY

NALSC is obligated to provide period reporting (e.g. annually, biannually, quarterly) to its various funders.

All reports to funders shall be reviewed by the Manager, Finance Controller, and Executive Director.

All reports to Funders are signed by the Finance Controller (and any additional management (i.e. Executive Director) or the Board, as requested by the funder).

PROCEDURE

The Finance Controller shall maintain a schedule of project / program reporting requirements and due dates for all funders and funding agreements. Funders will provide reporting templates to NALSC. Prior to when the report is due, the Finance Controller will request that Managers complete appropriate sections of the report. The Finance Controller will complete the finance related sections of the report template.

Once the reporting template is complete, the Executive Director will review for accuracy and completeness. The final report will be signed off by the Finance Controller.

Once signed, the Finance Controller will forward the final report to the funder and copy the Executive Director and appropriate Manager.



POLICIES & PROCEDURES MANUAL

SECTION: Program Reporting

POLICY: Financial Reporting

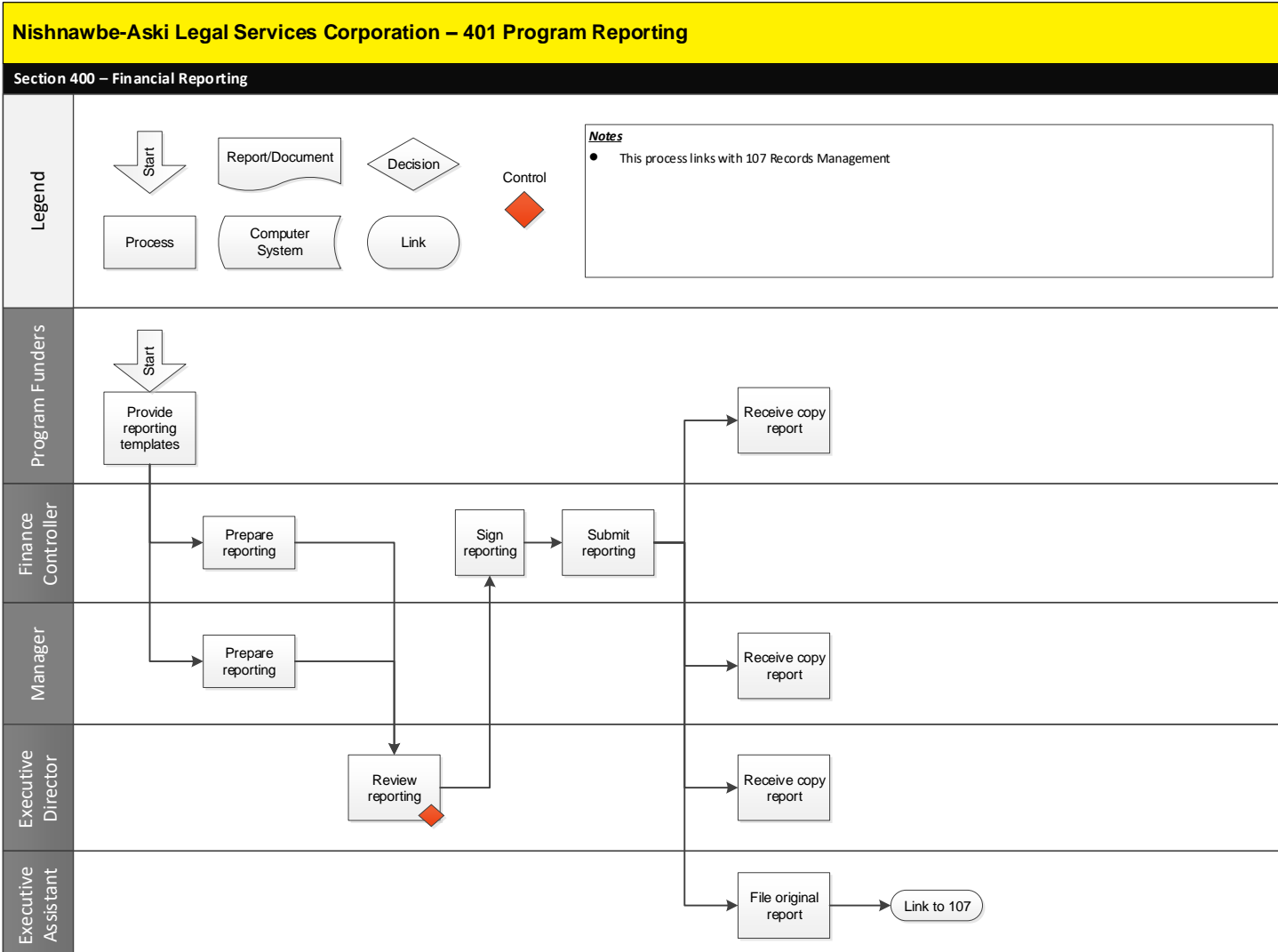
Page 46

NUMBER: 401

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019





POLICIES & PROCEDURES MANUAL

SECTION: Annual Report

POLICY: Financial Reporting

Page 47

NUMBER: 402

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

402 ANNUAL REPORT

POLICY

The Members (the Chiefs of the Nishnawbe-Aski Nation) hold an Annual Assembly once per year.

The Board of Directors, Executive Director and Financial Controller shall submit an Annual Report to the Membership that includes the annual audited consolidated financial statements as approved by the Board of Directors for the year just ended March 31st.

The annual consolidated financial statements shall be made generally available to the Members and the First Nations they represent by the following means:

- a) Presentation/distribution at the Nishnawbe-Aski Nation Annual Assembly;
- b) By request by attending an NALSC Office in person;
- c) By written request submitted to the Financial Controller; and/or
- d) The consolidated financial statements may be further posted on the Organizations website.

PROCEDURES

The Finance Controller will coordinate the submission of the Annual Report. Managers are to prepare their sections of the Annual Report. The Finance Controller will enter in any financial information into the sections, as required. The Finance Controller will consolidate the reporting and prepare a draft report.

The draft report will then be submitted to the Executive Director and Board for review. Once review is complete the Finance Controller will finalize the report. The Finance Controller, Executive Director and Board will present the final Annual Report to the Membership.



POLICIES & PROCEDURES MANUAL

SECTION: Annual Report

POLICY: Financial Reporting

Page 48

NUMBER: 402

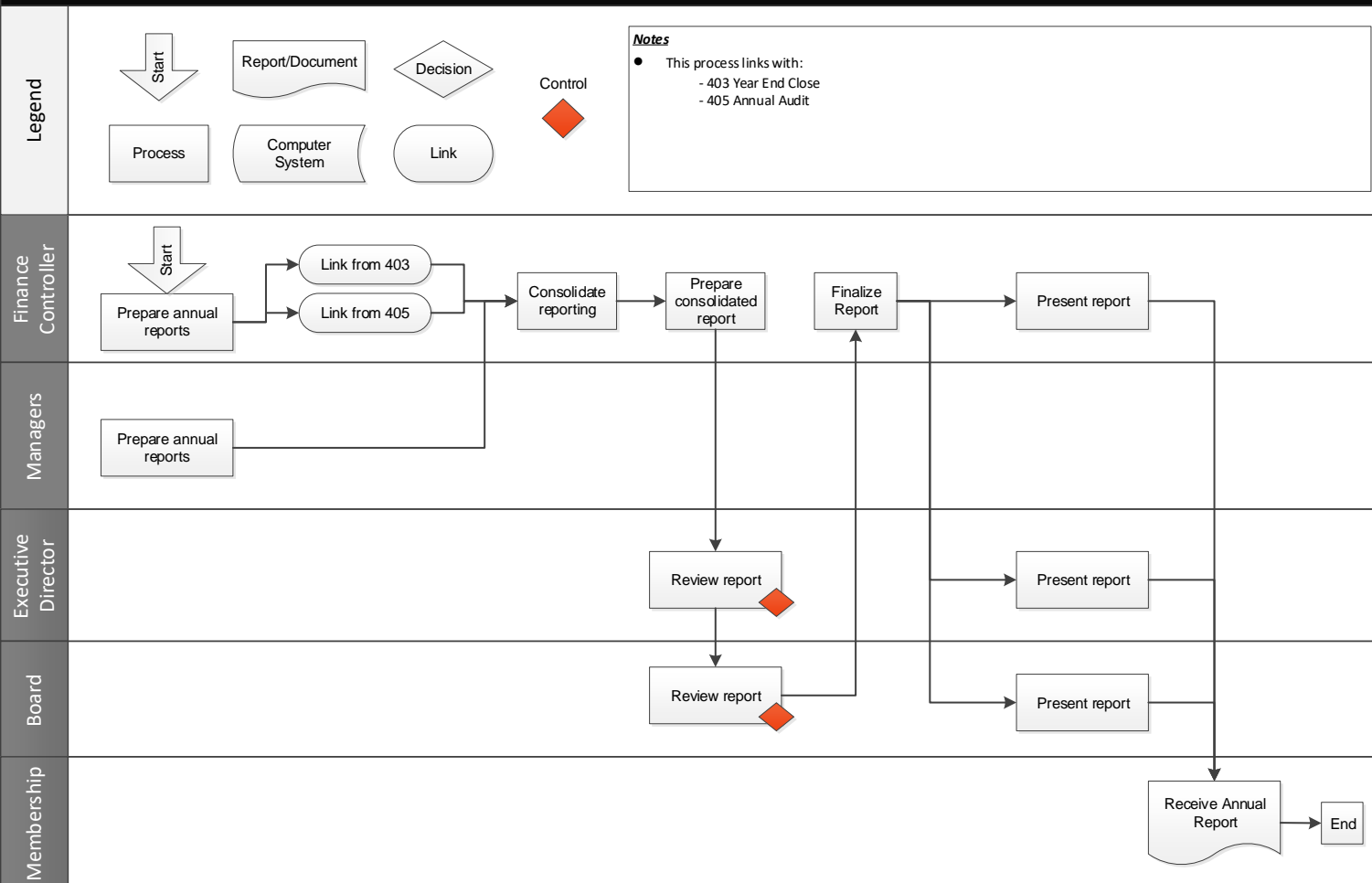
Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Nishnawbe-Aski Legal Services Corporation – 402 Annual Report

Section 400 – Financial Reporting





POLICIES & PROCEDURES MANUAL

SECTION: Year End Close

POLICY: Financial Reporting

Page 49

NUMBER: 403

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

403 YEAR END CLOSE

POLICY

Year-end close will be completed by the end of June after the fiscal year end of March 31st.

The Executive Director, Finance Controller and Finance Assistant will oversee the year-end close process. The Finance Controller will indicate when year-end is final. Once declared, additional entries are prohibited.

PROCEDURES

The Finance Controller will begin the year end close process by ensuring that all financial activity has been recorded by the year-end close timeline set by the Executive Director. Refer to the following policies which are related to year-end close:

- [Section 501 – Sub-ledger Reconciliation](#)
- [Section 502 – Journal Entries/Adjustments](#)
- [Section 503 – Bank Reconciliation](#)
- [Section 1002 - Amortization](#)

The Finance Controller will run trial balances and general ledgers. Managers will receive their respective program/project trial balances and ledgers for review. The Finance Controller will review NALSC’s full trial balance and general ledger.

From review of the trial balances and general ledgers, the Finance Controller will identify any adjustments to be made. Managers will also identify and provide details of adjustments or corrections that are required to the Finance Controller. The Finance Controller will create a summary of adjustments memo that details the journal entries required as a result of the year-end close review. The Finance Controller will enter and complete the adjustments.

Once any adjustments are completed, the Finance Controller will run the adjusted trial balances and general ledger for final review.

Once reviewed, the Finance Controller will prepare the required year-end reports for management and auditors and submit to the Executive Director.

The Finance Assistant will gather working papers to prepare for the audit process.



POLICIES & PROCEDURES MANUAL

SECTION: Year End Close

POLICY: Financial Reporting

Page 50

NUMBER: 403

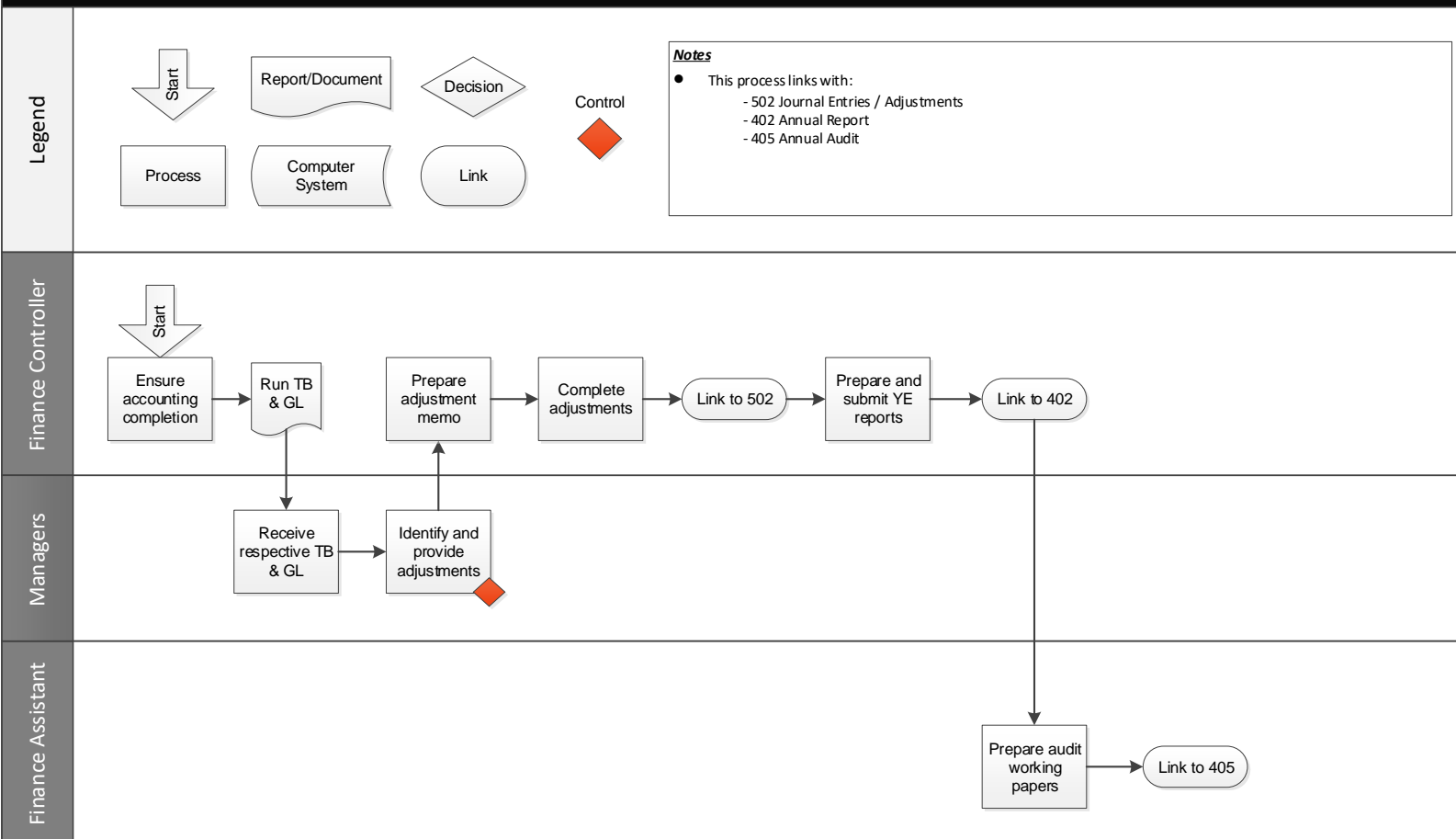
Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Nishnawbe-Aski Legal Services Corporation – 403 Year End Close

Section 400 – Financial Reporting





POLICIES & PROCEDURES MANUAL

SECTION: Appointment of Auditor

POLICY: Financial Reporting

Page 51

NUMBER: 404

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

404 APPOINTMENT OF AUDITOR

POLICY

The Board of Directors shall appoint an appropriately licensed external auditor to audit the annual consolidated financial statements of the Organization.

The selection of an auditor should be made by tender to help to ensure that NALSC receives quality services at competitive prices. Refer to [Section 802 - Tenders and Requests for Proposals](#).

The term of the audit appointment may be for a maximum of five-year increments.

The Board of Directors, Executive Director, Financial Controller and all employees are responsible for providing auditors with unfettered access to any and all financial in their care.

PROCEDURE

The Finance Controller will manage and issue the tender to obtain an Auditor. Refer to [Section 802 Tenders and Requests for Proposal](#). Based on tender submissions, the best vendor will be selected as the Auditor. The selection will be provided to the Executive Director and the Board for approval. Once approved, NALSC will notify the vendor of selection.



POLICIES & PROCEDURES MANUAL

SECTION: Appointment of Auditor

POLICY: Financial Reporting

Page 52

NUMBER: 404

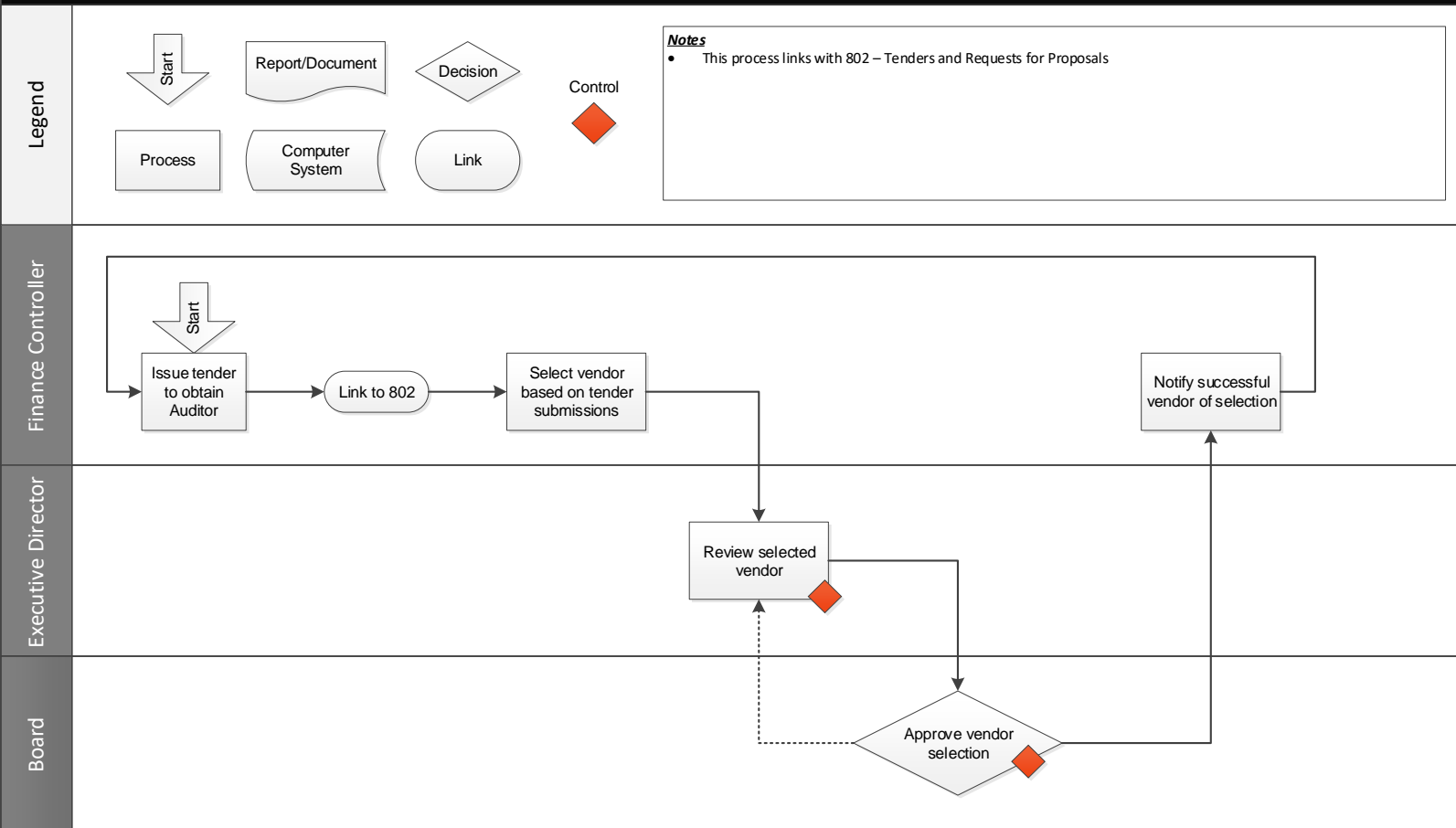
Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Nishnawbe-Aski Legal Services Corporation – 404 Appointment of Auditor

Section 400 – Financial Reporting





POLICIES & PROCEDURES MANUAL

SECTION: Annual Audit

POLICY: Financial Reporting

Page 53

NUMBER: 405

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

405 ANNUAL AUDIT

POLICY

Annual Financial Statements shall be prepared internally by May 1st that include:

- a) Balance Sheet or Statement of Net Assets
- b) Income Statement or Statement of Operations
- c) Statement of Changes in Net Assets
- d) Statement of Changes in Financial Position
- e) Notes, supporting working papers and schedules

The annual audited consolidated financial statements shall be approved by the Board of Directors.

PROCEDURE

In preparation of the annual audit, the Organization must close its books for the fiscal year end to ensure all entries are accounted for. Refer to [Section 403 – Year-End Close](#).

The audit process begins with the Finance Controller, Finance Assistant, and the Executive Assistant gathering all working papers and providing it to the Auditor. The Auditor will collect the working papers, trial balances, and general ledger.

The Auditor will conduct the audit and submit questions to NALSC as required. The Finance Controller (other employees, management and the Board) will respond to any inquiries in a timely manner.

Once all issues are resolved, the Auditor will prepare the draft audited statements for review by the Finance Controller and the Executive Director. Once the draft is approved by the Executive Director, the Auditor will prepare the final draft audited consolidated statements, provide them to the Executive Director and be present for Board meetings, as required. The Executive Director will request that the Auditor present the Financial Statements at the Board meeting.

The auditors will also provide NALSC with any audit entries and a management recommendation letter. Refer to [Section 406 Auditor Recommendations](#).

The Finance Controller will enter audit journal entries, if any, following the journal entry process and close the fiscal year. Refer to [Section 502 Journal Entries / Adjustments](#).

The Board of Directors will provide final approval of the audited financial statements.

Upon Board approval of the audited consolidated financial statements, the Executive Director will be provided with two (2) signed originals for record keeping purposes. The Executive Director or the Financial Controller will submit the audited consolidated statements to funders, as required.



POLICIES & PROCEDURES MANUAL

SECTION: Annual Audit

POLICY: Financial Reporting

Page 54

NUMBER: 405

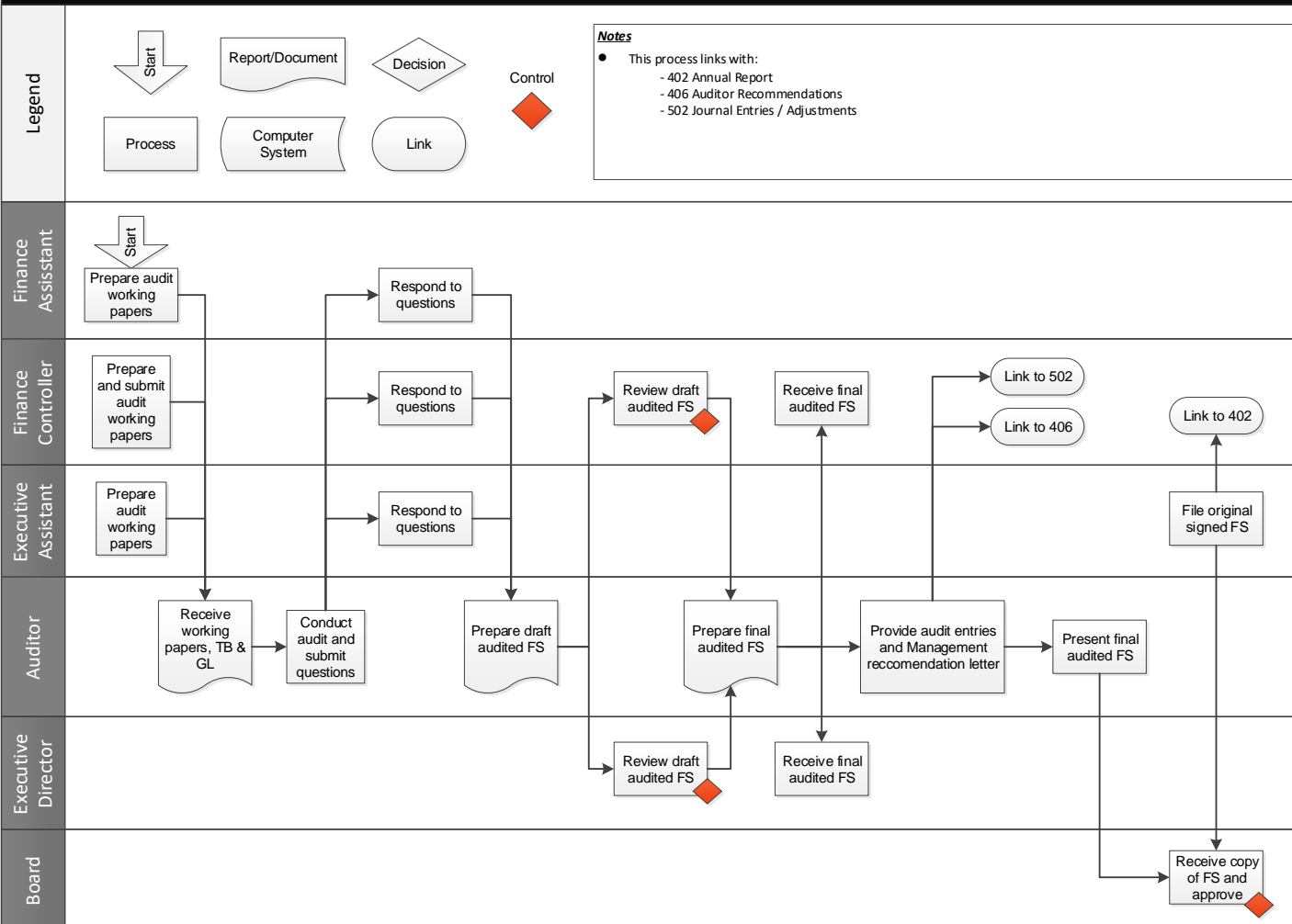
Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Nishnawbe-Aski Legal Services Corporation – 405 Annual Audit

Section 400 – Financial Reporting





POLICIES & PROCEDURES MANUAL

SECTION: Auditor Recommendations

POLICY: Financial Reporting

Page 55

NUMBER: 406

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

406 AUDITOR RECOMMENDATIONS

POLICY

Where an external auditor issues written comments (typically called a “Management Recommendation Letter”) on NALSC’s financial management practices or internal controls, the Board of Directors shall review the comments together with Management’s response.

PROCEDURE

A written response should outline the intended corrective action(s) where changes will be made and/or the rationale for maintaining the status quo where it is determined that changes to existing practices would be inappropriate or inefficient.

The Management Recommendation Letter and response shall be maintained as a confidential document with access generally restricted to the Board of Directors, Executive Director and the Finance Controller.

The Executive Director may release the Management Recommendation Letter and response to other parties if required; otherwise the Management Recommendation Letter is considered confidential.



POLICIES & PROCEDURES MANUAL

SECTION: Auditor Recommendations

POLICY: Financial Reporting

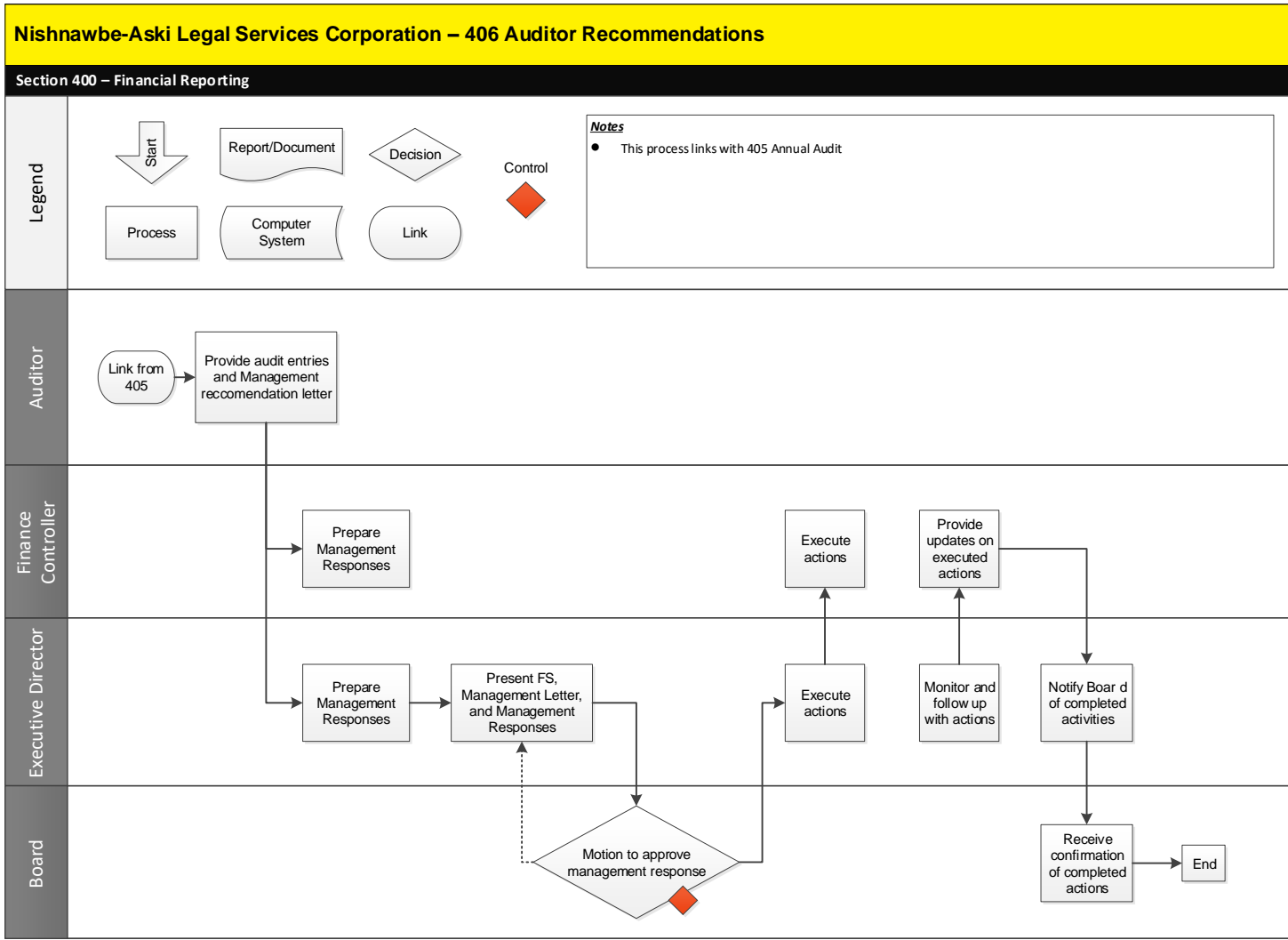
Page 56

NUMBER: 406

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019





POLICIES & PROCEDURES MANUAL

SECTION: Sub-Ledger Reconciliation

POLICY: General Accounting and Month End

Page 57

NUMBER: 501

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

500 GENERAL ACCOUNTING AND MONTH END

501 SUB-LEDGER RECONCILIATION

POLICY

Sub-ledger reconciliation with the general ledger will be completed monthly.

The Finance Controller is responsible for the completion of sub-ledger reconciliation. The Finance Controller will review and approve any adjustments as required.

PROCEDURE

The Finance Controller will prepare monthly reconciliations of NALSC's sub-ledgers, including the Accounts Payable sub-ledger and the Accounts Receivable sub-ledger. The Finance Controller will complete an initial reconciliation and investigate any issues.

After the initial reconciliation is complete, the Finance Controller will determine if adjustments are required.

All adjustments will be completed by the Finance Controller and reviewed by the Executive Director. Refer to [Section 502 Journal Entries / Adjustments](#).

Once adjustments have been completed, the Finance Controller will compare adjusted ledgers to ensure accuracy and completeness.



POLICIES & PROCEDURES MANUAL

SECTION: Sub-Ledger Reconciliation

POLICY: General Accounting and Month End

Page 58

NUMBER: 501

Date: October 23, 2019

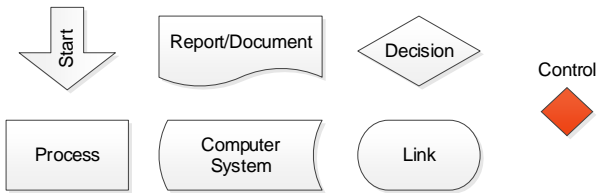
Revised: N/A

Approved: October 23, 2019

Nishnawbe-Aski Legal Services Corporation – 501 Sub-Ledger Reconciliation

Section 500 – General Accounting and Month End

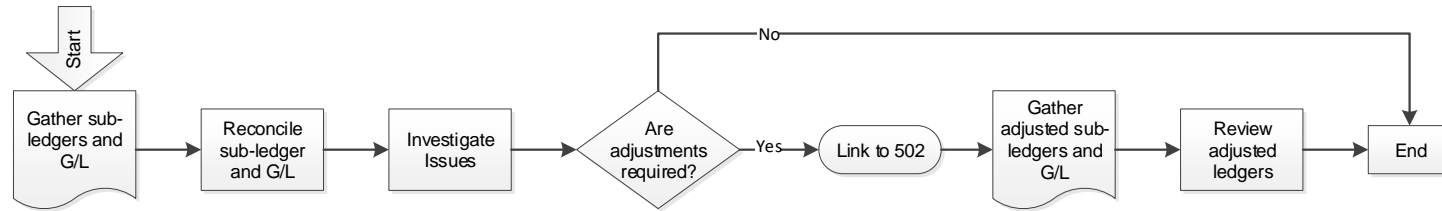
Legend



Notes

- This process links with 502 Journal Entries / Adjustments

Finance Controller





POLICIES & PROCEDURES MANUAL

SECTION: Journal Entries / Adjustments

POLICY: General Accounting and Month End

Page 59

NUMBER: 502

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

502 JOURNAL ENTRIES / ADJUSTMENTS

POLICY

A journal entry is used for recording transactions directly to the general ledger or to adjust entries originally entered through accounts receivable or accounts payable modules.

All journal entries shall be appropriately reviewed and approved prior to being entered into the financial system.

PROCEDURE

The Finance Controller may prepare journal entries for the following:

- a) Corrections identified during review of reports and general ledgers and sub-ledgers;
- b) Reconciliation entries (i.e. balance sheet control accounts, revenues, etc.); and
- c) Recurring entries (i.e. amortization).

If a correction is identified by a Manager during review and monitoring of their monthly reports and budgets, Managers may request a change to their general ledger account(s) by submitting an adjustment request and any supporting information to the Finance Controller. The Finance Controller will review the request and supporting information before completing the adjustment.

Entries prepared for the above will be reviewed and approved by the Finance Controller

A journal entry form of all adjustments is prepared and signed by the Finance Controller. The Form is then submitted to the Executive Director for signature after being entered and posted within the system by the Financial Controller.



POLICIES & PROCEDURES MANUAL

SECTION: Journal Entries / Adjustments

POLICY: General Accounting and Month End

Page 60

NUMBER: 502

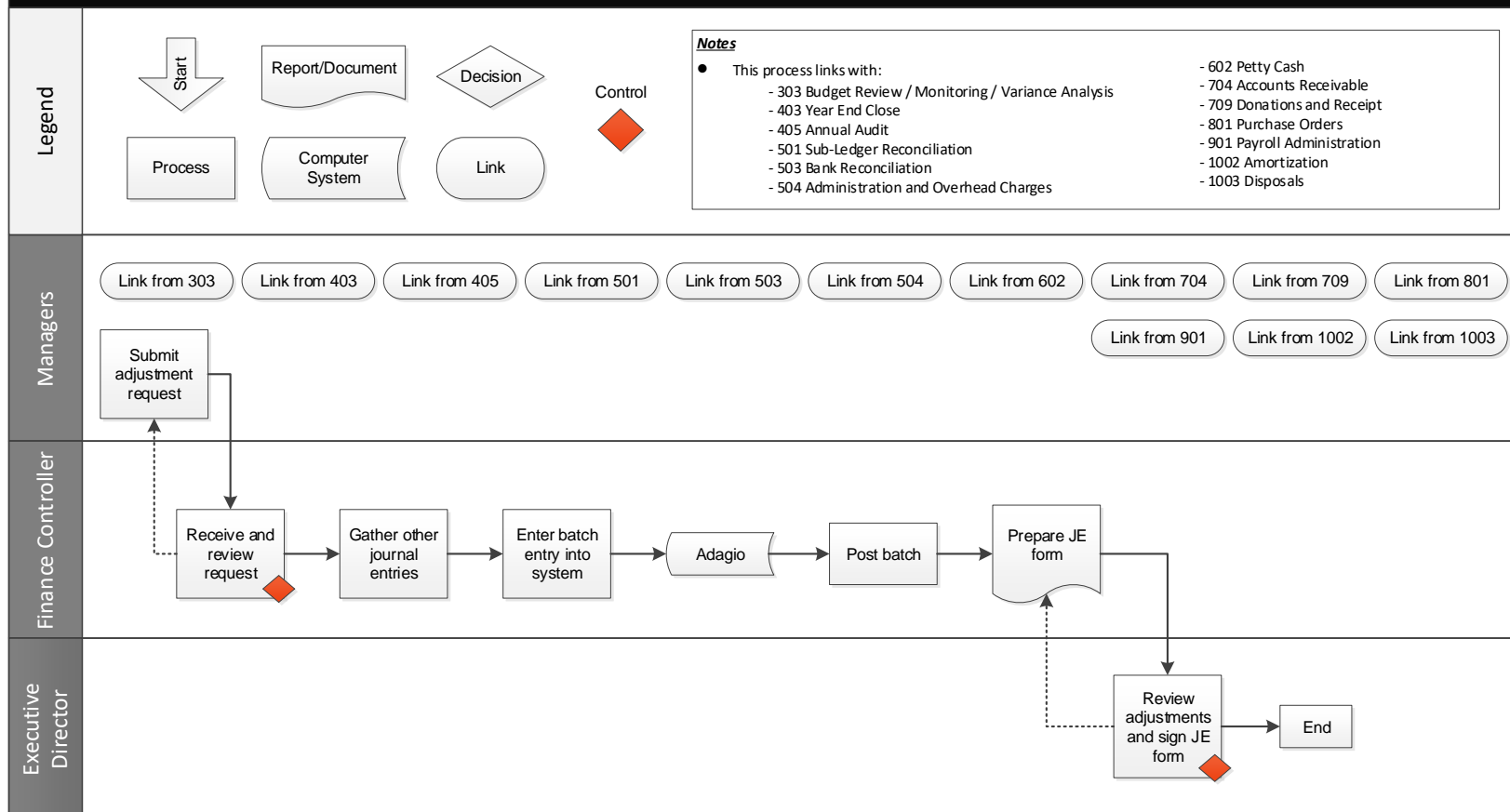
Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Nishnawbe-Aski Legal Services Corporation – 502 Journal Entries/Adjustments

Section 500 – General Accounting and Month End





POLICIES & PROCEDURES MANUAL

SECTION: Bank Reconciliation

POLICY: General Accounting and Month End

Page 61

NUMBER: 503

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

503 BANK RECONCILIATION

POLICY

Cash balances are to be monitored to ensure liquidity requirements are not compromised.

Bank statements shall be reviewed in a timely manner. Bank reconciliations shall be prepared within 15 calendar days of the close of the month and presented for the Executive Director’s approval.

Bank reconciliations shall be prepared monthly, upon receipt of the bank statements and cancelled cheques.

The Finance Controller preparing the bank account reconciliation will monitor and investigate adjustments that carry over from month to month.

- Outstanding cheques will be monitored and any cheques outstanding for more than four months will be investigated to determine whether the cheques remain valid or if they should be cancelled.
- In transit deposits will be investigated immediately if not cleared by the bank.
- Unusual, or unresolved entries that carry over for more than one month, will be reported to the Executive Director.

Online access to the Organizations banking systems are provided to the Financial Controller (full access) and the Finance Assistant (to enter and release payments).

PROCEDURE

The Finance Controller will complete the bank reconciliation by comparing the deposits listed on the bank statement with deposits shown in the accounting records and receipts book. Any discrepancies will be noted, and a list of errors or unrecorded items compiled. Any issues will be investigated.

All cleared cheques included with the bank statement shall be compared with the outstanding cheque listing within the accounting system. Any discrepancies or errors are to be noted and a list of errors or reconciling items compiled.

The previous month’s reconciliation shall be used to determine if any cheques outstanding at the end of that month are still outstanding. The previous month’s reconciliation shall also be used to determine if any deposits that were unrecorded by the bank at the end of the previous month have been recorded. Any discrepancies or errors are to be noted.

Any bank memorandum entries on the bank statement are to be verified and compared to entries in the accounting records. Any memorandums that do not appear in the accounting records are to be noted. NALSC service charges, transfers, overdraft fees etc., will require adjustments by journal entry.

Once the bank reconciliation has been prepared, the Executive Director will review and sign it as evidence that the reconciliation is complete and approved. Any journal entries that are required to be posted shall also be prepared and accompany the bank reconciliation.



POLICIES & PROCEDURES MANUAL

SECTION: Bank Reconciliation

POLICY: General Accounting and Month End

Page 62

NUMBER: 503

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Once approved, a copy of the bank reconciliation will be provided to the Finance Controller and Finance Assistant for filing, posting of journal entries and for monthly cash forecasting purposes.



POLICIES & PROCEDURES MANUAL

SECTION: Bank Reconciliation

POLICY: General Accounting and Month End

Page 63

NUMBER: 503

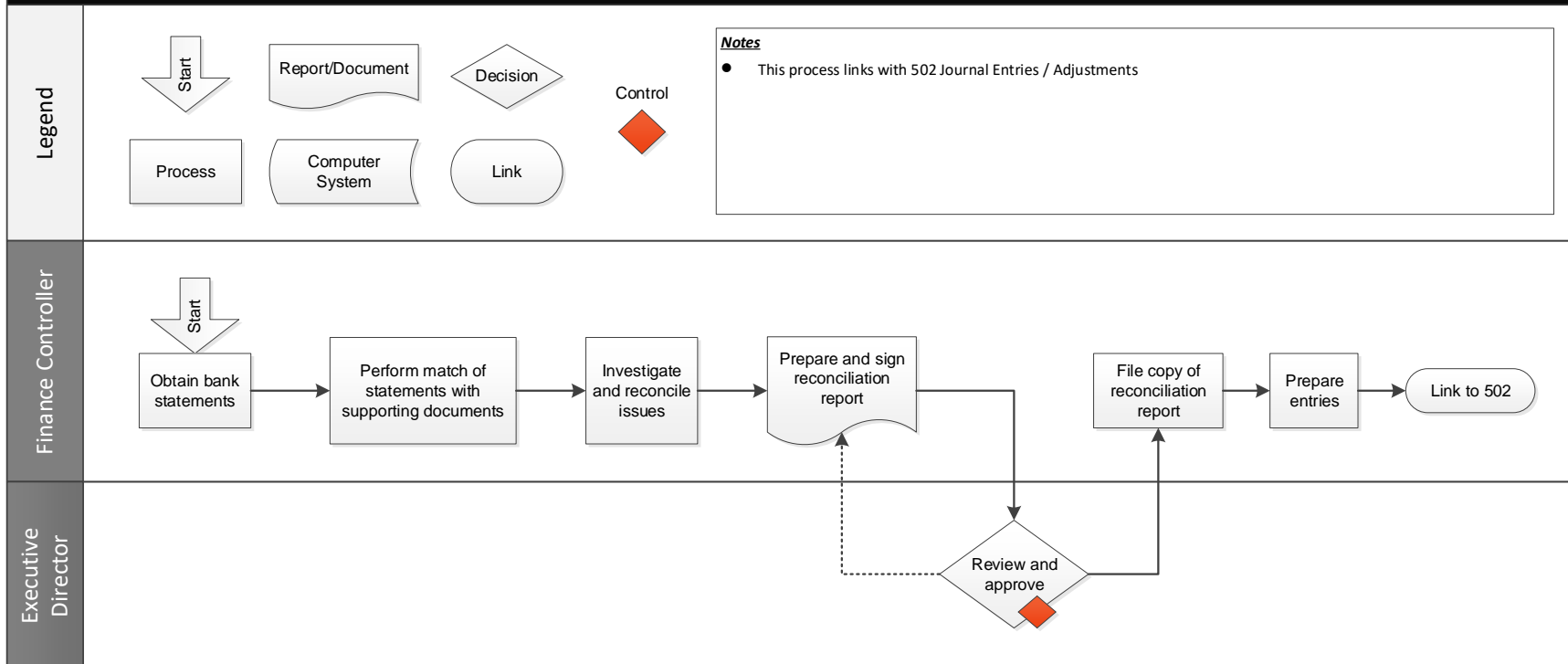
Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Nishnawbe-Aski Legal Services Corporation – 503 Bank Reconciliation

Section 500 – General Accounting and Month End





POLICIES & PROCEDURES MANUAL

SECTION: Administration and Overhead Charges

POLICY: Purchases, Payables, Disbursements

Page 64

NUMBER: 504

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

504 ADMINISTRATION AND OVERHEAD CHARGES

POLICY

Direct Administration costs related to the operation of a Program, Project or Department are charged directly to that Program, Project or Department. These typically include:

- a) Wages and benefits to administer a program/project or participate in a program/project related meeting, event or activity (derived from timesheets).
- b) Insurance (where there is a funder requirement to be a named insured and/or provide a certificate of insurance).
- c) Travel and meeting costs.
- d) Rent/occupancy costs for Department staff/operations.
- e) Supplies, materials and equipment purchased for the project/Department.
- f) Printing and reproduction costs for Department materials.
- g) Professional Development and Recruiting costs for Department staff.
- h) Special audit or professional fees (e.g. where there is a funder requirement to produce reports in excess of the standard audited consolidated financial statements).
- i) Any other direct expenses of the project/Department.

Indirect administration expenses are booked into a General Administration account. On a monthly basis, entries are created to allocate the expenses to each Program, Project or Department, according to the administrative funding percentage provided by the Funder.

Indirect administration expenses typically include:

- a) Annual General Meeting costs.
- b) Board of Directors costs (travel expenses and meeting costs).
- c) Executive Director wages and general management costs that are not specific to a Department or project.
- d) Corporate Services (e.g. Finance, Human Resources and Information Technology that are not program/department specific).
- e) Rent/Occupancy costs for Corporate Services staff.
- f) Audit and Legal costs (non-program/department specific).
- g) Insurance costs (non-program/department specific).
- h) Advertising and Promotion costs (non-program/department specific public outreach).
- i) Amortization and Depreciation.
- j) Bank Charges and Financing Costs (non-program/department specific).
- k) Other unfunded general management and operating costs.



POLICIES & PROCEDURES MANUAL

SECTION: Administration and Overhead Charges

POLICY: Purchases, Payables, Disbursements

Page 65

NUMBER: 504

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

PROCEDURE

The Finance Controller will determine the journal entries to allocate administration and overhead charges for direct and indirect expenses. The Finance Controller will complete the allocation monthly. Once the allocations have been determined, the Finance Controller will prepare and sign a journal entry form and provide it to the Executive Director for review and approval. Refer to [Section 502 Journal Entries / Adjustments](#).



POLICIES & PROCEDURES MANUAL

SECTION: Administration and Overhead Charges

POLICY: Purchases, Payables, Disbursements

Page 66

NUMBER: 504

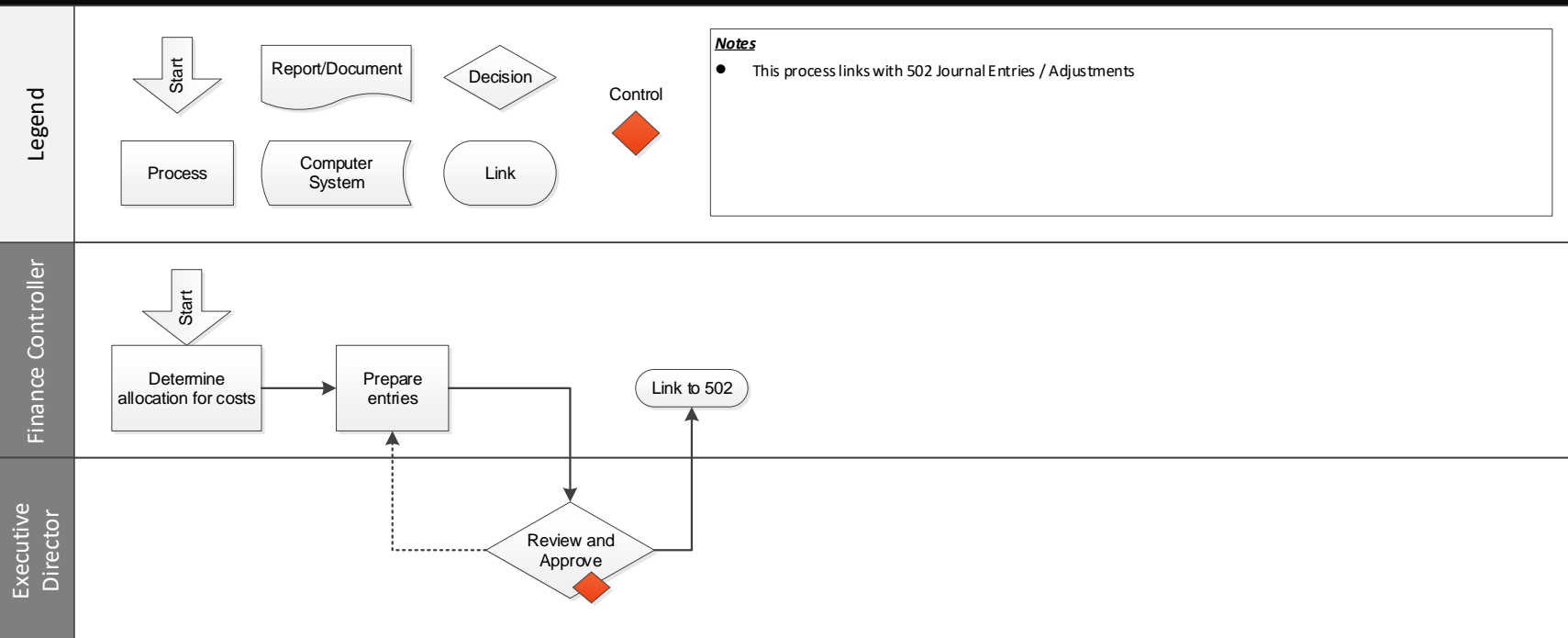
Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Nishnawbe-Aski Legal Services Corporation – 504 Administration and Overhead Charges

Section 500 – General Accounting and Month End





POLICIES & PROCEDURES MANUAL

SECTION: Cash and
Equivalents

POLICY: Treasury and Cash
Management

Page 67

NUMBER: 601

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

600 TREASURY AND CASH MANAGEMENT

601 CASH AND EQUIVALENTS

POLICY

Cash and cash equivalents consist of cash on hand, petty cash, bank balances and cashable guaranteed investment certificates (GICs).

All operating, chequing, saving, reserve and trust accounts shall be opened in the name of the Organization and shall be established at a Canadian chartered bank, trust company or credit union designated by the Board of Directors.

In general, the Organization shall maintain the following bank accounts:

- a) A current account for all general operations, programs and activities.
- b) A savings account for all charitable receipts.

The opening and closing of bank accounts requires approval of the Board of Directors.

At minimum, two signatures shall be required to transact all banking business.



POLICIES & PROCEDURES MANUAL

SECTION: Petty Cash

POLICY: Treasury and Cash Management

Page 68

NUMBER: 602

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

602 PETTY CASH

NALSC maintains Petty Cash funds not exceeding \$500 to cover small day to day expenses.

Certain staff (outside the Financial Staff) may be designated as “Petty Cashiers” who are responsible ensuring the security of the petty cash in a lockable receptacle.

At all times, the total of cash and vouchers held by each Petty Cashier should amount to the designated float. Petty cash is replenished when necessary but usually at each month end.

The Finance Controller reviews the reasonableness of expenses and authorizes the replenishment payment to the petty cashier.

Random/unexpected counts of petty cash may occur at any time to ensure existence.

PROCEDURES

Petty Cashiers will submit requests for petty cash to the Finance Controller.

The Finance Controller will ensure that any past reconciliations have been completed prior to approving the request to replenish petty cash. Once approved by the Executive Director, the Finance Controller will notify the Finance Assistant to enter the petty cash request amount into the system. Once the cash is obtained, the Finance Assistant will provide the cash to the Petty Cashiers. Cash will be kept in a secure cash box.

Employees must make a written request to utilize petty cash using a Petty Cash Voucher.

The Petty Cash Voucher must be completed by the employee and approved by the Manager.

The Petty Cash Voucher contains the following information:

- Voucher Number - Sequence number pre-printed on the vouchers.
- Date - Date the voucher is requested.
- Amount - Total petty cash spent.
- For - Brief description of goods, services or equipment.
- Charge - Department name and account number.
- Cash Given By - Name of person who provided cash (i.e. Petty Cashier)
- To - Name of person who received the cash.
- Signature - Signature of person who received the cash.

The Department will use the petty cash as needed and obtain receipts for all cash spent.

The receipts will be submitted to the Petty Cashier.

The Petty Cashier will retain all receipts and track all expenses incurred on a Petty Cash Tracking Sheet. The Petty Cashier will reconcile all receipts and provide the information to the Finance Assistant for review and to prepare entries.



POLICIES & PROCEDURES MANUAL

SECTION: Petty Cash

POLICY: Treasury and Cash Management

Page 69

NUMBER: 602

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Petty cash will only be replenished by Finance upon receipt of signed vouchers and invoices; and a completed, balanced reconciliation of the petty cash.

Stolen or missing funds from petty cash are to be reported to the Finance Controller and/or the Executive Director immediately.



POLICIES & PROCEDURES MANUAL

SECTION: Petty Cash

POLICY: Treasury and Cash Management

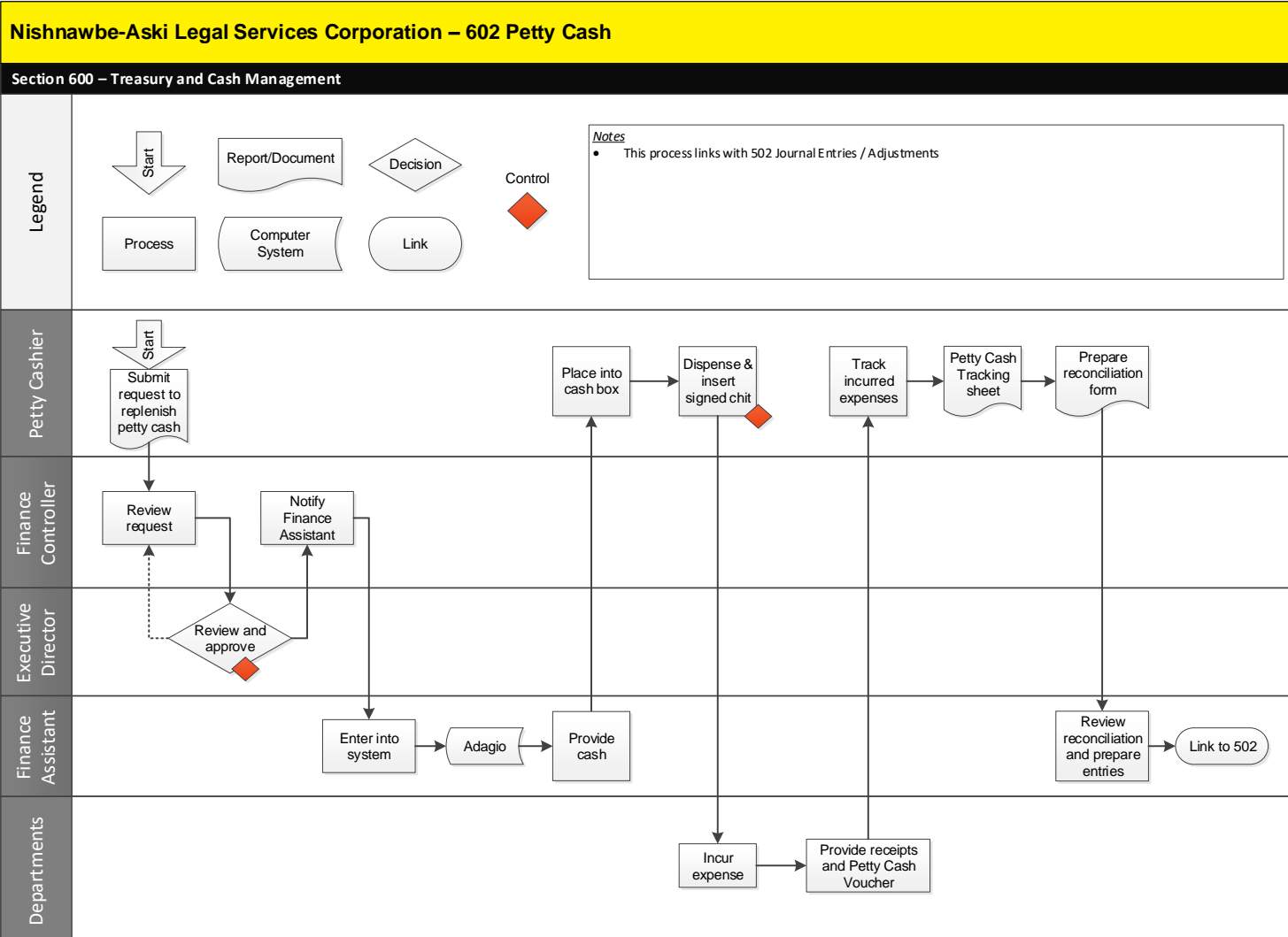
Page 70

NUMBER: 602

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019





POLICIES & PROCEDURES MANUAL

SECTION: Investments

POLICY: Treasury and Cash Management

Page 71

NUMBER: 603

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

603 INVESTMENTS

POLICY

In order to produce additional revenue, excess operating funds may be invested in cashable guaranteed investment certificates, treasury bills or bankers' acceptances.

NALSC shall establish the types of acceptable short-term investments and any limits on these investments that are purchased and held by NALSC.

Short-term investments should:

- a) provide liquidity by investing a portion of the funds in liquid, short-term securities that can be converted to cash with no risk of principal loss (capital preservation); and
- b) maintain a high level of return within an acceptable level of risk.

All investment securities purchased must be Canadian. Foreign investments are not permitted. An investment in equities (stocks) is strictly prohibited in the short-term.

The funds received from the liquidation of investments must be deposited in the appropriate accounts.

The Executive Director is responsible for investment management and strategy. The Board of Directors will review investment recommendations made by Executive Director and approve prior to any funds being invested.

The short-term investment of surplus funds must be pursuant to the policy as established herein.

1. All surplus funds must be identified and categorized by source and purpose. Each surplus must have a documented policy stating any restrictions on re-investment. This will identify specific restrictions on how program dollars can be spent or, alternatively, if they are un-appropriated funds.
2. Appropriated funds have documented restrictions which must be respected. These funds cannot be diverted for any other purpose, save and except for exceptional circumstances and only where approved by NALSC resolution passed by a quorum vote of Board Members at a duly convened Board Meeting.
3. All funding sources must be identified and analyzed. The amounts, conditions and purpose of each funding agreement as well as the term of each agreement must be identified. Any anticipated risk in funding must be factored into the risk analysis on all investments.
4. In conjunction with point 3 above, each surplus must be identified by the nature of any current program funding. An analysis must determine whether the related funding is secure and for what period of time. An estimate must be made on the likelihood of the income stream continuing after expiration of the current agreement and the probability of any future resulting surplus or deficiencies.
5. Any external restrictions on funds must be documented and respected.



POLICIES & PROCEDURES MANUAL

SECTION: Investments

POLICY: Treasury and Cash Management

Page 72

NUMBER: 603

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

6. A full analysis must be performed on all existing investments by identifying the following:
 - Nature of investment;
 - Invested funds;
 - Term of investment;
 - Likelihood of success/failure, i.e. funds at risk;
 - Income or deficit flowing from the investment expressed in dollars and in percentage return on investment; and
 - Impact of each investment on global investment strategy.
7. From the above data, a comprehensive approach to an NALSC investment strategy must be developed taking into consideration the portfolio diversity in the context of the risk analysis.

PROCEDURES

The Financial Controller will initiate the process by identifying any needs for cash or surplus funds that may be used to purchase investments.

The Financial Controller will analyze and assess current investments and potential new investments. The investments must fall within the requirements of the investment policy, as summarized below:

- 1) NALSC must invest in securities that are consistent with its overall risk tolerance of both management and stakeholders. NALSC should establish an overall risk tolerance based on the following factor and risks;
 - Risk-Return relationship
 - Liquidity risk
 - Credit/default risk
 - Operational/event risk
 - Reinvestment risk
 - Interest rate risk
 - Exchange rate risk
 - Inflation risk
- 2) The NALSC must invest, in the short-term, in securities issued by the following three (3) sources:
 - Cashable guaranteed investment certificates
 - Treasury bills



POLICIES & PROCEDURES MANUAL

SECTION: Investments

POLICY: Treasury and Cash Management

Page 73

NUMBER: 603

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

- Bankers acceptances

The Financial Controller will submit the investments to the Executive Director for review and approval.

The Board of Directors will review investment recommendations made by Executive Director and approve prior to any funds being invested.

Once the Board reviews and approves the investments, the Financial Controller will execute the purchasing or selling of investments. Once this step is complete, the Financial Controller will notify the Executive Director of the updates.

The Financial Controller will perform periodic reviews of the current investments, as well as any cash needs or surplus funds, and provide reports to the Executive Director and Board.



POLICIES & PROCEDURES MANUAL

SECTION: Investments

POLICY: Treasury and Cash Management

Page 74

NUMBER: 603

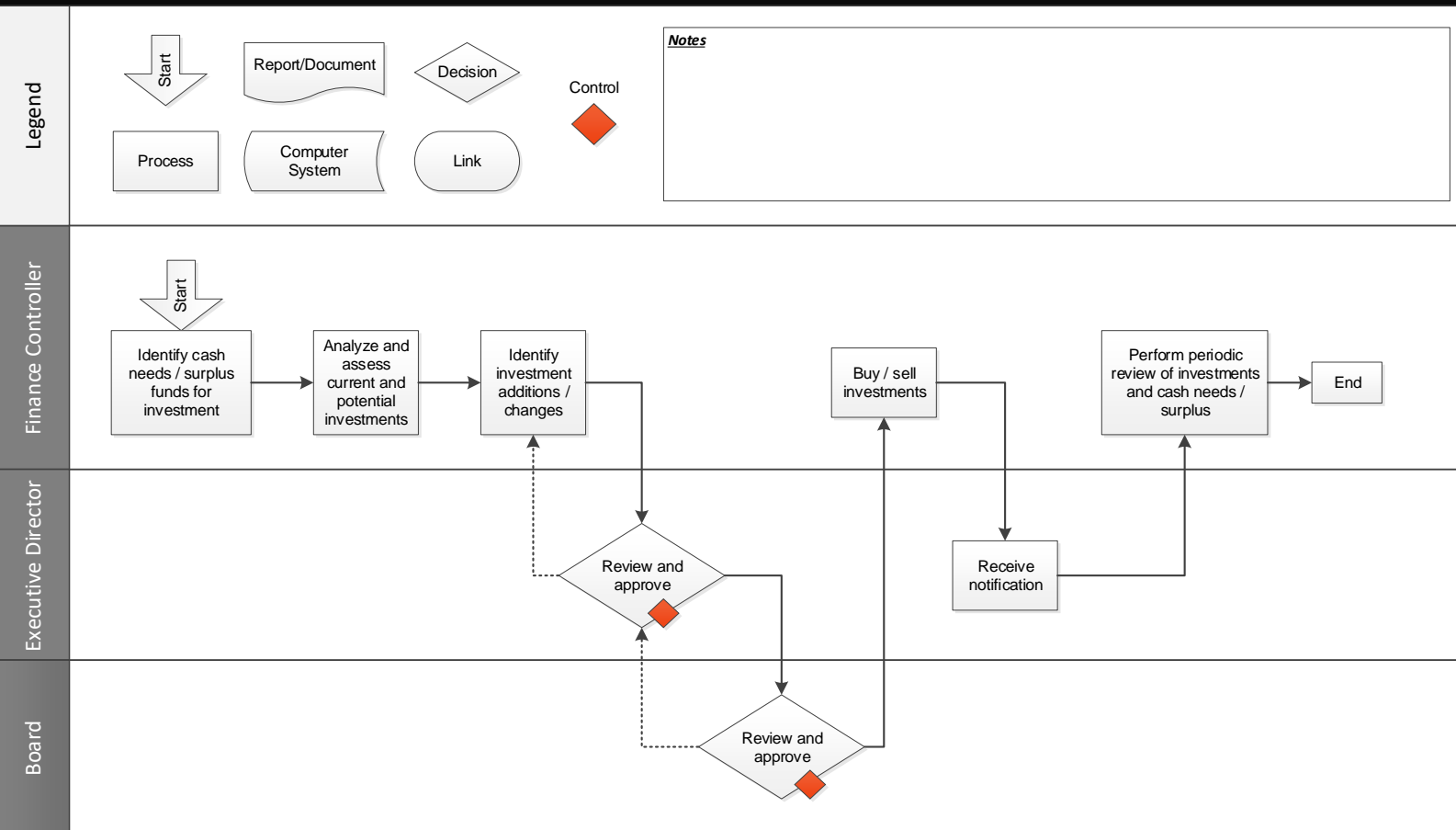
Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Nishnawbe-Aski Legal Services Corporation – 603 Investments

Section 600 – Treasury and Cash Management





POLICIES & PROCEDURES MANUAL

SECTION: Lending

POLICY: Treasury and Cash Management

Page 75

NUMBER: 604

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

604 LENDING

POLICY

NALSC shall not provide loans, salary advances or guarantees to any person or organization.



POLICIES & PROCEDURES MANUAL

SECTION: Restricted Funds

POLICY: Treasury and Cash Management

Page 76

NUMBER: 605

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

605 RESTRICTED FUNDS

Internally restricted net assets are funds that have been set aside by the Board of Directors for future programs or projects. The Board of Directors must approve the use of these funds.

All reserves and appropriated / restricted funds are required to be managed, tracked, monitored and controlled.

Management should ensure that any specific reserve or fund requirements that have been approved by Council are maintained and followed in accordance with the resolution.

Counsel must be consulted when establishing a new reserve or restricted fund.

Each reserve / fund shall have a formal and documented purpose, optimal funding level and other details / conditions (i.e. eligible activities / costs that are served under the reserve / fund, etc.).

The Executive Director is responsible for the management and strategies of reserves and appropriated / restricted funds.

PROCEDURES

The Executive Director will obtain Board approvals/resolutions of all reserves and appropriated / restricted funds, and formally document the particulars of each reserve / fund (i.e. purpose, minimum and maximum funding levels, use of the funds, etc.).

The Finance Controller will develop and maintain reserve / fund continuity spreadsheets to track all allocations and activities within each reserve / fund (including interest earned by the fund, capital gains/losses from fund investments, additions to and withdrawals from the fund, etc.). This detailed information is required for NALSC's annual financial statements and financial reporting. The continuity tracking spreadsheets will be reviewed by the Executive Director.

On a periodic basis, (i.e. annually), the Executive Director will assess each of the reserves / funds to determine if the fund is in compliance with the specific requirements of the reserve / fund and whether the reserve / fund is still required / needed.

Any reserves / funds that are no longer needed should be discontinued to be used and any remaining allocated funds be transferred to NALSC's unrestricted fund balance or other restricted fund as directed by the Board of Directors.



POLICIES & PROCEDURES MANUAL

SECTION: Restricted Funds

POLICY: Treasury and Cash Management

Page 77

NUMBER: 605

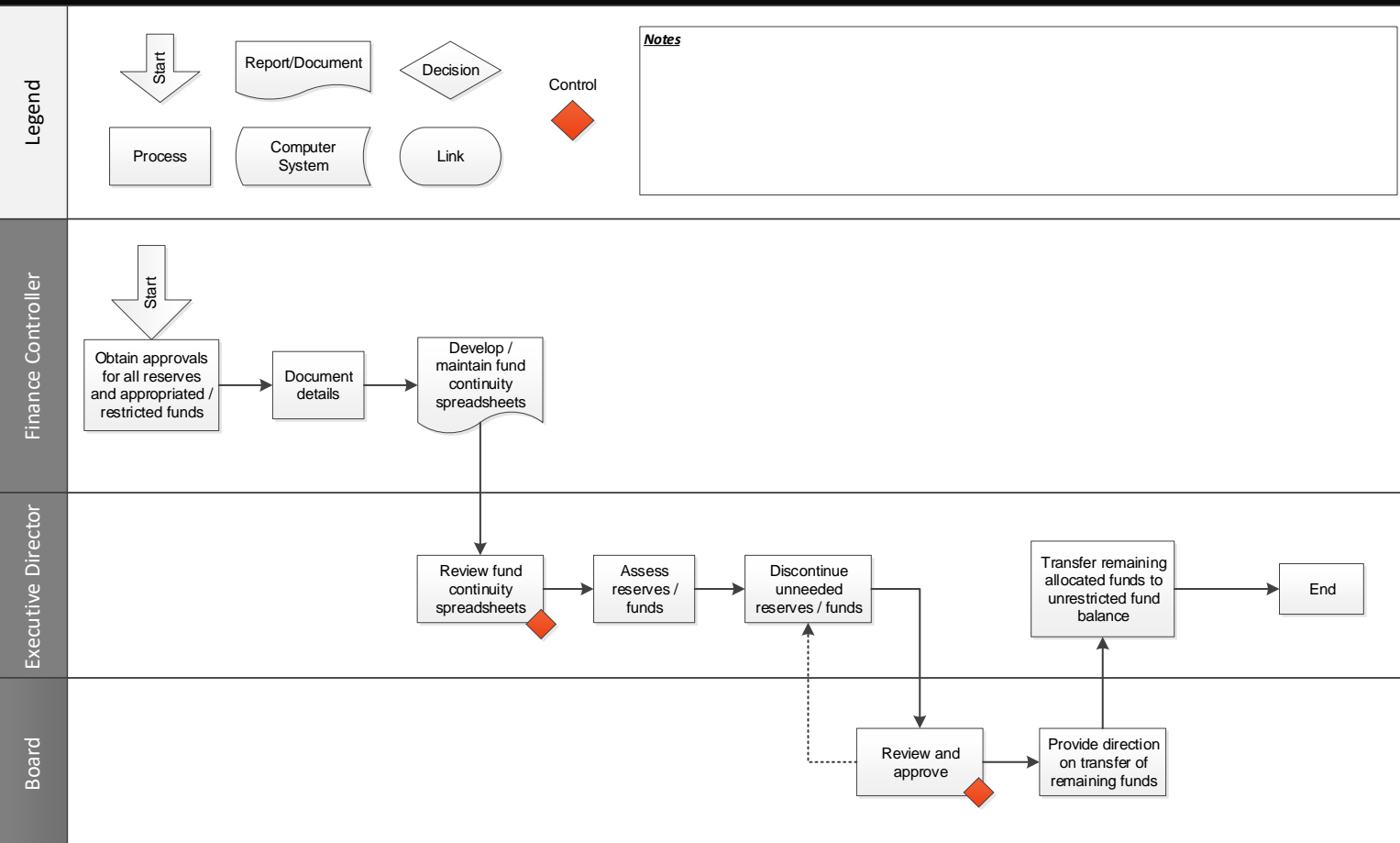
Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Nishnawbe-Aski Legal Services Corporation – 605 Restricted Funds

Section 600 – Treasury and Cash Management





POLICIES & PROCEDURES MANUAL

SECTION: Unrestricted Funds

POLICY: Treasury and Cash Management

Page 78

NUMBER: 606

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

606 UNRESTRICTED FUNDS

POLICY

Unrestricted revenue will be allocated as required to any of the following areas:

- Programs & Services;
- Education & Capacity Development; and
- Other purposes to be determined by the Board.

NALSC should assess where the funds should or could be used and obtain appropriate approvals for allocation.

Any unrestricted revenue stream will be allocated based on specific policies created to provide guidance over the revenue.

If there are no policies to govern a particular unrestricted revenue stream, the use will be at the discretion of the Board.

Any requests for unrestricted revenue to be used can be made to the Executive Director and Board for consideration and approval.

PROCEDURES

The Finance Controller will initiate the process by identifying unrestricted funds available. The Finance Controller will allocate funds as defined in this Policy.

If there are any unallocated funds, the Finance Controller will propose a purpose for the funds and present them to the Executive Director and Board for approval. If a Manager has a request for unrestricted revenue to be used, they can notify the Finance Controller, who may propose a specific purpose for the unrestricted revenue based on review of the cash forecast and budget variances. The Finance Controller will then communicate the request and proposed purpose to the Executive Director and Board for consideration and approval.

Once the allocation is approved, the Finance Controller will notify the applicable Department and update the applicable budget. Refer to [Section 301 – Annual Budgeting](#).



POLICIES & PROCEDURES MANUAL

SECTION: Unrestricted Funds

POLICY: Treasury and Cash Management

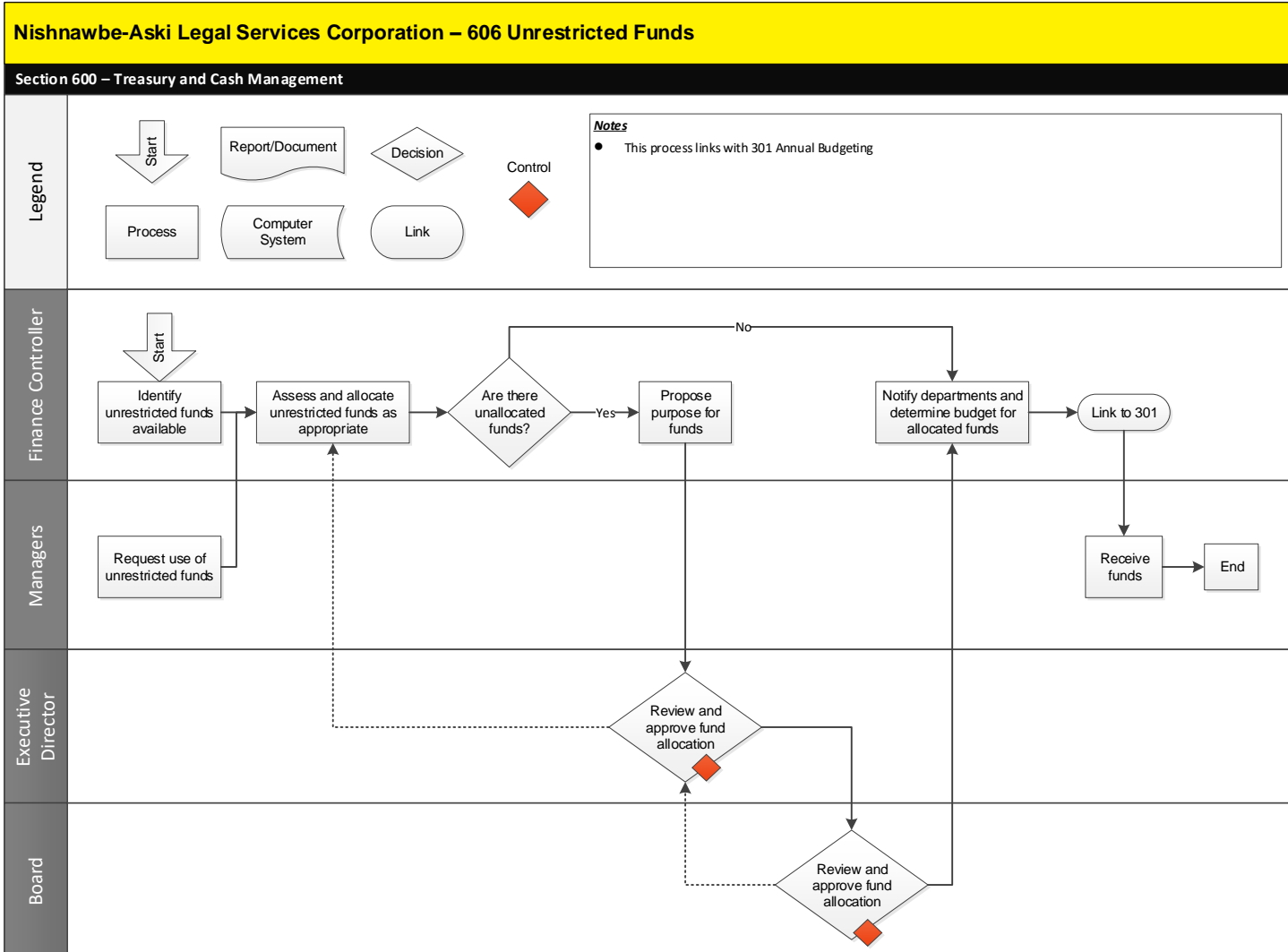
Page 79

NUMBER: 606

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019





POLICIES & PROCEDURES MANUAL

SECTION: Funding Revenue

POLICY: Revenue, Receipts, Receivables

Page 80

NUMBER: 701

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

700 REVENUE, RECEIPTS, RECEIVABLES

701 REVENUE

POLICY

Revenue is recognized in the year in which the transactions or events occurred that gave rise to the revenue.

All revenues are recorded on an accrual basis by Department.

Government funding (usually provided through Transfer Payment Agreements (“TPA”) or Contribution Agreements (“CA”)) is recognized as revenue when the funding is authorized, eligible expenses are incurred, and the service-delivery criteria are met.

Contributions (other than government funding) are deferred when restrictions are placed on their use by the external party and are recognized as revenue when used for the specific purpose.

Unearned revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned, or service performed.

Funding Agreements shall be approved by the Executive Director.

The original copy of the signed Funding Agreement shall be retained by the Executive Assistant.

Project Managers are responsible for familiarizing themselves with and adhering to the terms and conditions of the funding agreements that govern their Department activities, procurement and reporting requirements.

At minimum, all reports to funders shall be reviewed by the appropriate Manager, Finance Controller and Executive Director. The Finance Controller is required to sign all reports to Funders. The Executive Director and Board Chair will sign all funding agreements.

PROCEDURES

The Executive Director and Board Chair will receive and sign all funding agreements and provide them to the Finance Controller for monitoring of funding payments received.

The Finance Controller will track all incoming funding revenue received during completion of the monthly bank reconciliation and allocate the funds to the appropriate funding accounts receivable.

Refer to [Section 503 Bank Reconciliation](#).



POLICIES & PROCEDURES MANUAL

SECTION: Funding Revenue

POLICY: Revenue, Receipts, Receivables

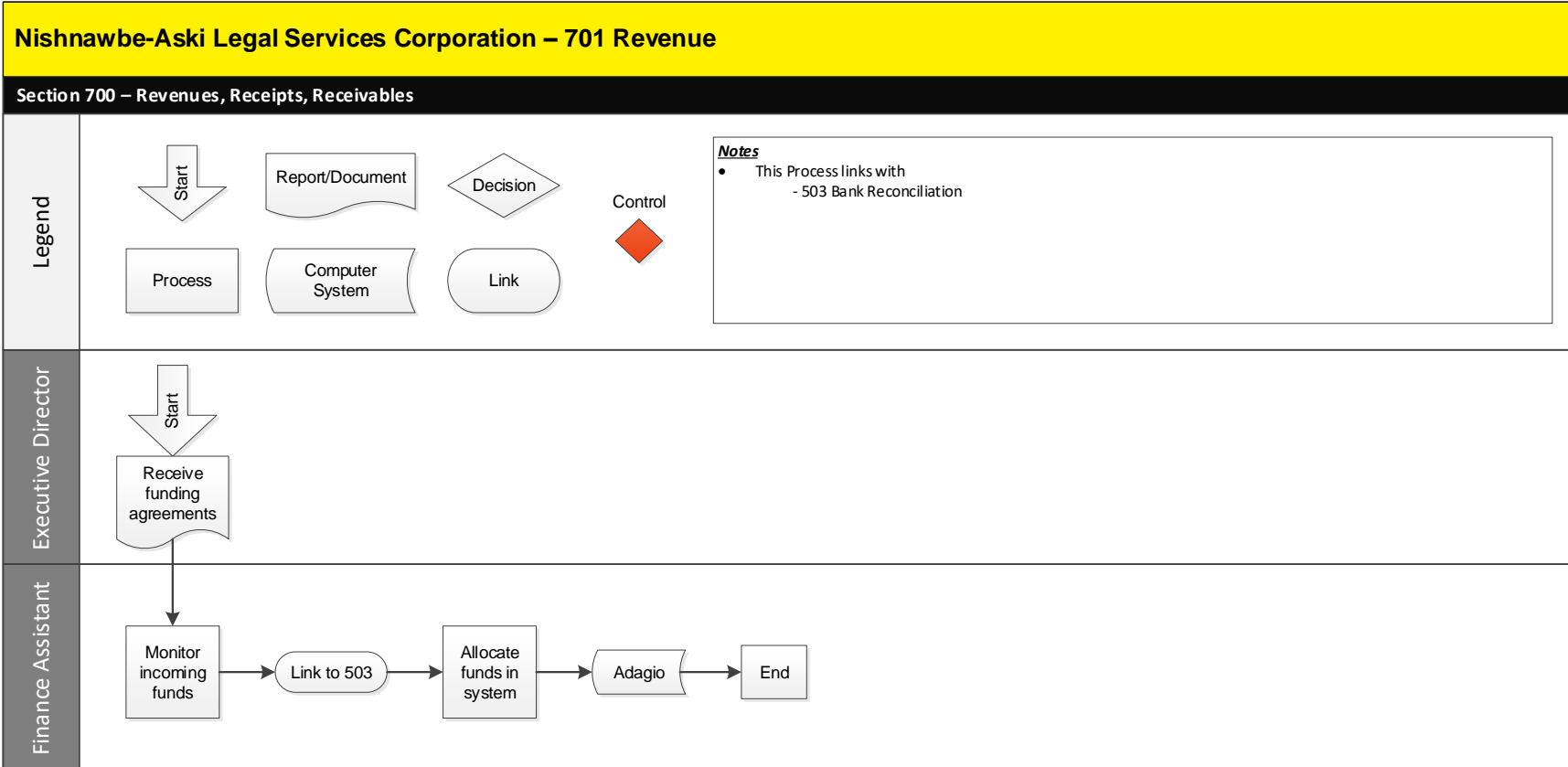
Page 81

NUMBER: 701

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019





POLICIES & PROCEDURES MANUAL

SECTION: Invoicing

POLICY: Revenue, Receipts, Receivables

Page 82

NUMBER: 702

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

702 INVOICING

POLICY

Consecutively numbered invoices will be issued to bill individuals or outside agencies for services rendered or goods sold by NALSC. Services and sales may include Department materials such as CDs and educational resources.

Invoices may also be prepared and issued as requested and required by funders.

All invoices are due upon receipt.

NALSC shall ensure that outstanding invoices are followed up on a timely basis to obtain collection.

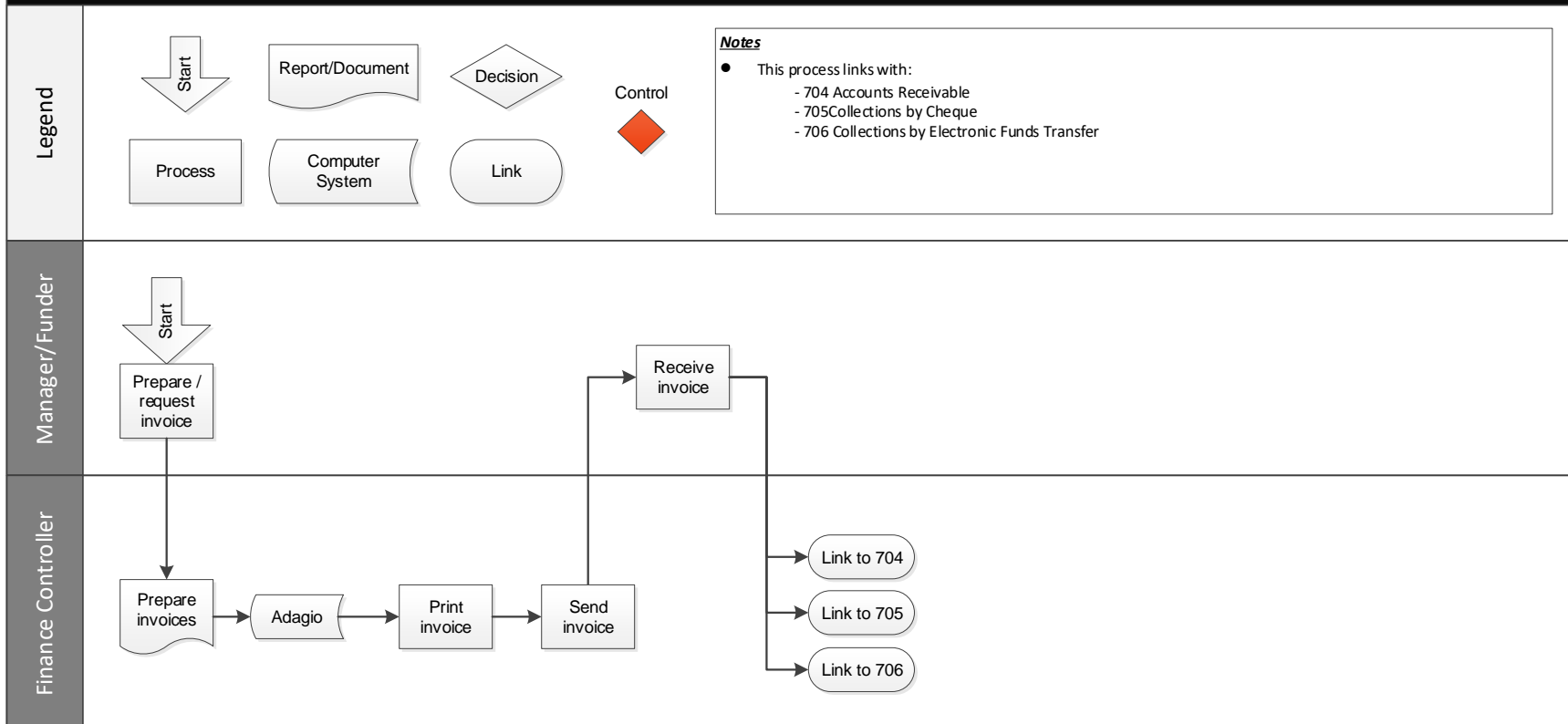
PROCEDURE

Managers will request preparation of invoices to the Finance Controller. The Finance Controller will prepare and process an invoice and send the invoice to the individual, outside agency or funder, as applicable.



Nishnawbe-Aski Legal Services Corporation – 702 Invoicing

Section 700 – Revenue, Receipts, Receivables





POLICIES & PROCEDURES MANUAL

SECTION: Line of Credit and Loans

POLICY: Revenue, Receipts, Receivables

Page 84

NUMBER: 703

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

703 LINE OF CREDIT AND LOANS

POLICY

NALSC maintains a \$100,000 line of credit at Scotiabank which may be used as needed in accordance with the established terms and conditions set by the bank.

The line of credit is intended to be available in the event of delays in the receipt of funding for approved activities for which funding has been committed but not yet received.

If the Finance Department identifies the need to borrow funds by way of a loan, charge or any other security interest must be approved by motion or resolution of the Board of Directors.

PROCEDURE

The Finance Controller will identify the need for a loan and notify the Executive Director. The Executive Director will obtain Board approval of the loan before it is obtained.



POLICIES & PROCEDURES MANUAL

SECTION: Line of Credit and Loans

POLICY: Revenue, Receipts, Receivables

Page 85

NUMBER: 703

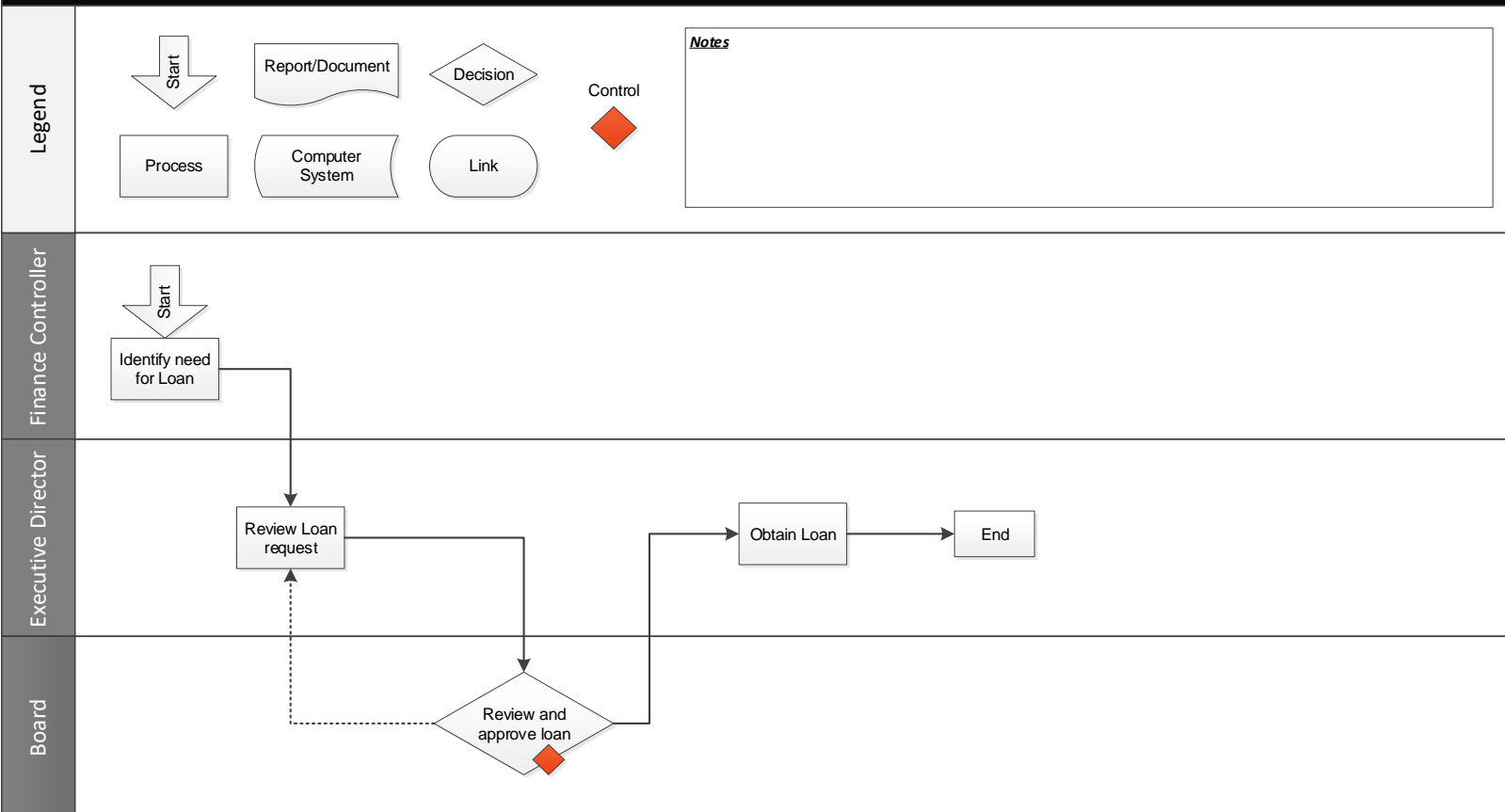
Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Nishnawbe-Aski Legal Services Corporation – 703 Line of Credit and Loans

Section 700 – Revenue, Receipts, Receivables





POLICIES & PROCEDURES MANUAL

SECTION: Accounts Receivable

POLICY: Revenue, Receipts, Receivables

Page 86

NUMBER: 704

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

704 ACCOUNTS RECEIVABLE

POLICY

The Accounts Receivable control account shall be reconciled to the sub-ledger listing within 20 days of the close of the month and presented for the Executive Director’s approval. Statements will be sent to debtors with amounts outstanding for more than 30 days.

Where amounts are more than 60 days overdue, a letter will be prepared for the Finance Controller’s signature to be sent to the debtor.

For accounts more than 90 days overdue:

- a. A collection action/strategy shall be determined in consultation with the Executive Director.
- b. The past due amount should be provided for in the allowance for doubtful accounts to be recognized in revenue when payment is actually received.

The estimated amount of the impairment of debt (allowance for doubtful accounts) is recognized as an expense in the year that valuation occurs. Where a doubtful debt (or portion thereof) is subsequently recovered, it is recorded as income at the time of collection.

Funders will provide deposit slips to the Finance Controller via email once funds are submitted.

PROCEDURE

The Finance Controller shall run an accounts receivable aging report monthly to review status of accounts receivable collections. The Finance Controller will identify amounts that are over 30 days, over 60 days and over 90 days.

For 30 days over:

- The Finance Controller will send Account Statements to customers who have accounts that are 30 days overdue.

For 60 days over:

- The Finance Controller will send an Overdue Account Letter to customers who have accounts that are 60 days overdue.

For 90 days over:

- The Finance Controller and Executive Director will determine a collection strategy for customers who have accounts over 90 days overdue.



POLICIES & PROCEDURES MANUAL

SECTION: Accounts Receivable

POLICY: Revenue, Receipts,
Receivables

Page 87

NUMBER: 704

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

- The past due amount should be provided for in the allowance for doubtful accounts to be recognized in revenue when payment is actually received.
- If applicable to the account, a monthly interest charge/fee will be charged. The Finance Controller will prepare the journal entries and be approved by the Executive Director. Refer to [Section 502 Journal Entries/Adjustments](#)
- If it is determined that an account will not be collectible (through discussions with the Manager and the steps followed above), the Finance Controller shall notify the Executive Director and request approval to write-off the amount to bad debts. Refer to [Section 502 Journal Entries/Adjustments](#). Alternatively, the Finance Controller may approve set-up of an allowance on the delinquent amount.



POLICIES & PROCEDURES MANUAL

SECTION: Accounts Receivable

POLICY: Revenue, Receipts, Receivables

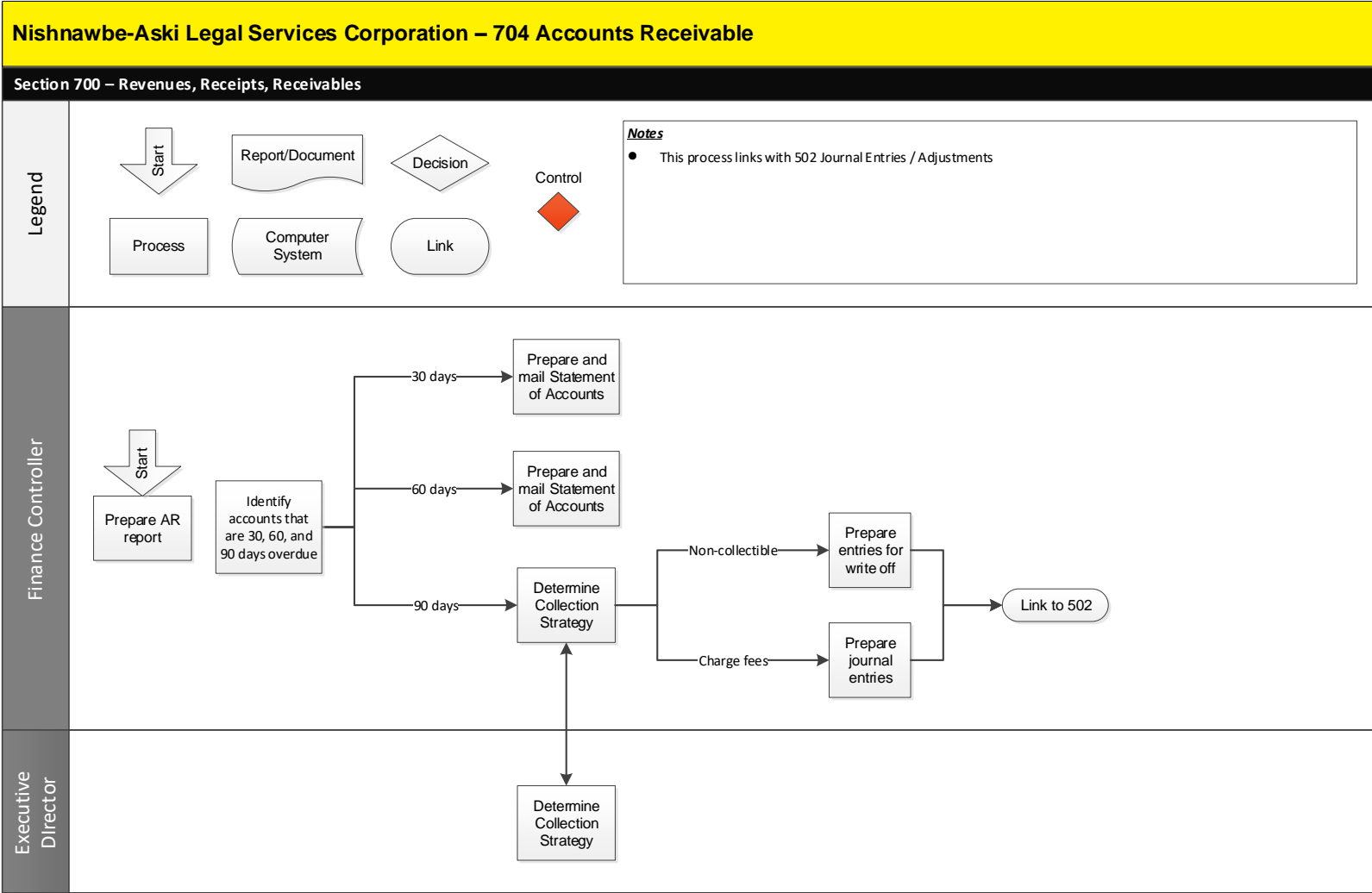
Page 88

NUMBER: 704

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019





POLICIES & PROCEDURES MANUAL

SECTION: Collections by Cheque

POLICY: Revenue, Receipts, Receivables

Page 89

NUMBER: 705

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

705 COLLECTIONS BY CHEQUE

POLICY

All incoming cheques received by mail are to be tracked by the Receptionist and provided to the Finance Assistant on the day received. The Receptionist will also track all cheques received daily in person.

Post-dated cheques will be retained in the petty cash box and will be deposited on the date indicated.

Cheques will be deposited daily or at another frequency as established by the Finance Controller.

NALSC will charge a \$30 fee to recover charges imposed by the bank with processing an NSF payment.

PROCEDURES

The Receptionist stamps cheques when they are received through the mail.

The Receptionist will maintain a Collections Tracker and will record each cheque that is received, daily. The Receptionist is to give the cheques to the Finance Controller as soon as received and the tracker is updated.

The Finance Controller will lock cheques that have been received in the petty cash box until deposit.

The Finance Controller will prepare the cheques and any other supporting documentation for deposit. Refer to [Section 707 Cheque Deposits](#).

If an NSF notice has been received from the bank, the following procedures are implemented:

1. A debit note for the amount of the cheque will be posted against the client's account.
2. A debit note for \$30 (NSF service charge*) will be charged to the client's account.

* The NSF charge will be credited against the NALSC bank charges account.

The Finance Controller will receive the NSF notification and will notify the Finance Assistant to enter the debit notes into the system.



POLICIES & PROCEDURES MANUAL

SECTION: Collections by Cheque

POLICY: Revenue, Receipts, Receivables

Page 90

NUMBER: 705

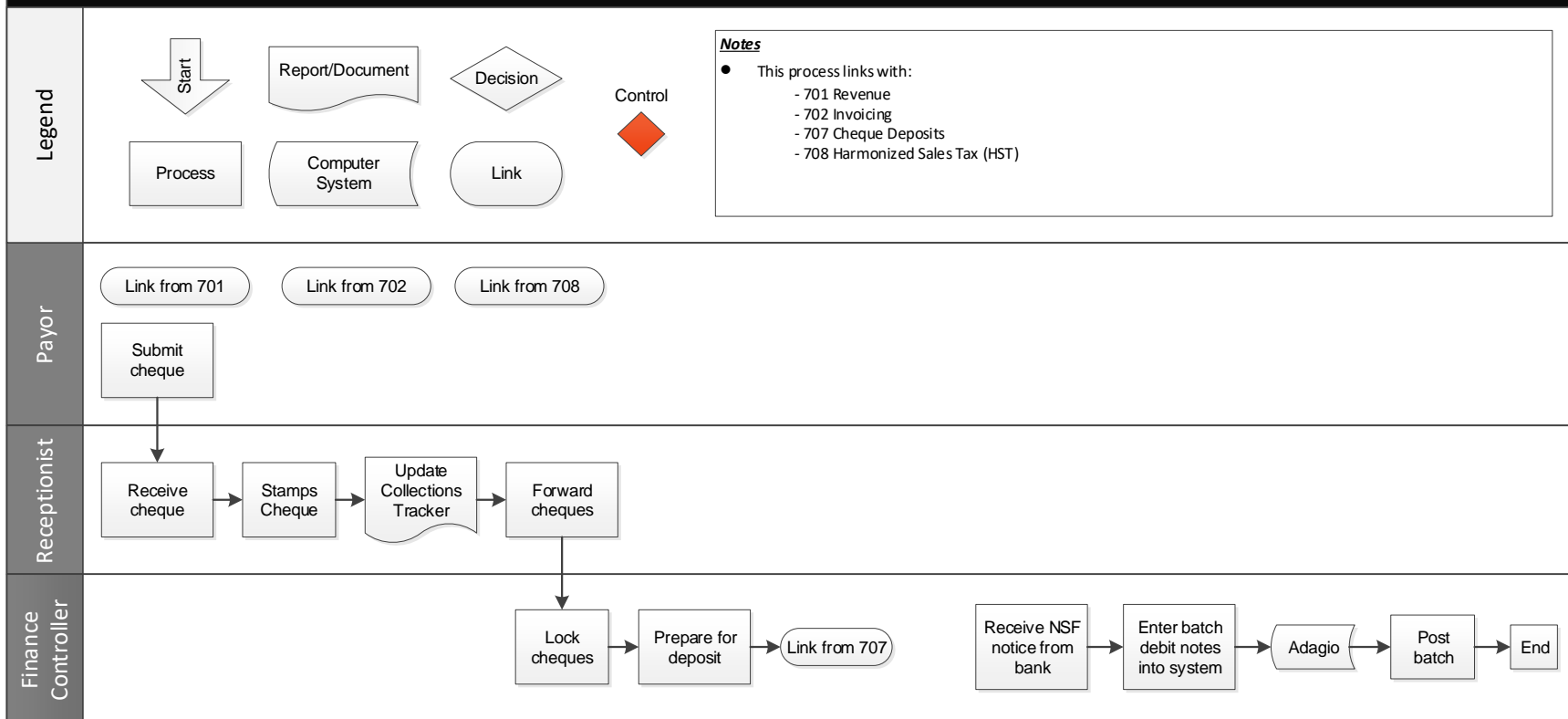
Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Nishnawbe-Aski Legal Services Corporation – 705 Collections by Cheque

Section 700 – Revenues, Receipts, Receivables





POLICIES & PROCEDURES MANUAL

SECTION: Collections by Electronic Funds Transfer

POLICY: Revenue, Receipts, Receivables

Page 91

NUMBER: 706

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

706 COLLECTIONS BY ELECTRONIC FUNDS TRANSFER

POLICY

Incoming Electronic Funds Transfers (“EFT”) will be the most accepted form of deposit from funding programs. Other revenue sources/cash receipts are encouraged to use EFT as well.

PROCEDURES

The Finance Controller will track all incoming funds from banking services. Refer to [Section 503 – Bank Reconciliation](#).

Once the funds are received, the Finance Controller will prepare entry into the financial system.

The Finance Controller will prepare the accounts receivable batch entries into the system. The batch will be printed and provided to the Executive Director for review and approval. After approval by the Executive Director, the accounts receivable batch will be posted.



POLICIES & PROCEDURES MANUAL

SECTION: Collections by Electronic Funds Transfer

POLICY: Revenue, Receipts, Receivables

Page 92

NUMBER: 706

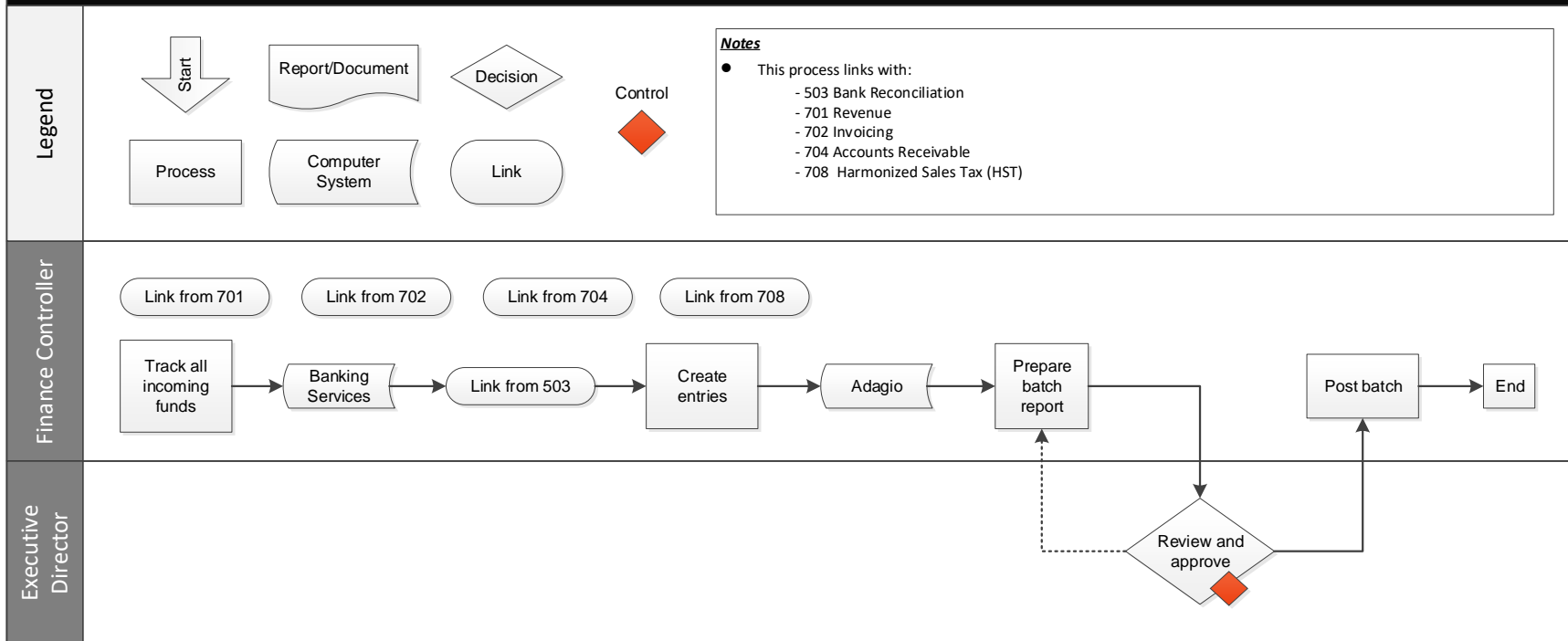
Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Nishnawbe-Aski Legal Services Corporation – 706 Collections by Electronic Funds Transfer

Section 700 – Revenues, Receipts, Receivables





POLICIES & PROCEDURES MANUAL

SECTION: Cheque Deposits

POLICY: Revenue, Receipts, Receivables

Page 93

NUMBER: 707

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

707 CHEQUE DEPOSITS

POLICY

All cheques must be kept in the petty cash box until deposit. Deposits should be completed as soon as possible after receiving the cheque.

Bank deposit slips are to be completed and signed-off by a second person verifying the amount of the deposit.

Bank bags and deposit slips should be kept in a secure place and only accessible to the individuals that require them for the bank deposit.

All revenue received will be recorded into the financial system monthly.

PROCEDURES

When cheques are received from the Receptionist, the Finance Controller will complete a Deposit Slip, recording cheques received and referencing each amount's supporting documentation. The Finance Controller is required to sign-off on the Deposit Slip and provide it to the Finance Assistant for review.

The Finance Assistant will review the prepared deposit slip and cheques for deposit and also review the listing of cheques in the deposit to the tracker maintained by the Receptionist.

The cheques to be deposited and the deposit slip will be placed in a deposit bag and deposited at the bank by either the Finance Controller or Finance Assistant.

On a monthly basis, the Finance Controller will perform bank reconciliation activities and reconcile any discrepancies. Refer to [Section 503 Bank Reconciliation](#).



POLICIES & PROCEDURES MANUAL

SECTION: Cheque Deposits

POLICY: Revenue, Receipts, Receivables

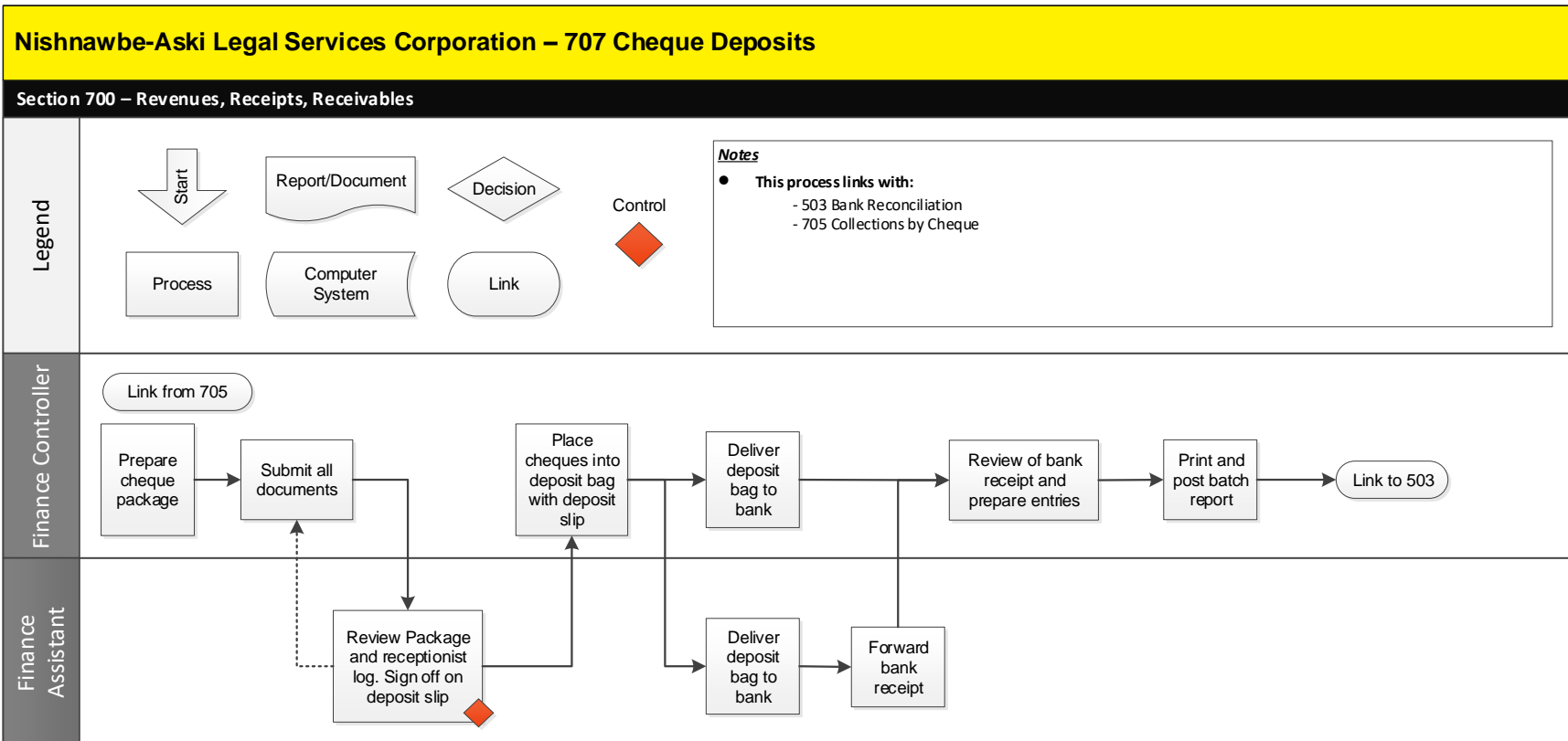
Page 94

NUMBER: 707

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019





POLICIES & PROCEDURES MANUAL

SECTION: Harmonized Sales Tax (HST)

POLICY: Revenue, Receipts, Receivables

Page 95

NUMBER: 708

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

708 HARMONIZED SALES TAX (HST)

POLICY

The Harmonized Sales Tax (HST) applies to the majority of goods and services purchased by the Organization. HST may be handled in one of the following ways:

- a) As a Band-Empowered entity, the Organization claims exemption from HST charged on “band management” activities or for real property delivered to its on-reserve locations.
- b) As a Band-Empowered entity, the Organization also claims a rebate of 100% of the HST charged on its travel-related purchases.
- c) The Organization further claims partial rebates paid on items purchased related to its government funded activities – the rebate is 50% of the GST portion of the HST paid and 82% rebate on the provincial portion of the HST paid. Where 13% HST is charged, the Organization claims a total rebate of 9.06% of the 13% HST.

PROCEDURE

The Finance Controller will prepare and submit the HST return as required by the government. The Government will receive and review the claim and submit funds to NALSC.



POLICIES & PROCEDURES MANUAL

SECTION: Harmonized Sales Tax (HST)

POLICY: Revenue, Receipts, Receivables

Page 96

NUMBER: 708

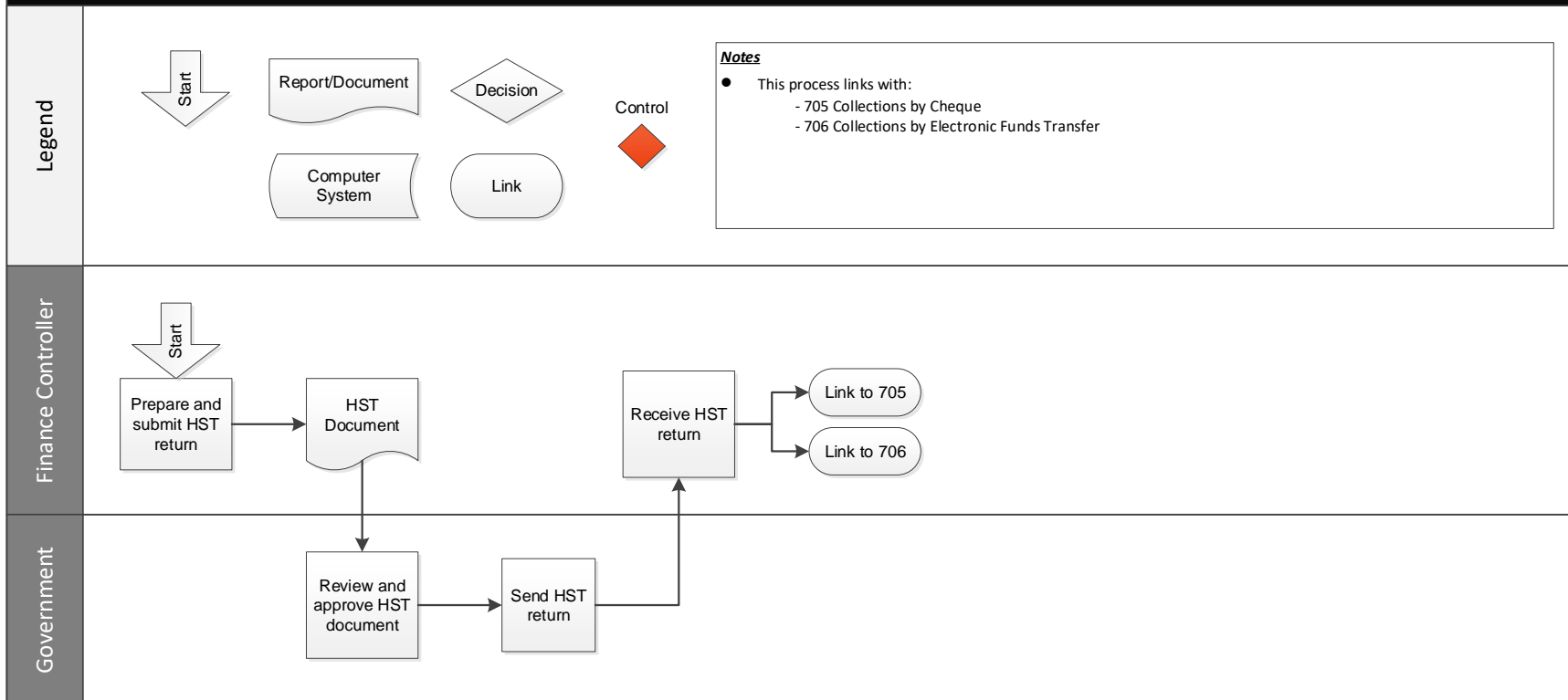
Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Nishnawbe-Aski Legal Services Corporation – 708 Harmonized Sales Tax (HST)

Section 700 – Revenue, Receipts, Receivables





POLICIES & PROCEDURES MANUAL

SECTION: Donations and Receipts

POLICY: Revenue, Receipts, Receivables

Page 97

NUMBER: 709

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

709 DONATIONS AND RECEIPTS

As a registered charity, NALSC solicits and accepts gifts for purposes that will help the Organization further and fulfill its mission.

NALSC will seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by legal counsel is recommended for:

- a) Gifts of securities that are subject to restrictions or buy-sell agreements.
- b) Documents naming NALSC as trustee or requiring NALSC to act in any fiduciary capacity.
- c) Gifts requiring NALSC to assume financial or other obligations.
- d) Transactions with potential conflicts of interest.
- e) Gifts of property which may be subject to environmental or other regulatory restrictions.

NALSC will not accept gifts that:

- a) Would result in NALSC violating its corporate charter;
- b) Would result in NALSC losing its charitable status;
- c) Are too difficult or too expensive to administer in relation to their value;
- d) Would result in any unacceptable consequences for NALSC; or,
- e) Are for purposes outside NALSC's mission.

Decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Executive Director.

Gifts generally accepted without review by legal counsel include:

- a) Cash gifts made by cheque or money order.
- b) Marketable securities which are delivered with the transferor's endorsement or signed stock power (with appropriate signature guarantees) attached.

Note - All marketable securities will be sold promptly upon receipt unless otherwise directed by the Board of Directors. In some cases, marketable securities may be restricted, for example, by applicable securities laws or the terms of the proposed gift. In such instances, the decision whether to accept the restricted securities shall be made by the Board of Directors.

- c) Bequests and Beneficiary Designations under Revocable Trusts, Life Insurance Policies, Commercial Annuities and Retirement Plans.



POLICIES & PROCEDURES MANUAL

SECTION: Donations and Receipts

POLICY: Revenue, Receipts, Receivables

Page 98

NUMBER: 709

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Note - Donors are welcome to make bequests to NALSC under their wills, and to name NALSC as the beneficiary under trusts, life insurance policies, commercial annuities and retirement plans.

Certain forms of gifts or donated properties may be subject to review prior to acceptance. Examples of gifts subject to prior review include, but are not limited to:

- a) **Tangible Personal Property:** The Board of Directors shall review and determine whether to accept any gifts of tangible personal property in light of the following considerations:
 - Does the property further the organization’s mission?
 - Is the property marketable?
 - Are there any unacceptable restrictions imposed on the property?
 - Are there any carrying costs for the property for which the organization may be responsible?
 - Is the title/provenance of the property clear?
- b) **Life Insurance:** NALSC will accept gifts of life insurance where NALSC is named as both beneficiary and irrevocable owner of the insurance policy. The donor must agree to pay, before due, any future premium payments owing on the policy.
- c) **Real Estate:** All gifts of real estate are subject to review by the Board of Directors. Prior to acceptance of any gift of real estate other than a personal residence, NALSC shall require a Phase 1 Environmental Site Assessment (initial environmental review) by a qualified firm. In the event that the initial review reveals a potential problem, the Organization may retain a qualified environmental firm to conduct further work. Criteria for acceptance of gifts of real estate include:
 - Is the property useful for the organization’s purposes?
 - Is the property readily marketable?
 - Are there covenants, conditions, restrictions, reservations, easements, encumbrances or other limitations associated with the property?
 - Are there carrying costs (including insurance, property taxes, mortgages, notes, or the like) or maintenance expenses associated with the property?
 - Does the environmental review or audit reflect that the property is damaged or otherwise requires remediation?



POLICIES & PROCEDURES MANUAL

SECTION: Donations and Receipts

POLICY: Revenue, Receipts, Receivables

Page 99

NUMBER: 709

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

PROCEDURE

A donor shall notify NALSC of their intent to provide a donation. The Executive Director, along with assistance from legal counsel will assess if the donation is appropriate to accept per this policy. The Executive Director will notify the donor if their donation has been accepted or not. For all monetary donations, refer to [Section 705 Collections by Cheque](#), and [Section 706 Collections by Electronic Funds Transfer](#).

For all monetary donations, the Finance Controller Finance will prepare journal entries into the system. Refer to [Section 502 Journal Entries / Adjustments](#).

For all monetary donations, an official pre-numbered receipt shall be issued by the Finance Assistant. Official Receipts shall contain the following:

- a) a statement that it is an official receipt for income tax purposes;
- b) NALSC's name and address as on file with the Canada Revenue Agency;
- c) NALSC's charity's registration number;
- d) serial number of the (pre-numbered) receipt;
- e) place or locality where the receipt was issued;
- f) day or year donation was received;
- g) day on which the receipt was issued if it differs from the day of donation;
- h) full name, including middle initial, and address of the donor;
- i) amount of the gift;
- j) value and description of any advantage received by the donor;
- k) eligible amount of the gift; and,
- l) the signature of the Secretary-Treasurer of the Board of Directors.

The Finance Assistant will prepare the official receipts and provide them to the Donor.



POLICIES & PROCEDURES MANUAL

SECTION: Donations and Receipts

POLICY: Revenue, Receipts, Receivables

Page 100

NUMBER: 709

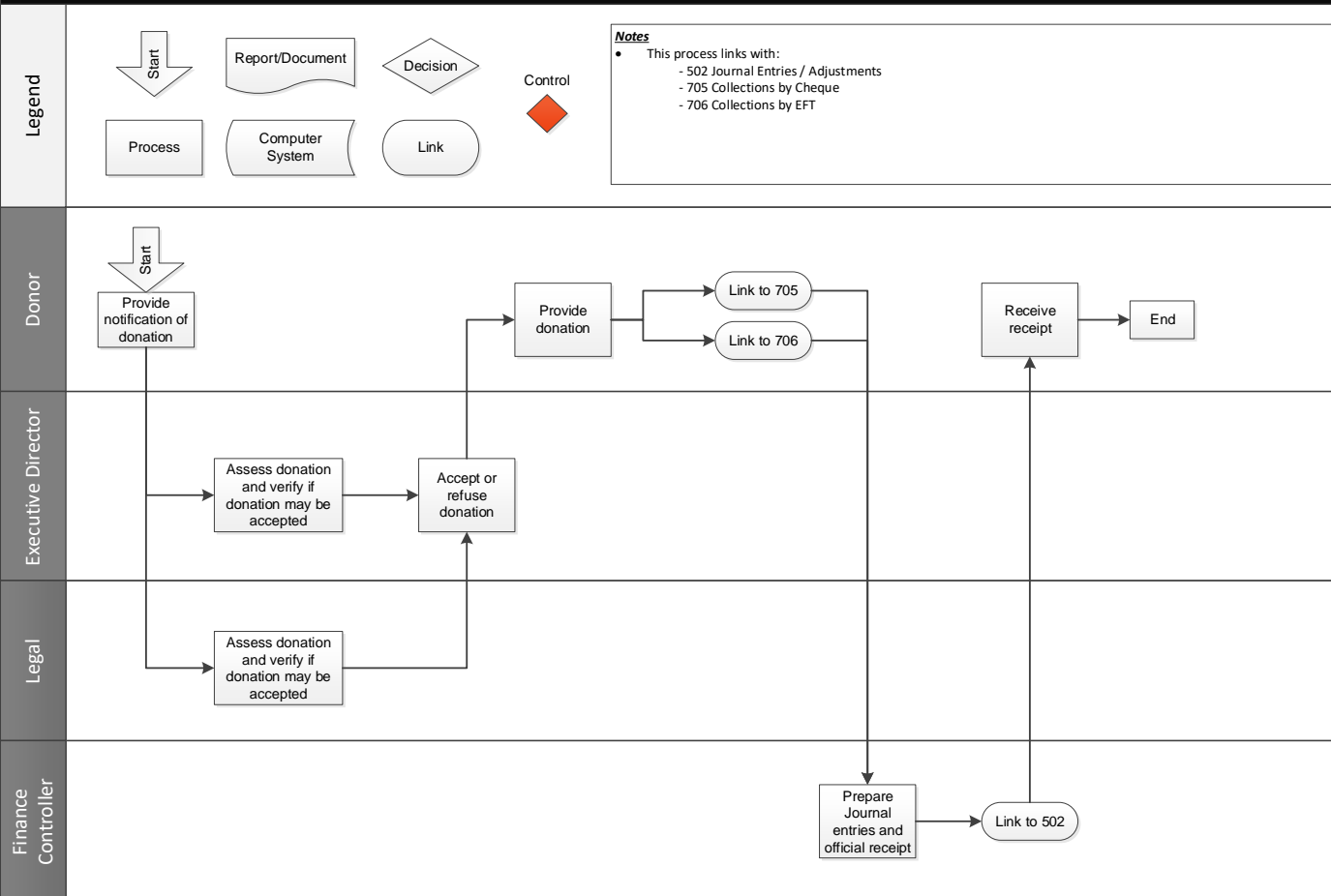
Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Nishnawbe-Aski Legal Services Corporation – 709 Donations and Receipts

Section 700 – Revenue, Receipts, Receivables





POLICIES & PROCEDURES MANUAL

SECTION: Purchase Orders

POLICY: Purchases, Payables, Disbursements

Page 101

NUMBER: 801

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

800 PURCHASES, PAYABLES, DISBURSEMENTS

801 PURCHASE ORDERS

POLICY

Prior to any expenditure, payment or financial commitment the following conditions must be met:

- a) Funds for the expenditure must be allocated and approved as part of the annual budget; and
- b) The expenditure must be undertaken in a manner consistent with this Policy and prudent cash management practices.

A Purchase Order (PO) is the form used by NALSC to track the purchase of all goods, services and/or equipment. All purchases require PO numbers, except petty cash expenditures, or monthly recurring expenditures (e.g. rent, phone, insurance) where a Cheque Requisition would be issued for specific vendors who continuously supply the same service that require an open monthly account.

A PO acquisition or cheque requisition can only be initiated by those designated as per the spending limits of the [Delegation of Authority Table](#).

All operational procedures must be followed by any Department that wishes to purchase goods, services or equipment for NALSC use. No purchase commitments should be offered before the issuance and approval of a PO.

The Travel/Payroll Coordinator is permitted to issue POs related to travel advances and expenses.

PROCEDURE

Managers, or person designated by the Executive Director, can initiate a purchase. To initiate the process, an employee can request a PO from their Manager. The Manager will review and approve the request.

Once reviewed and approved, the PO will be created using a manual book which is triplicated in white, yellow, and pink.

The pink copy of the PO is retained by the Manager. When the book is complete, it is forwarded to the Finance Controller.

The yellow copy is provided to the Finance Assistant as part of the financial records.

The white copy is provided to the vendor.

The Finance Assistant will follow up on outstanding PO's quarterly. PO's older than six months will be automatically cancelled and closed within the financial system.

Once the good or service is delivered/provided, the invoice is sent directly to the Finance Department. Invoices and bills will be opened and logged by Reception who routes them to the Finance Assistant for payment processing.



POLICIES & PROCEDURES MANUAL

SECTION: Purchase Orders

POLICY: Purchases, Payables, Disbursements

Page 102

NUMBER: 801

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

The Finance Assistant will perform a review of the supporting documentation (i.e. three-way match) and enter the vendor invoice into the financial system into an accounts payable batch.

Prior to payment, Finance is responsible for verifying the completeness and accuracy of the invoice which includes:

- a) Checking arithmetic and extensions including verifying HST information and calculations;
- b) Ensuring complete supplier information (legal name, address etc.); and
- c) Comparing invoice detail to purchase order or other contractual documents.

When no invoice exists, a document which represents objective support for the payment must be provided that includes relevant details such as purpose, dollar amount, payee name and address.

The accounts payable batch is inputted by the Finance Assistant and provided to the Finance Controller for review and approval. Once approved, the Finance Assistant will post the batch. The Finance Controller will prepare a batch for journal entry and for bank reconciliation. Refer to [Section 502 Journal Entries / Adjustments](#), and [Section 503 Bank Reconciliation](#).

Approved invoices will be paid within 30 days of receipt (net 30).

Refer to [Section 803 Payments by Cheque](#) and [Section 804 Payments by Electronic Funds Transfer](#) to complete the accounts payable batch.

The Accounts Payable control accounts shall be reconciled to the sub-ledger listings within 20 days of the close of the month and presented for the Executive Director's approval.

Supplier Statements are to be reconciled as received and presented to the Finance Controller for approval with a copy placed in the Vendor File.



POLICIES & PROCEDURES MANUAL

SECTION: Purchase Orders

POLICY: Purchases, Payables, Disbursements

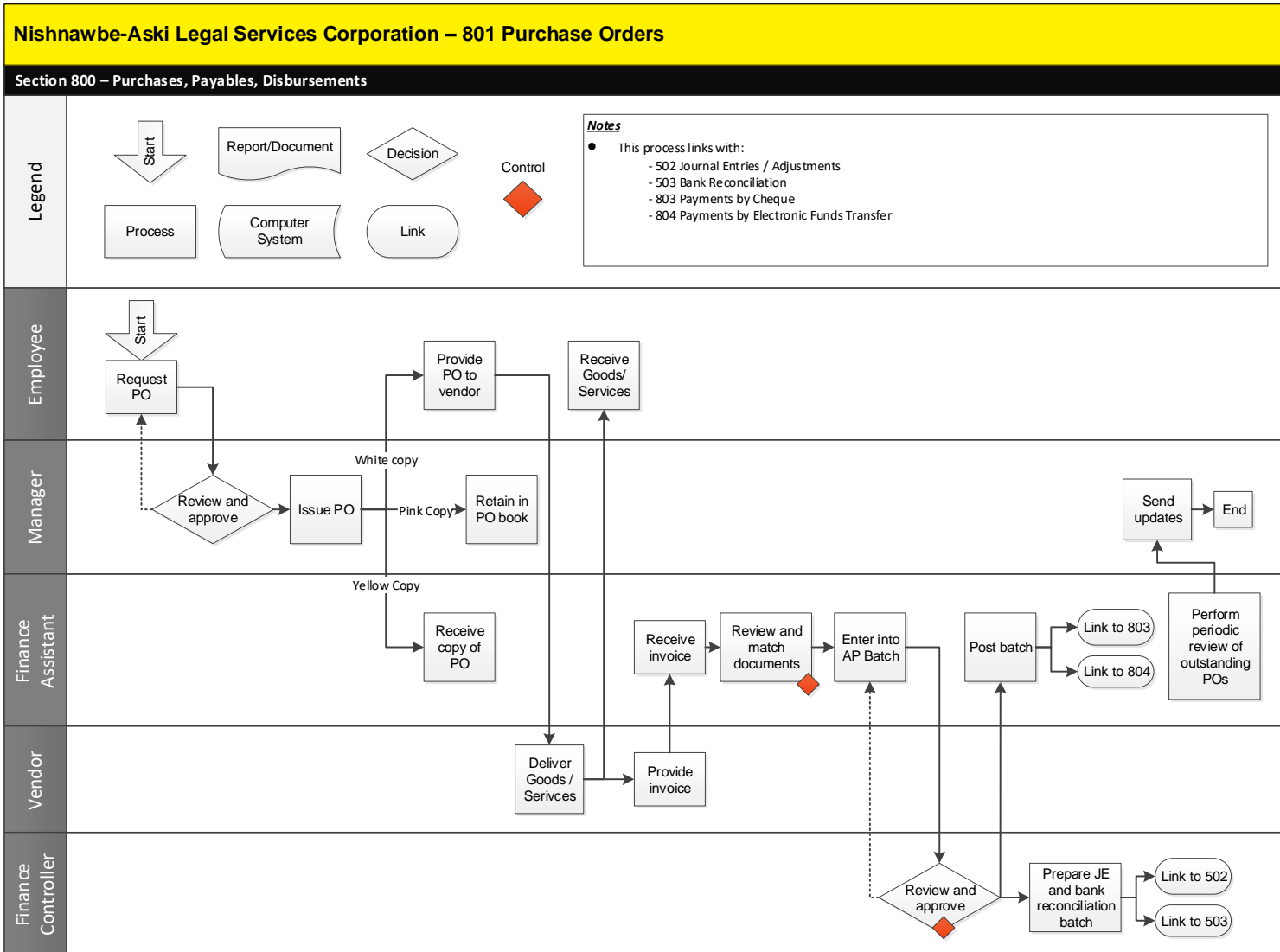
Page 103

NUMBER: 801

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019





POLICIES & PROCEDURES MANUAL

SECTION: Tenders and Requests for Proposals

POLICY: Purchases, Payables, Disbursements

Page 104

NUMBER: 802

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

802 TENDERS AND REQUESTS FOR PROPOSALS

POLICY

Purchases of goods or services less than \$15,000 may be made by PO from an approved NALSC vendor. If an approved vendor does not exist, at least two proposals or bids should be sought to identify and select a preferred vendor.

At least 3 quotes or bids must be obtained for purchases of goods or services in excess of \$15,000 but less than \$75,000. Requests for quotes (RFQs) or bids may be solicited by direct invitation or through public advertising. The final selection of a vendor shall be approved by the Board of Directors.

The final selection of a vendor shall be approved by the Executive Committee of the Board of Directors if the value is over \$25,000.

Purchases of goods or services in excess of \$75,000 shall be publicly tendered.

“Tenders” or “Requests for Proposals” (RFP) shall include at minimum:

- a) Scope of work/terms of reference
- b) Timeline
- c) Budget (optional)
- d) Insurance requirements
- e) Available materials and/or equipment, if any
- f) Evaluation criteria
- g) Qualifications
- h) Other conditions
- i) Method of submission (deadline, submission instructions)

Tenders and proposals that are received are to be date stamped on receipt but kept sealed until the deadline at which time they will be opened in the presence of at least two persons designated by the Executive Director.

Tenders and RFPs must be evaluated against criteria set out by management and approved by the Board of Directors prior to the opening of bids.

Contract splitting is not allowed. For purposes of this Policy, contract splitting is defined as dividing a total contract requirement into one or more smaller contracts in order to avoid the contract authority guidelines set out in this or any other Policies of the Organization.

PROCEDURES

The Department purchasing/tendering the asset/project will work with the Finance Department, Legal Counsel, and any other Department to contract and purchase the asset/project services.



POLICIES & PROCEDURES MANUAL

SECTION: Tenders and Requests for Proposals

POLICY: Purchases, Payables, Disbursements

Page 105

NUMBER: 802

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

This includes preparing and completing tendering documents and following the tendering principles provided in this policy. This also includes the preparation, review, approval and signing of contracting documents. Refer to [Section 108 – Contract Management](#).

Once the tendering process has been completed, the Department will forward a copy of the signed agreement and any other documentation to the Finance Assistant to provide advance notice of purchase amounts and timelines.



POLICIES & PROCEDURES MANUAL

SECTION: Tenders and Requests for Proposals

POLICY: Purchases, Payables, Disbursements

Page 106

NUMBER: 802

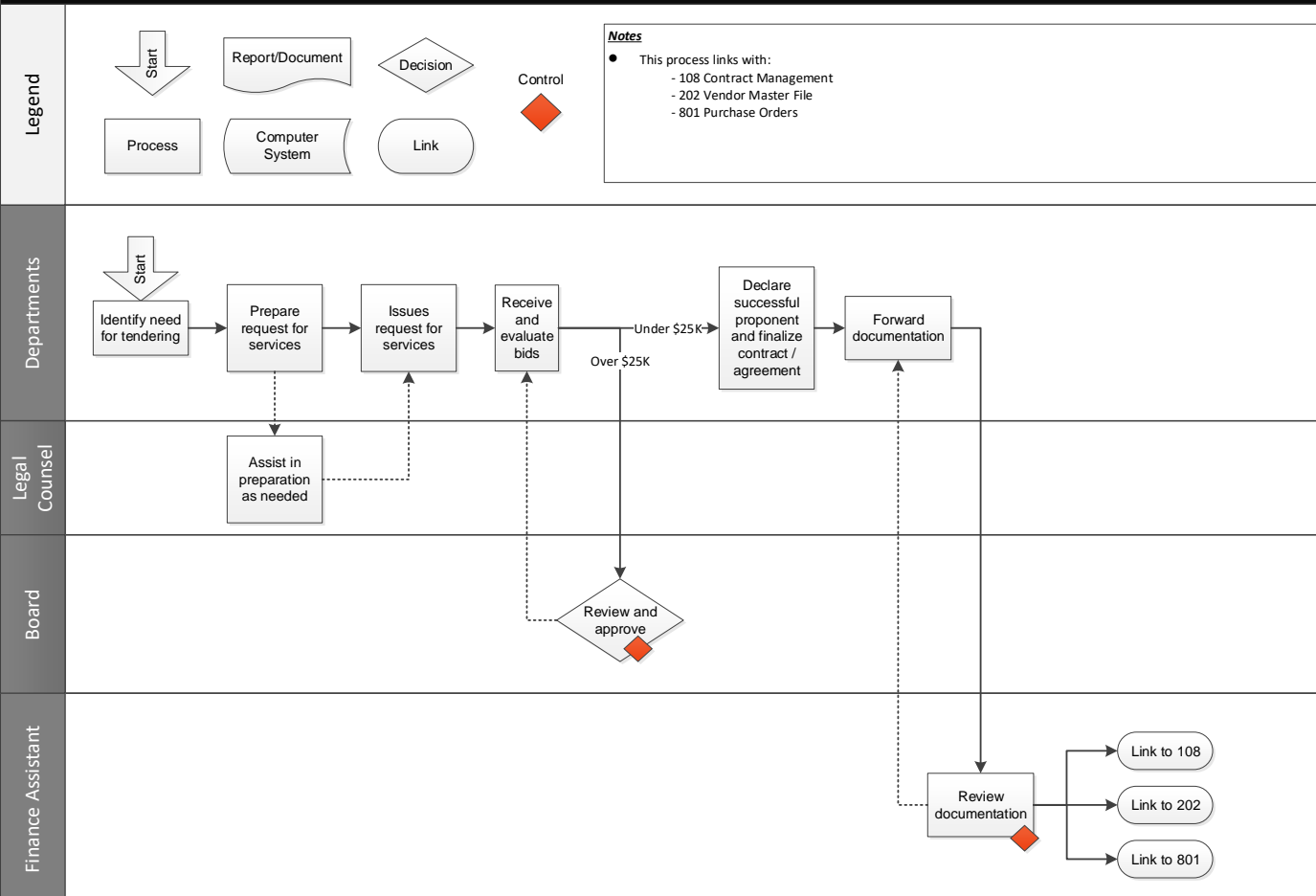
Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Nishnawbe-Aski Legal Services Corporation – 802 Tenders and Requests for Proposals

Section 800 – Purchases, Payables, Disbursements





POLICIES & PROCEDURES MANUAL

SECTION: Payments by Cheque

NUMBER: 803

POLICY: Purchases, Payables, Disbursements

Date: October 23, 2019

Page 107

Revised: N/A

Approved: October 23, 2019

803 PAYMENTS BY CHEQUE

POLICY

The Finance Assistant will review the A/P Aging Report on a weekly basis to determine which invoices are required to be paid by cheque.

All payments by cheque require signatures from authorized signers.

Cheques shall be signed by any two of the following:

- a) Executive Director
- b) Financial Controller
- c) LAO Area Director
- d) Talking Together Manager
- e) Restorative Justice Manager
- f) Members of the Executive Committee of the Board of Directors

All payments require two signatures and review of the PO/contract and invoice before signing.

Accounts payable will issue replacement cheques if a cheque is reported lost or stolen.

If cheques are not cashed within six (6) months, the outstanding cheque will be cancelled.

The Organization will pay fees in accordance with contracts and purchase orders that clearly set out for what the Organization will be paying. Payment of fees are to be paid upon receipt of a written, numbered and dated invoice.

PROCEDURE

Cheque runs are done weekly (or more frequently as needed) with most payments made on terms 30 days.

The Finance Assistant will run an A/P Ageing Report to identify payments to be made by cheque. The Finance Assistant will print cheques and prepare a cheque batch and package for review by the Finance Controller. Once approved, the Finance Assistant will post the batch and request signatures from cheque signers in accordance with the Delegation of Authority Table.

Once the cheques are signed, they are provided to the Finance Assistant to separate. Supporting documents are filed and the cheques are put into envelopes and provided to the Receptionist for mailing.



POLICIES & PROCEDURES MANUAL

SECTION: Payments by Cheque

POLICY: Purchases, Payables, Disbursements

Page 108

NUMBER: 803

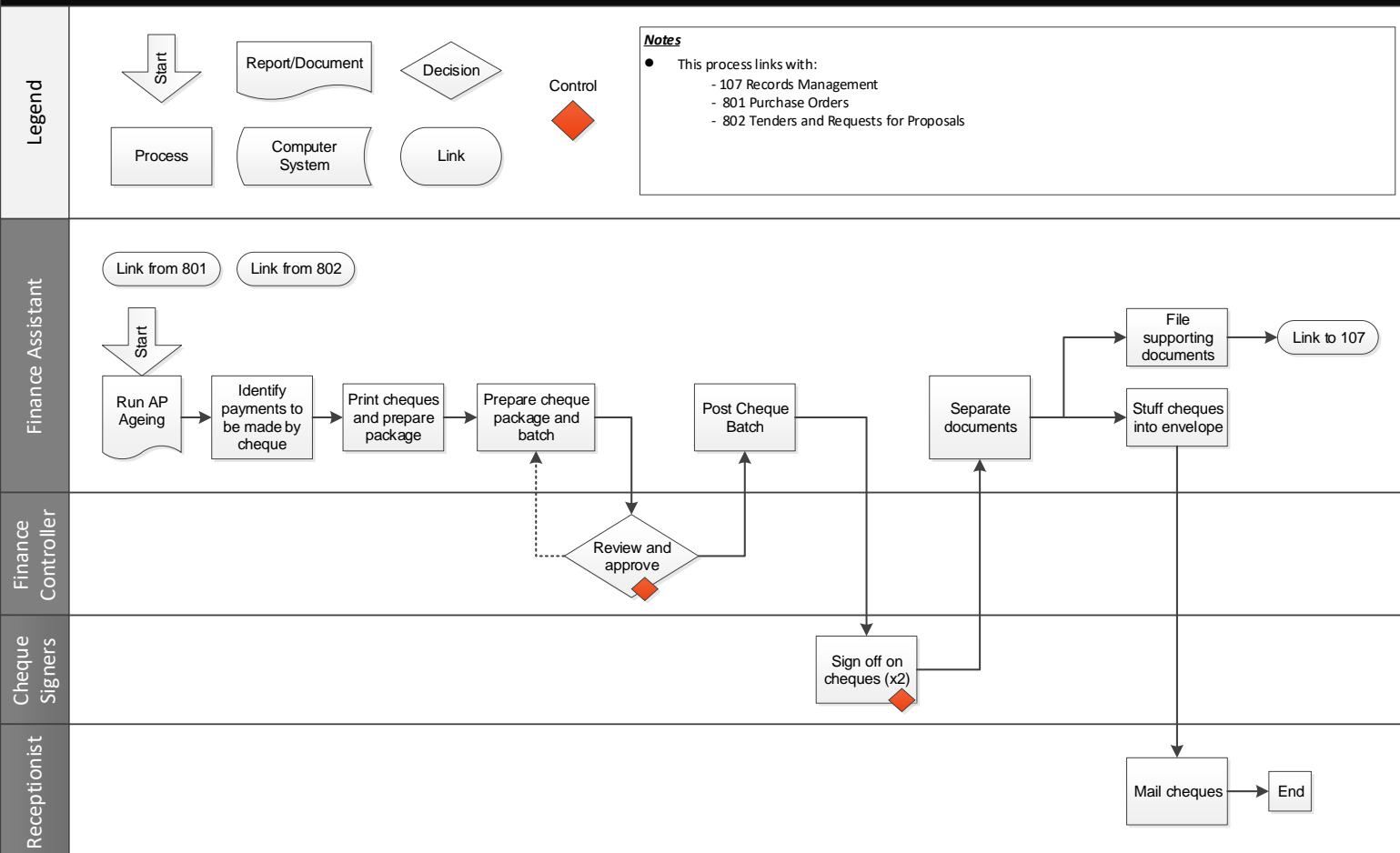
Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Nishnawbe-Aski Legal Services Corporation – 803 Payments by Cheque

Section 800 – Purchases, Payables, Disbursements





POLICIES & PROCEDURES MANUAL

SECTION: Payments by Electronic Funds Transfer

POLICY: Purchases, Payables, Disbursements

Page 109

NUMBER: 804

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

804 PAYMENTS BY ELECTRONIC FUNDS TRANSFER

POLICY

Payments may be made by EFT instead of cheque. The following types of transactions may be paid by EFT:

- a) Biweekly payroll;
- b) Recurring (e.g. monthly) rent and utility payments;
- c) Other vendors which request EFT payment;
- d) Employee travel; and
- e) Transfers between Organization accounts including investment and loan accounts.

Online access will be provided to the Financial Controller (full access) and the Finance Assistant (to enter and release payments) who will be assigned user IDs, passwords and bank tokens to track their individual activity.

Online payments will be reviewed by the Executive Director. In all instances, the on-line initiator and releaser of the payments/funds must have source documentation that is signed by the appropriate levels.

The Organization will pay fees in accordance with contracts and purchase orders that clearly set out for what the Organization will be paying. Payment of fees are to be paid upon receipt of a written, numbered and dated invoice.

PROCEDURES

Accounts Payables

EFT payments are done weekly (or more frequently as needed) with most payments made on terms of 30 days.

The Finance Assistant will run an A/P Ageing Report to identify payments to be made by EFT, including travel expenses and payments in advance. Identified payments will be provided to the Finance Controller for review and approval to ensure that there is adequate cash for the payment of the selected accounts payable.

Once reviewed and approved by the Finance Controller, the EFT amounts will be entered into the online banking service by the Finance Assistant.

The accounts payable batch package is then provided to the Finance Controller for review and approval, against the on-line banking system.

Once the amounts are reviewed and approved, the Finance Controller will upload the EFT file. If there are no errors, funds will automatically be released.



POLICIES & PROCEDURES MANUAL

SECTION: Payments by Electronic Funds Transfer

POLICY: Purchases, Payables, Disbursements

Page 110

NUMBER: 804

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

The Finance Controller will print the EFT report and provide it to the Executive Director for signature.

The Finance Assistant will post the batch and file the accounts payable batch package with all approval signatures.

Payroll

Payroll entries are reviewed and approved per [Section 901 Payroll Administration](#).

The payroll batch is uploaded into the banking system by the Finance Controller. If there are no errors, funds will automatically be released.

The Finance Controller will print the EFT report and provide it to the Executive Director for signature.



POLICIES & PROCEDURES MANUAL

SECTION: Payments by Electronic Funds Transfer

POLICY: Purchases, Payables, Disbursements

Page 111

NUMBER: 804

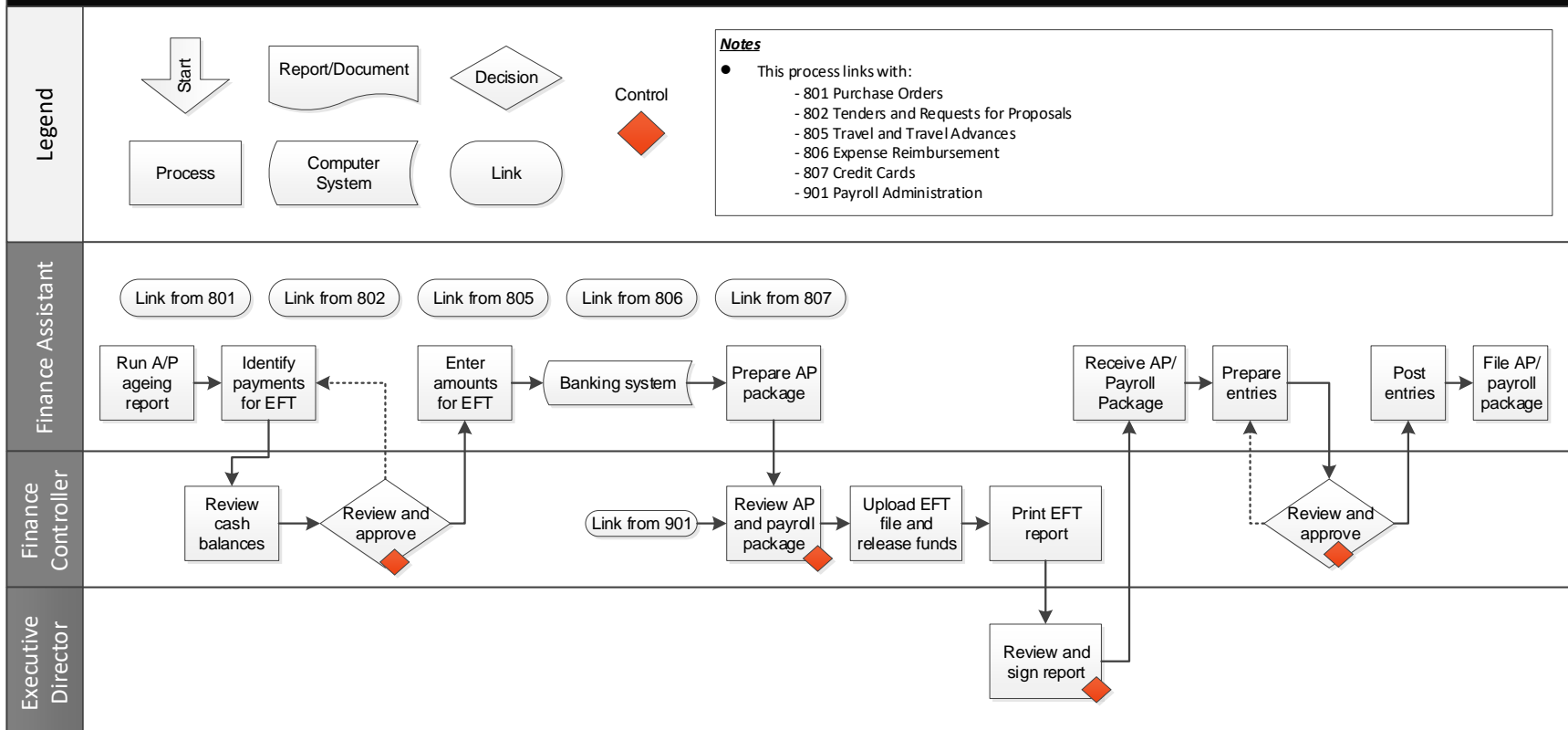
Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Nishnawbe-Aski Legal Services Corporation – 804 Payments by Electronic Funds Transfer

Section 800 – Purchases, Payables, Disbursements





POLICIES & PROCEDURES MANUAL

SECTION: Travel and Travel Advances

POLICY: Purchases, Payables, Disbursements

Page 112

NUMBER: 805

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

805 TRAVEL AND TRAVEL ADVANCES

POLICY

Travel budgets shall be established for all NALSC Departments where travel is required.

Employees are expected to use the following forms for travel and program expenses:

- a) Travel Arrangement Request Form
- b) Travel Cancellation Request Form
- c) Travel Advance Request Form - Travel advances and expenses are available for authorized overnight out-of-town business meetings of at least 60km.
- d) Expense Claim Form
- e) Expense Report Form
- f) Monthly Mileage Claim Form
- g) Event Advance Request Form
- h) Event Expense Claim Form

Travel expense claims must be submitted prior to any travel advances being issued. A subsequent advance will not be issued until the previous advance is fully accounted for.

If travel is not paid directly through a travel advance, travel expenses will be reimbursed only on the basis of invoices submitted.

Travel expense claims must be submitted within three (3) days of completed travel.

The Finance Assistant shall prepare, on a weekly basis, a report of all outstanding travel advances.

Any unused travel advances must be repaid to the Organization immediately or the total advance will be deducted in full on the next payroll.

Hotel, meal and incidental expenses are not provided for distances less than 60km.

NALSC may elect to provide group meals in lieu of individual meal allowances at its discretion.

If a meal is provided as part of a conference or workshop, the employee must provide proof of purchase/receipt with their travel claim in order to claim that meal allowance.

For remote communities, employees that incur bank charges/transaction fees for withdrawals that are incurred due to the Organization's business will be repaid by the Organization.

Transportation

Travel arrangements shall be made using the most cost effective methods.

All travel arrangements for public transportation (air, train, bus) will be made by the Travel/Payroll Coordinator through the use of a PO and or company credit card and will be approved by the responsible manager (if available) or the Executive Director.



POLICIES & PROCEDURES MANUAL

SECTION: Travel and Travel Advances

POLICY: Purchases, Payables, Disbursements

Page 113

NUMBER: 805

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

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

All airline charters must be approved by the Executive Director except LAO court charters which are handled by the Legal Aid Department.

Car rentals must be approved through a PO and will only be approved by the Executive Director or designate. Full insurance must be taken. NALSC will not be responsible for any traffic violations, parking tickets, toll highway fees or lost keys, etc. NALSC will not be responsible for payment of unauthorized car rentals. In addition, the employee must return the car to the rental agency with a full tank of gas - NALSC will not be responsible for any refueling charges. A copy of the car rental agreement must be attached to the travel claim. The employee renting a vehicle must report any damage done to the vehicle for which NALSC may be responsible depending on the circumstances of the cause of the damage. No employee shall rent a car on the Organization's account for personal use.

When out of town on NALSC business, employees shall not transport passengers other than NALSC employees in rental or personal vehicles. Where an employee chooses to take passengers other than NALSC employees, the employee shall personally assume all risk, responsibility and liability for doing so.

All staff using private vehicles in the performance of their duties must have a minimum of \$2,000,000 Public Liability and Property Damage Insurance coverage.

When travel arrangements for transportation are changed, it is employee's responsibility to immediately advise their Manager and the Travel/Payroll Coordinator. All unused tickets are to be returned to the Finance Department. Any changes of travel arrangements must be approved by the responsible Manager in advance of the change being made. Where an employee fails to obtain a Manager's approval for the change, the employee shall be personally responsible for the change fees

Accommodations

The Travel/Payroll Coordinator will make arrangements for accommodations through POs whenever possible. When accommodation arrangements are changed, it is the responsibility of the traveler to advise the responsible Manager and cancel the hotel reservation prior to the deadline so that:

- NALSC is not charged for unused rooms approved;
- NALSC is not charged for "no shows"; and
- That a new PO number may be issued if applicable.

Where an employee fails to properly notify a hotel of a late arrival or no show, and there was opportunity for this to have been done, NALSC will seek reimbursement from the employee for this extra cost.

NALSC is not responsible for any loss or damages caused to a hotel room.

Any charges made to NALSC for any reason that does not relate to NALSC business (i.e. personal long distance phone calls, room service, in room movies, etc.) will be the responsibility of the employee.



POLICIES & PROCEDURES MANUAL

SECTION: Travel and Travel Advances

POLICY: Purchases, Payables, Disbursements

Page 114

NUMBER: 805

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Should NALSC be billed for any such costs, the employee will be notified and if not repaid immediately, shall be recovered from the employee's payroll.

Commercial Accommodations

Staff members are required to stay in accommodation in which NALSC has a negotiated rate. Employees that require use of commercial accommodation where no negotiated rates are available must ensure the rates for accommodation are reasonable and approved by the respective Manager or the Financial Controller.

Private Accommodations

The maximum rate allowed for private accommodation for non-family members or in a billeting situation on a First Nation will be set by the Board of Directors and reviewed annually by the Executive Director.

Receipts for private accommodations beyond the rate allowed must be pre-approved by the Executive Director with an explanation for the change. Travel requests to be submitted to Manager for approval.

Mileage

Mileage allowances will be paid in accordance to the rates approved by Board of Directors and will be reviewed annually by the Executive Director.

When travelers are requested by the employer to use their private vehicle, for travel outside the city of Thunder Bay or wherever the employee normally works/resides, they will be reimbursed at a rate set by the NALSC guidelines.

When travelers choose to use their own vehicle, they will be reimbursed at a rate set by the NALSC guidelines.

The Corporation is not responsible to reimburse the traveler if he/she has a car breakdown, flat tire, etc. However, should the costs of the total mileage be greater than the costs for airfare or a car rental, the traveler may claim only the amount it would have cost to go by air or for the cost of a car rental.

Entertainment

Employees shall be reimbursed for expenses for entertainment with prior approval by the responsible Manager. An itemized bill of the expense must be submitted with the claim which shall include the names of the individuals that were entertained. Alcoholic beverages are not eligible expenses and will not be reimbursed.

Childcare

Employees and Manager who must incur child care expenses to attend Organization business away from home may be reimbursed for these costs provided that:



POLICIES & PROCEDURES MANUAL

SECTION: Travel and Travel Advances

POLICY: Purchases, Payables, Disbursements

Page 115

NUMBER: 805

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

- Required travel is for the purpose of NALSC’s business or work-related training requiring overnight absence from the home.
- Child care costs to be claimed must be requested and approved by the responsible Manager or Executive Director prior to the overnight travel at a rate of \$35.00 per night for the first child and \$15.00 per night for each child thereafter.
- Receipts for child care expenses must be submitted with the expense claim to be reimbursed.
- The child must reside permanently with the parent claiming the expense and must be under the age or fifteen (15).

The Executive Director will receive and approve or reject requests for child care cost reimbursement prior to travel.

Where a spouse, other parent, or partner is home during the employee’s overnight absence, no expense can be claimed.

An employee cannot claim regular daycare or babysitting expenses during normal work hours where the child(ren) are already in daycare or have regular daytime childcare while the employee is at work.

PROCEDURES

Staff are to submit a Travel Arrangement Request Form to the Travel/Payroll Coordinator if they require booking for travel to be completed. The Travel/Payroll Coordinator will review the Form for appropriate approvals before completing the booking. Should a staff member require cancellation of booking, they are to complete a Travel Cancellation Request Form and submit to the Travel/Payroll Coordinator. The Travel/Payroll Coordinator will review the Form for appropriate approvals before completing cancellation of the booking.

All employees requesting a travel advance are required to complete a Travel Advance Form. Once the form is completed and approved, the employee provides the form to the Finance Assistant.

The Finance Assistant will review the request and ensure appropriate approvals have been obtained. Once the form is reviewed, the Finance Assistant will prepare entry into the system for payment by EFT.

The Finance Assistant will prepare a payment batch and will print a batch report to provide to the Finance Controller for review and approval. Payment will be issued as per [Section 804 – Payments by Electronic Funds Transfer](#).



POLICIES & PROCEDURES MANUAL

SECTION: Travel and Travel Advances

POLICY: Purchases, Payables, Disbursements

Page 116

NUMBER: 805

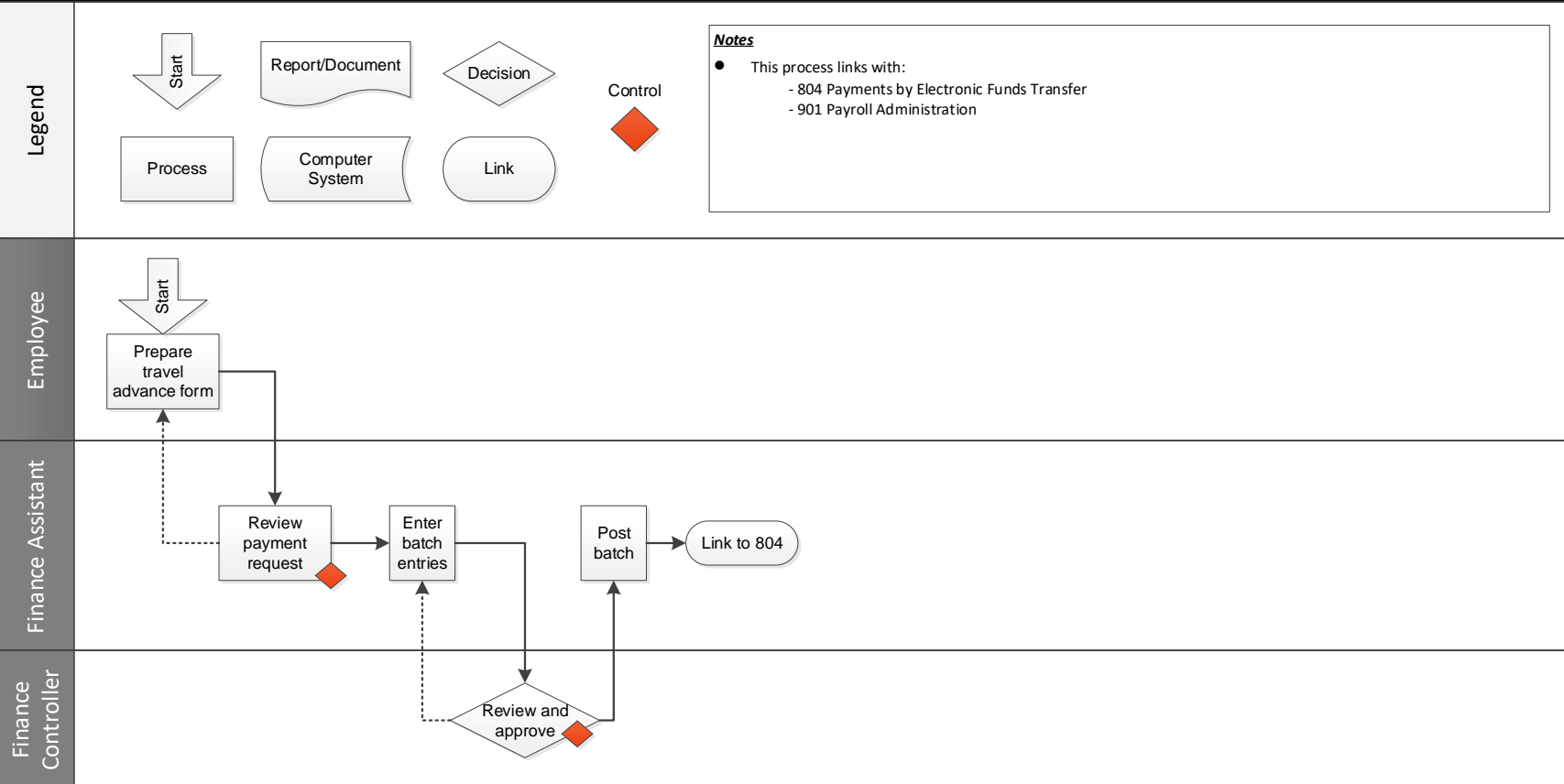
Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Nishnawbe-Aski Legal Services Corporation – 805 Travel and Travel Advances

Section 800 – Purchases, Payables, Disbursements





POLICIES & PROCEDURES MANUAL

SECTION: Expense Reimbursement

POLICY: Purchases, Payables, Disbursements

Page 117

NUMBER: 806

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

806 EXPENSE REIMBURSEMENT

POLICY

Employees must submit Expense Claims to their Manager, who approves and forwards to the Finance Assistant in a timely manner. Employees must ensure all receipts are included with the report when it is submitted.

At the end of each trip, each employee is required to complete a travel expense claim form, stating destination, travel dates, and times and purpose of the trip. Completed travel claims and attached receipts shall be reviewed by the responsible Manager. Receipts for all expenses must accompany the travel claims. All travel expense claims must be received by the Finance Office within three (3) days of the return from travel.

Travel expense claims will reflect the actual costs of travel minus any travel advances issued.

Original receipts and supporting documents (i.e. car rental agreements) must be provided to support travel expenses. Costs may include:

- Taxi fares
- Bus fares
- Baggage Fees
- Parking fees
- Gas receipts
- Accommodations
- Child Care
- Elder/Translator Honorariums
- Costs for hall rental/catering
- Workshop refreshments

Any unused travel advances must be repaid to the Organization immediately or the total advance will be deducted in full on the next payroll.

PROCEDURES

Employees are to submit a completed, signed and approved Expense Claim Form along with all receipts to the Travel/Payroll Coordinator. Approval of the Expense Claim Form shall be provided in accordance with the [Delegation of Authority Table](#).

The Travel/Payroll Coordinator will review the report and supporting documentation and follow-up on any discrepancies.

Once the amount is confirmed, the information is forwarded to the Finance Assistant to be entered into the financial system. The expense will be paid in the next pay run.

Payment will be issued as per [Section 804 – Payments by Electronic Funds Transfer](#).



POLICIES & PROCEDURES MANUAL

SECTION: Expense Reimbursement

POLICY: Purchases, Payables, Disbursements

Page 118

NUMBER: 806

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

If travel amounts were provided that equal more than actual expenses, the Finance Assistant will reconcile and prepare any deductions from payroll. Refer to [Section 901 Payroll Administration](#).



POLICIES & PROCEDURES MANUAL

SECTION: Expense Reimbursement

POLICY: Purchases, Payables, Disbursements

Page 119

NUMBER: 806

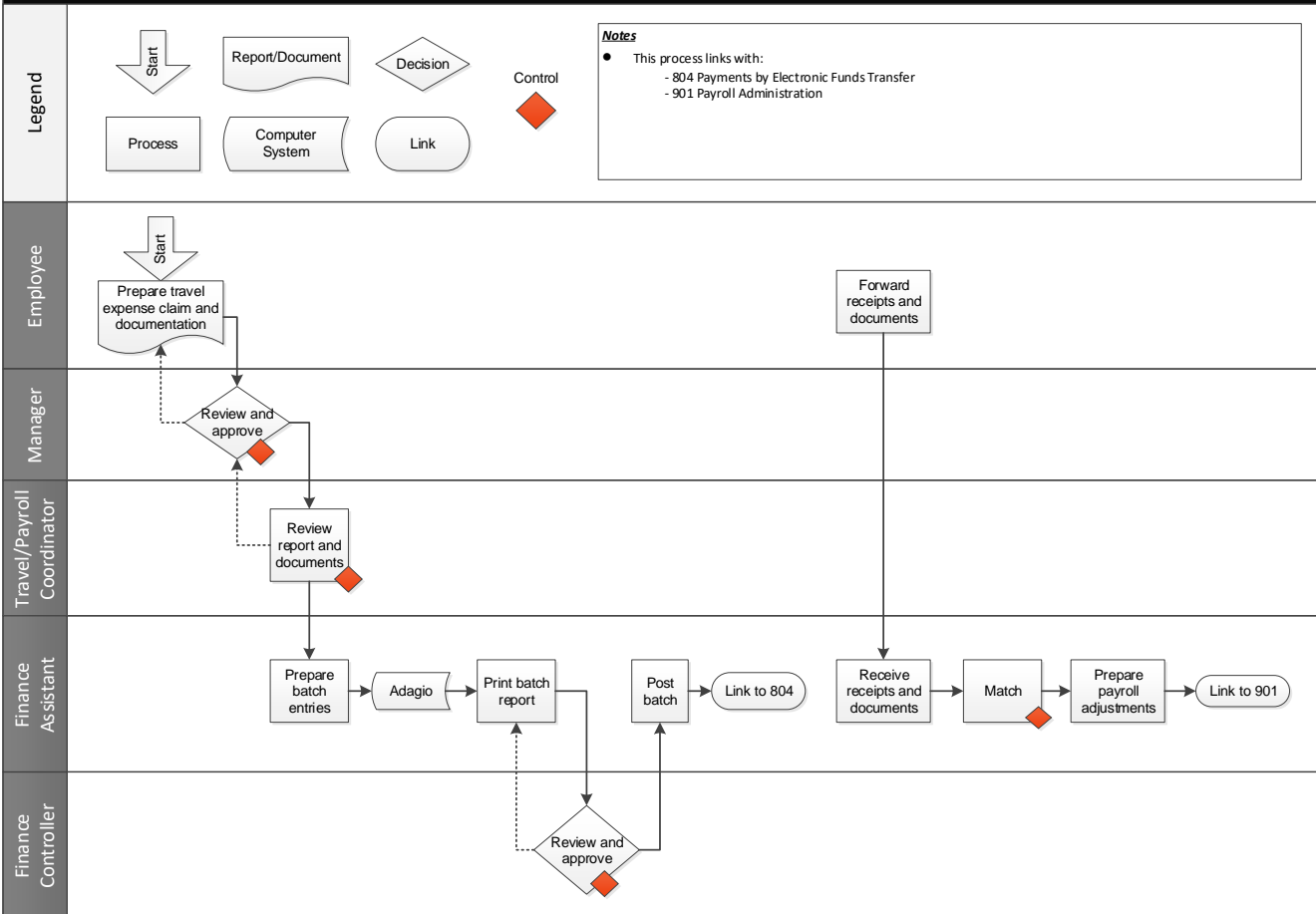
Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Nishnawbe-Aski Legal Services Corporation – 806 Expense Reimbursement

Section 800 – Purchases, Payables, Disbursements





POLICIES & PROCEDURES MANUAL

SECTION: Credit Cards

POLICY: Purchases, Payables, Disbursements

Page 120

NUMBER: 807

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

807 CREDIT CARDS

POLICY

NALSC may provide corporate credit cards (e.g. Visa cards) to provide a convenient method of procuring and paying for certain travel and low dollar value goods and services.

NALSC issued credit cards are not for personal use. If a staff person or Board Member is found using a NALSC issued credit card for personal use, immediate dismissal from their position may result.

Each staff person and board member receiving a NALSC credit card must read and sign-off on the Credit Card Policy prior to use. Refer to [Schedule C: Credit Card Policy Declaration Form](#).

Records of purchases made with the credit card must be kept by the cardholder for audit trail purposes and to facilitate reconciliation and account verification (records include authorized requisition forms, packing slips, card vouchers, invoices, detailed receipts). All expenses to the credit card should be tracked using a tracking sheet.

Individual limits will be assigned to each credit card – overall credit (all outstanding cards combined) may not exceed \$100,000. Each Manager’s card is set at a limit of \$2,500. The Finance Controller and the Travel/Payroll Coordinator have a higher limit of \$15,000 to \$25,000 to have the ability to book travel for the Organization, have recurring monthly charges, and to make purchases of capital assets (i.e. computers, appliances, etc.).

The Organization views inappropriate use as a very serious matter and expects cardholders to act with strict prudence and professionalism. Willful misuse of a credit card will subject the employee to dismissal and criminal prosecution.

Employees who cannot provide proper documentation for expenditures will have their payroll cheque deducted in an amount equal to the unreconciled expenditure.

Conditions of Use

Managers are permitted to use the corporate credit card for:

- Confirmation of hotel reservations.
- Hotel expenses (room & taxes only) while travelling for NALSC.
- Travel for NALSC (including flights and taxis).
- Program supplies.
- Gas for NALSC-owned vehicles.
- Routine maintenance costs for NALSC-owned vehicles.
- Low dollar value assets.

Managers are not permitted to use the corporate credit card for:



POLICIES & PROCEDURES MANUAL

SECTION: Credit Cards

POLICY: Purchases, Payables, Disbursements

Page 121

NUMBER: 807

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

- Purchases from companies who will invoice NALSC directly.
- Personal use.
- Cash advances.

The Finance Department is permitted to use the corporate credit card for:

- Capital items
- Other items as needed

Card Holder Responsibilities

- The card holder will be personally responsible and accountable for the safe keeping of the card.
- The use of the corporate credit card is governed by this NALSC Corporate Credit Card Policy and Procedures and any other relevant policies which have been adopted by the Board.
- The corporate credit card is to be used only for NALSC business purposes.
- Cards are only to be used by the person whose name appears on the card.
- Adequate funds are available to cover expenditure before it is incurred.
- Expenditures must be approved by immediate Manager in the same manner as cheque requisitions and travel advances.
- Sales tax is deducted wherever possible for purchases.
- Credit limits are not to be exceeded. Purchases must not be split among employees to negate spending limits imposed by the Board.
- Corporate credit card expenditures are to be reconciled within 15 (fifteen) days of the Statement Date. Each cardholder is required to verify each charge appearing on their statement and provide proper documentation along with relevant account information for proper billing of charges. Any employee who has not reconciled their statement by the due date will be requested to do so in writing. If the expenditure remains outstanding, or no reason is submitted for the non-compliance, the card will be automatically cancelled with no further warnings.
- All transaction receipts must be retained and submitted with the cardholder's reconciliation as supporting documentation.
- Lost or stolen cards are to be cancelled immediately.
- Card is returned to the Human Resources Director immediately upon termination or resignation of employment.
- Employees issued with a corporate credit card are in a position of trust in regard to the use of funds. Any improper use may render the cardholder liable to disciplinary (including immediate dismissal) / legal action and / or criminal prosecution.



POLICIES & PROCEDURES MANUAL

SECTION: Credit Cards

POLICY: Purchases, Payables, Disbursements

Page 122

NUMBER: 807

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

PROCEDURES

Cardholders are required to complete the Credit Card Form to track all expenditures.

The Cardholder receives the monthly statements. The Cardholder must reconcile the expenditures on the statement within 15 days of the statement date.

The reconciled statement (identifying which expense account each item is to be charged to), along with all transaction records and expense authorizations must be submitted to the Finance Assistant within 15 days of the statement date.

The Finance Assistant will review the Credit Card Form and supporting documents (e.g. receipts) and investigate any discrepancies that are found. The Finance Assistant will forward the documents to the Executive Director for sign off. Once signed off, the Credit Card Form and documents will be provided back to the Finance Assistant for entering into the financial system to complete payment. Refer to [Section 804 Payments by Electronic Funds Transfer](#).



POLICIES & PROCEDURES MANUAL

SECTION: Credit Cards

POLICY: Purchases, Payables, Disbursements

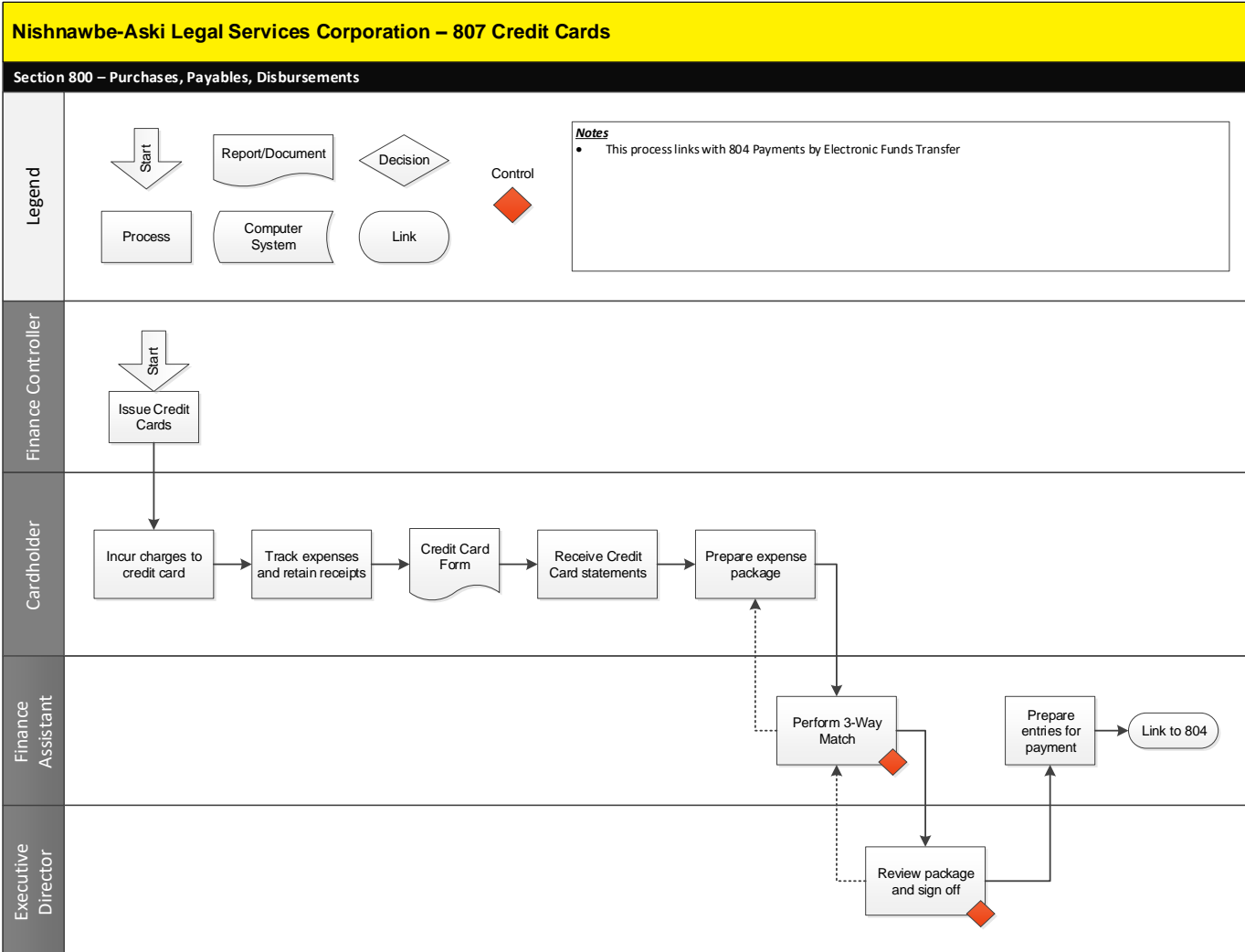
Page 123

NUMBER: 807

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019





POLICIES & PROCEDURES MANUAL

SECTION: Payroll
Administration

POLICY: Payroll and Benefits

Page 124

NUMBER: 901

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

900 PAYROLL AND BENEFITS

901 PAYROLL ADMINISTRATION

POLICY

Payroll is administered from the Head Office at:

138B Mission Rd
Fort William First Nation, ON, P7J 1K7

Employees are paid bi-weekly by direct deposit. No employee shall be paid earlier than the official payday.

All employees shall maintain their own timesheets and submit them bi-weekly on Friday to their Manager for review and approval.

Managers are responsible for reviewing and approving timesheets (together with the applicable leave, overtime authorizations and in/out schedule) and will submit them by Monday.

Deduction from pay for any employee shall be in accordance with governing statutes, court orders and/or by voluntary authorization by the employee.

Upon termination, all outstanding salary advances, travel advances or other monies owing will be deducted from an employee's final pay cheque.

Correction of overpaid or underpaid wages shall be made on the pay immediately following discovery of the error.

Payroll advances are not permitted.

Casual Labour is administered through Accounts Payable and may include, but is not limited to guest speakers, maintenance, janitorial, workshop facilitators and other one-time service providers that do not have a registered business. Casual Labour may be paid by cheque or direct deposit. Refer to [Section 803 Payments by Cheque](#), or [Section 804 Payments by Electronic Funds Transfer](#).

Under no circumstances, may anyone undertake concurrent roles as an independent contractor (contract for services) and as an employee (contract of service) with NALSC.

Payroll payments will be made in accordance with NALSC's Human Resources Policy.

PROCEDURE

Employees are to complete and submit a timesheet to their Manager on a bi-weekly basis on Friday. Timesheets are to be reviewed and approved by the employee's Manager. Each Manager will compile the timesheets for their Department and will submit them to the Travel/Payroll Coordinator. This will be completed on Monday.



POLICIES & PROCEDURES MANUAL

SECTION: Payroll
Administration

POLICY: Payroll and Benefits

Page 125

NUMBER: 901

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

The Travel/Payroll Coordinator will review all timesheets that are submitted for completeness, accuracy, and approval. The Travel/Payroll Coordinator will investigate any issues with the Manager of the employee and the Human Resources Manager.

The Travel/Payroll Coordinator will enter the timesheet information into the Payroll module prior to generating the weekly pay run.

According to the pay run schedule, the Finance Controller will generate the bi-weekly payroll. The Finance Controller will review received memos and/or Payroll Adjustment Forms from the Human Resources Manager and ensure that they are reflected in the appropriate pay run. The Finance Controller will run the Payroll Register and review for accuracy and completeness. Any errors shall be corrected and the updated Payroll Register run. When complete, the Finance Controller will sign-off on the Payroll Register, along with the payroll journal entries, and submit to the Executive Director for review and approval.

The Executive Director will review the Payroll Register, completing spot checks of calculations, review of Human Resource notices/Forms, analysis of variances from past pay runs, and accuracy of payroll journal entries. The Executive Director will sign-off on the Payroll Register after review to evidence approval.

The final approved Payroll Register and journal entries will then be forwarded to the Finance Controller (for payment by EFT and for inputting and posting of journal entries).

Refer to [Section 804 – Payments by Electronic Funds Transfer](#).



POLICIES & PROCEDURES MANUAL

SECTION: Payroll Administration

POLICY: Payroll and Benefits

Page 126

NUMBER: 901

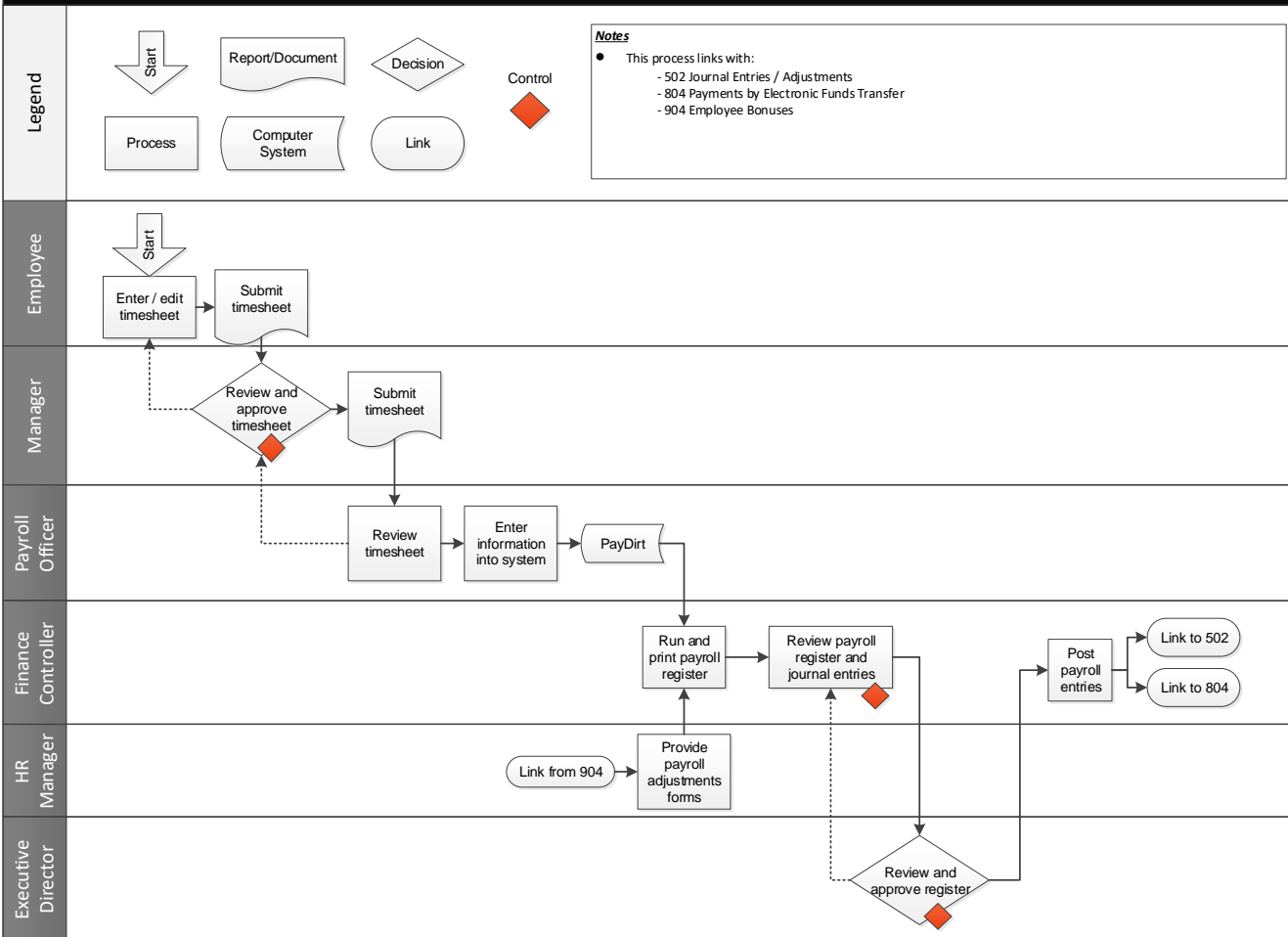
Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Nishnawbe-Aski Legal Services Corporation – 901 Payroll Administration

Section 900 – Payroll Administration





POLICIES & PROCEDURES MANUAL

SECTION: Honorariums

POLICY: Payroll and Benefits

Page 127

NUMBER: 902

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

902 HONORARIUMS

POLICY

Honorariums for Elders and other cultural practitioners are provided.

Honorariums are paid through the advance payments process and will be reconciled upon receipt of proper documentation (original receipts). Refer to [Section 806 Payments in Advance](#).

Honorariums will follow Band Elder rates, up to a maximum of \$200/circle.

If there is no quorum at a duly called meeting, the meeting will be cancelled at thirty minutes after its scheduled start time. A stipend of 50% of the honorarium rate will be considered an eligible expense for those in attendance up to this time.

An eligible honorarium expense is one in which the Elder has been in attendance at the meeting for a minimum of 50% of its duration.

PROCEDURE

Employees who work with Elders or cultural practitioners are to request payment in advance to obtain the funds. Managers will approve all fees for Elders or cultural practitioners. Refer to [Section 805 Travel and Travel Advances](#).

Once the employee has received the funds, they will provide the payment to the Elder or cultural practitioner and obtain a receipt for the payment made.

The receipt and any supporting documentation are provided to the Finance Assistant for review and reconciliation.



POLICIES & PROCEDURES MANUAL

SECTION: Honorariums

POLICY: Payroll and Benefits

Page 128

NUMBER: 902

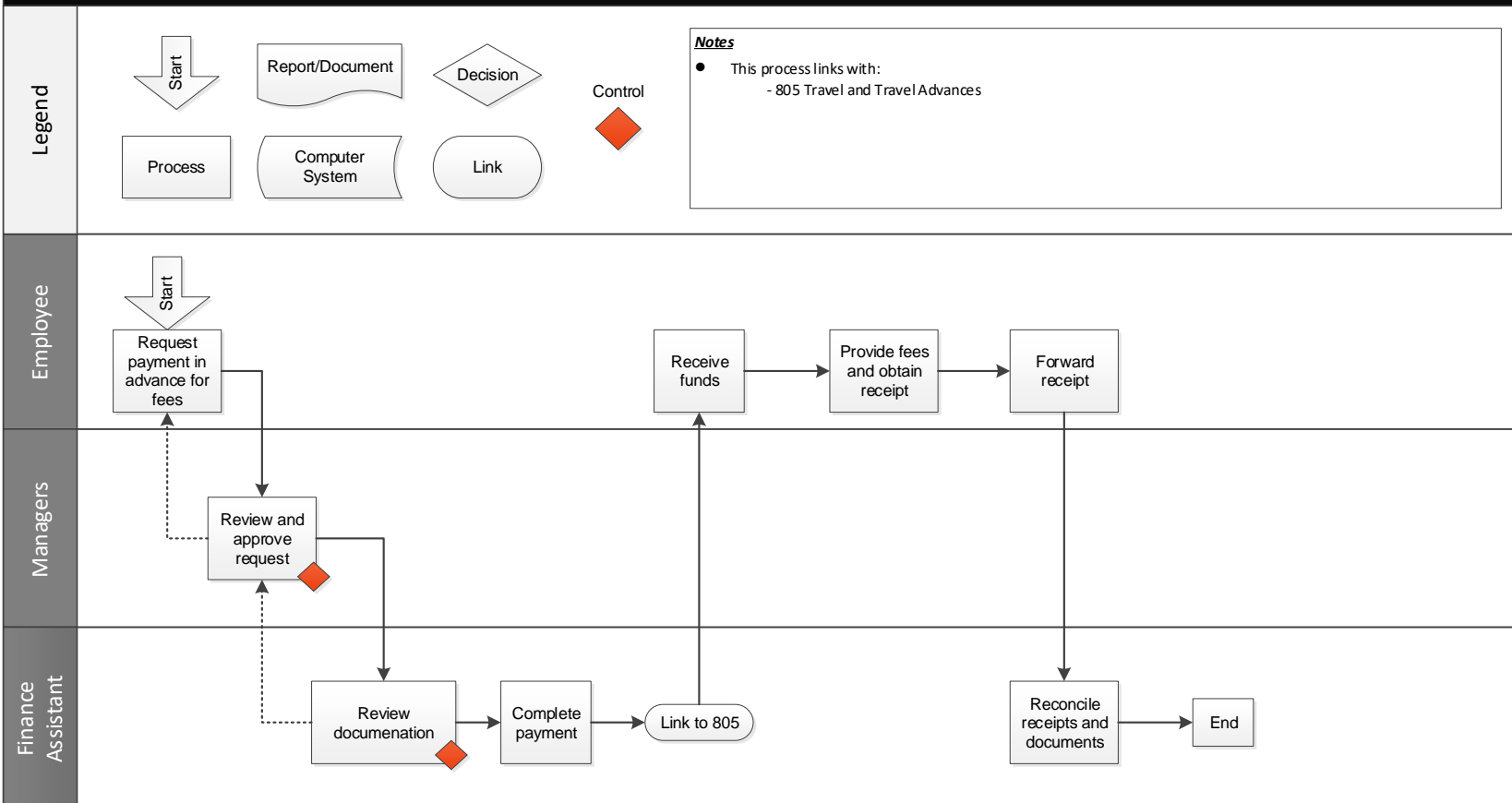
Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Nishnawbe-Aski Legal Services Corporation – 902 Honorariums

Section 900 – Payroll and Benefits





POLICIES & PROCEDURES MANUAL

SECTION: Board Remuneration

NUMBER: 903

POLICY: Payroll and Benefits

Date: October 23, 2019

Page 129

Revised: N/A

Approved: October 23, 2019

903 BOARD REMUNERATION

POLICY

Board Members shall be remunerated with meeting honorariums for attending meetings and functions.

Board Members are provided meeting honorariums of \$350.00 per day and \$225.00 per day for travel day allowance to cover their reasonable expenses.

Travel allowances for Board Members include:

- Mileage reimbursed at \$0.57 per kilometre
- Meals/incidentals at a maximum of \$108.80 per day.

Any reimbursement for travel or other expenses that are covered and paid by another organization shall be made payable to NALSC, and not the Board Member personally.

If a Board member is not able to attend meetings fully, the deductions to remuneration will be made in the next payment cycle.

Travel that can be set up in advance is paid for by the Organization (e.g. flights and accommodation). For each travel expense covered by NALSC, a PO is created. Refer to [805 Travel and Travel Advances](#).

PROCEDURE

The Executive Assistant will prepare a Board Travel and Attendance Sheet. The sheet will identify the meeting honorarium and other expenses to be paid to the Board Member. The sheet is signed off by the Executive Director. Once signed, the sheet is forwarded to the Finance Assistant to prepare a cheque. Refer to [Section 803 Payments by Cheque](#).

Board Members receive their cheques after the first day of the meeting is completed. Each Board member will sign off on the Board Travel and Attendance Sheet to verify that they have received payment.



POLICIES & PROCEDURES MANUAL

SECTION: Board Remuneration

POLICY: Payroll and Benefits

Page 130

NUMBER: 903

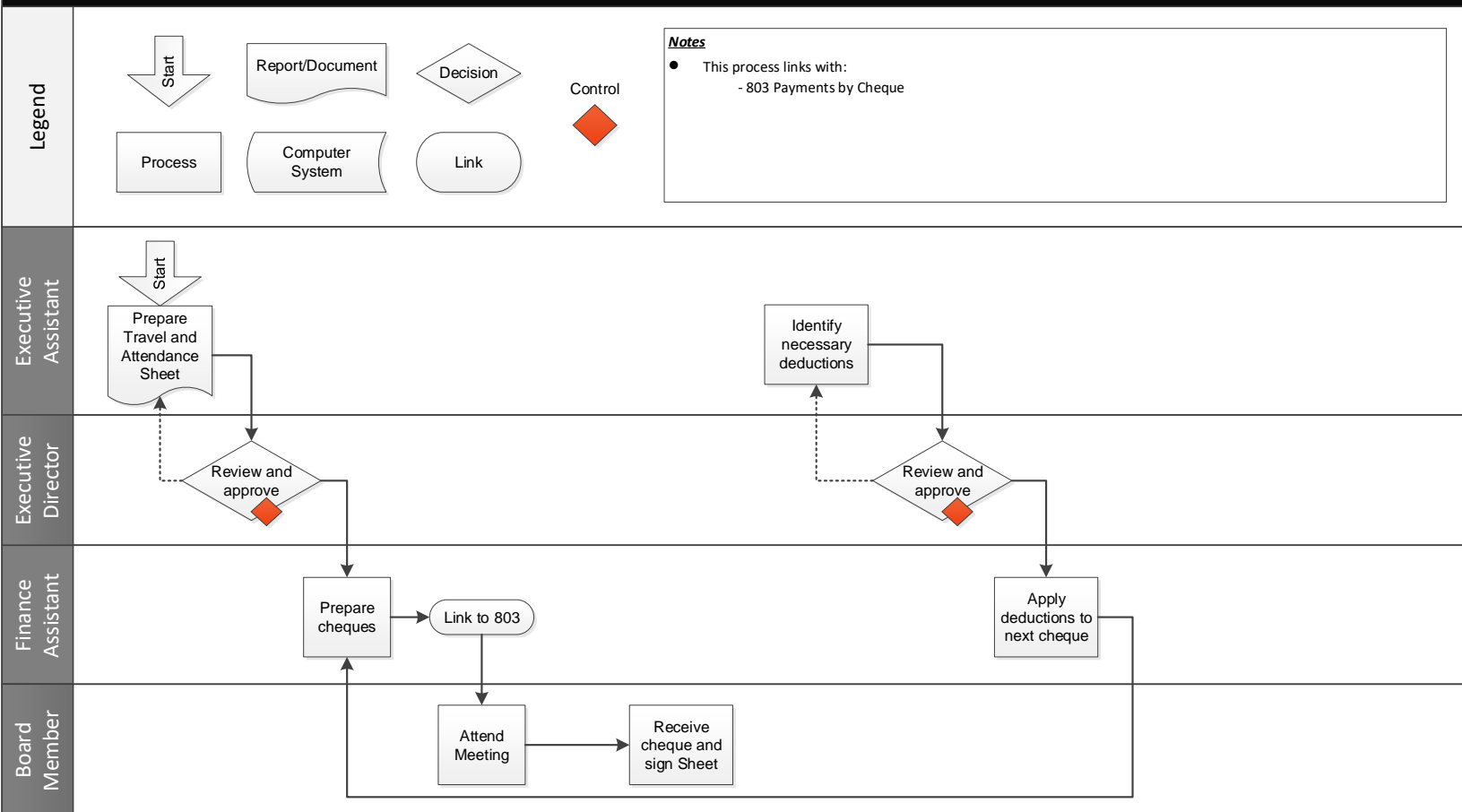
Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Nishnawbe-Aski Legal Services Corporation – 903 Board Remuneration

Section 900 – Payroll and Benefits





POLICIES & PROCEDURES MANUAL

SECTION: Employee Bonuses

POLICY: Payroll and Benefits

Page 131

NUMBER: 904

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

904 EMPLOYEE BONUSES

POLICY

Bonuses are paid once per year. All NALSC are eligible for bonuses. Full time employees will receive the full amount, while probational employees will receive a portion of the amount.

The Finance Controller will prepare any amounts for bonuses. The amounts will be prepared into a report and will be submitted it to the Executive Director and Board for approval.

PROCEDURES

The Finance Controller will calculate employee bonuses and prepare a bonus sheet.

The sheet is provided to the Executive Director and the Board Chair for review and approval.

Payments are made through the payroll process. Refer to section [901 Payroll Administration](#).



POLICIES & PROCEDURES MANUAL

SECTION: Employee Bonuses

POLICY: Payroll and Benefits

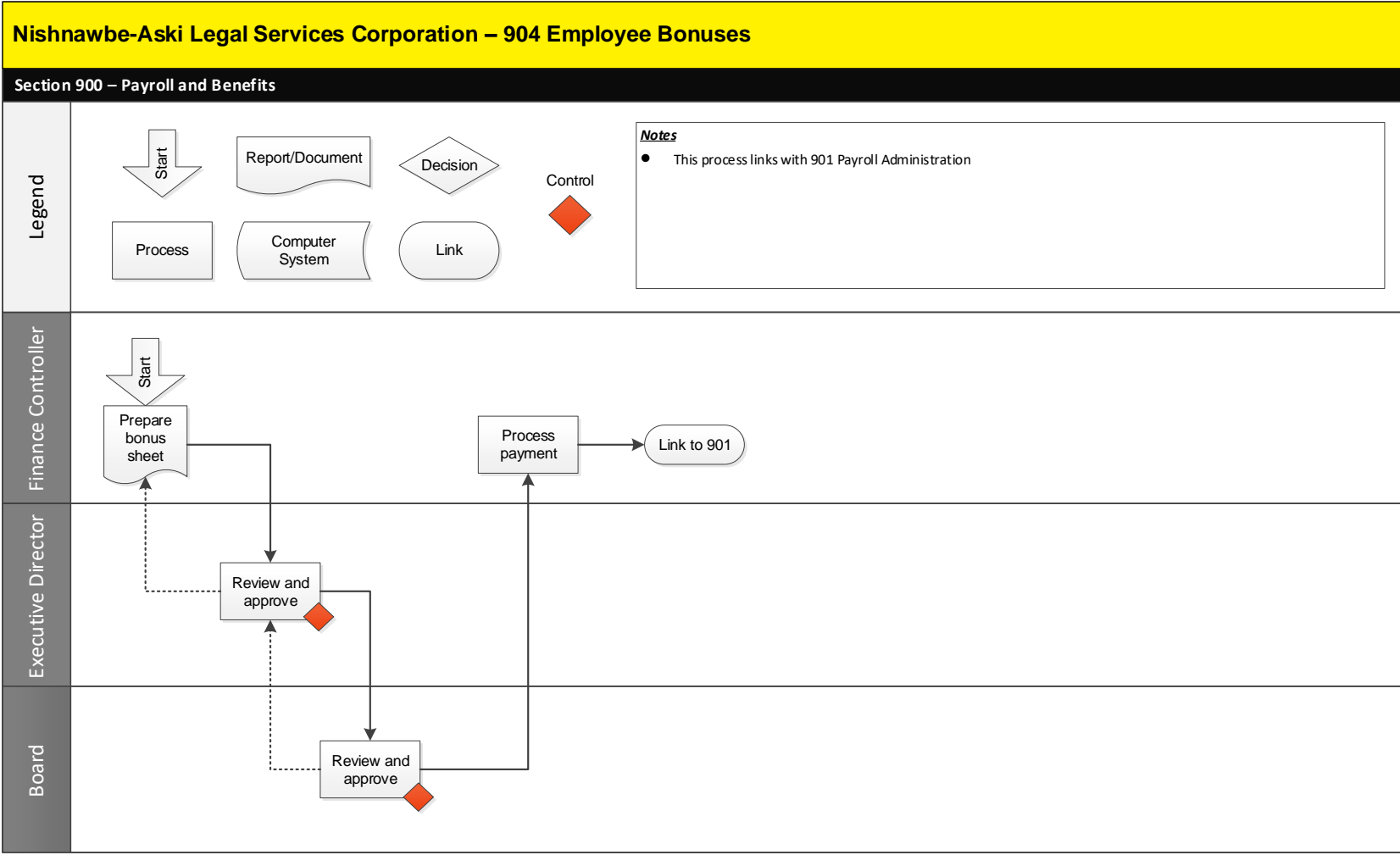
Page 132

NUMBER: 904

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019





POLICIES & PROCEDURES MANUAL

SECTION: Cell Phones

POLICY: Payroll and Benefits

Page 133

NUMBER: 905

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

905 CELL PHONES

POLICY

Where NALSC provides an employee with a company cell phone, the employee shall ensure they do not incur additional charges. If there are any additional charges to the cell phone such as data overage fees or out of country fees, the employee will be responsible for the extra charges and will reimburse these costs to the corporation.

Refer to NALSC’s Human Resources Policies on device care and management.



POLICIES & PROCEDURES MANUAL

SECTION: Relocation Expenses

POLICY: Payroll and Benefits

Page 134

NUMBER: 906

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

906 RELOCATION EXPENSES

POLICY

Where NALSC instructs an employee to relocate, NALSC may assist the employee paying for all or part of the reasonable moving costs for all personal and household effects, as funding permits. Three (3) tenders are required when using a moving company. Refer to [Section 802 Tenders and Requests for Proposals](#).

In the event a Department cannot afford moving expenses, alternatives will be explored, bearing in mind that employees are entitled to claim a portion of moving expenses on income tax.



POLICIES & PROCEDURES MANUAL

SECTION: Additions

POLICY: Asset Management

Page 135

NUMBER: 1001

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

1000 ASSET MANAGEMENT

1001 ADDITIONS

POLICY

Capital Assets

Capital assets will be purchased in accordance with the appropriate purchasing and/or tendering policies. Refer to [Section 802 Tenders and Requests for Proposals](#).

The Acquisition Date occurs when ownership and control of the capital asset or betterment clearly rests with NALSC and the capital asset (or subsequent improvement) becomes available for use. The In-Service Date occurs when the capital asset or betterment actually begins to be used by NALSC. Tangible capital assets are recorded on the acquisition date, but the calculation of amortization does not begin until the in-service date.

Betterments are subsequent expenditures on tangible capital assets in excess of the capitalization threshold that:

- a) Increase the previously assessed physical output, quality of output, or service capacity.
- b) Cause a reduction in associated operating costs.
- c) Extend the estimated useful life.

Any other expenditure would be considered a repair or maintenance and expensed in the year incurred.

Adjusted Cost Base (ACB) Capital assets are recorded at cost less accumulated amortization. Cost includes amounts that are directly related to the acquisition such as design, development, improvement or betterment of the asset.

A purchase shall be classified as a capital asset, if it is a non-consumable, tangible item, valued at more than \$700 with a life expectancy of at least two years.

Pooled Assets have individual values below the capitalization threshold but, when valued collectively, make a significant group that exceeds the relevant threshold (e.g. Component parts of a desk, a computer and peripherals, a group of furnishings such as a table and chairs). Pooled assets are recorded as a single item with one combined value although, for tracking, licensing, security or other purposes, the individual parts may be labeled and tracked separately.

Capital Leases

A Capital Lease has contractual terms that transfer substantially all the benefits and risks inherent in ownership to NALSC where one or both of the following conditions are met:

- a) There is reasonable assurance that the Organization will obtain ownership of the leased property at the end of the lease term.



POLICIES & PROCEDURES MANUAL

SECTION: Additions

POLICY: Asset Management

Page 136

NUMBER: 1001

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

- b) The lease term is of such duration that NALSC will receive substantially all of the economic benefits expected to be derived from the use of the leased property over its life span.

Intangible Assets

Intangible assets include intellectual property such as patents, trademarks and copyrights.

The costs associated with intangible assets are not capitalized but are expensed in the period incurred.

All assets are to be recorded in the financial system. The Finance Controller will also update the Amortization Continuity Schedule for the addition.

PROCEDURES

Departments which acquire capital assets should notify both the Executive Director and the Finance Controller.

The Finance Controller will determine if the asset qualifies for capitalization and the amount that should be capitalized based on generally accepted accounting principles.

The Finance Controller shall notify the Finance Assistant for payment. Payments are made for capital assets by EFT or cheque. Refer to [Section 803 Payments by Cheque](#) or [Section 804 Payments by Electronic Funds Transfer](#).

Once paid, the Finance Controller will notify Departments and forward the asset invoice to the Finance Assistant. The Finance Assistant will retain the asset invoice in a binder. At the end of the year, updates are made to the Amortization Continuity Schedule for all assets purchased, as identified and evidence by an invoice maintained in the binder. Refer to [Section 1002 Amortization](#).

Each Manager shall also keep an inventory list of all assets within their Department.



POLICIES & PROCEDURES MANUAL

SECTION: Additions

POLICY: Asset Management

Page 137

NUMBER: 1001

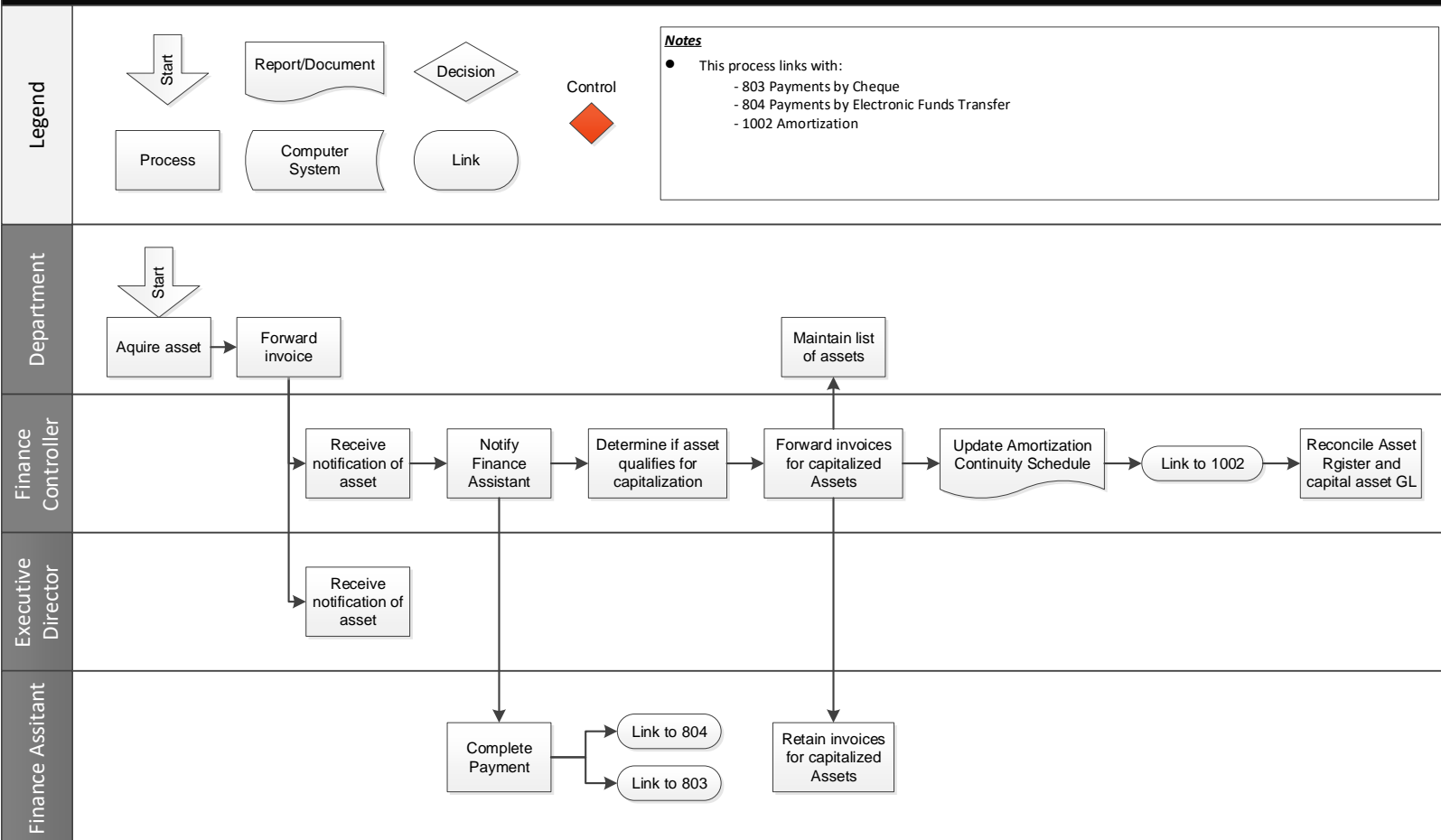
Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Nishnawbe-Aski Legal Services Corporation – 1001 Additions

Section 1000 – Asset Management





POLICIES & PROCEDURES MANUAL

SECTION: Amortization

POLICY: Asset Management

Page 138

NUMBER: 1002

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

1002 AMORTIZATION

POLICY

Amortization rates are set by the Finance Controller based on expected useful lives of asset groups.

Amortization is estimated on a straight-line basis over the useful life of assets as follows:

ASSET CLASS	STRAIGHT LINE
Computer Software	1 year
Computers including Networks, Software, Peripherals, Electronics and Telephones	3 years
Leaseholds and Leasehold Improvements	Over lease term (plus the renewal period if that option exists)
Office Furnishings and Equipment including Desks, Chairs, Tables and Cabinets	5 years
System Databases	5 years

An Amortization Continuity Schedule will be maintained and updated on a regular basis (i.e. at least annually) by the Finance Controller.

PROCEDURES

At least annually, and prior to Year-End Close, the Finance Controller will update the Amortization Continuity Schedule with any capital asset additions or disposals over the past year/period.

The Finance Controller will also generate the amortization calculations, applying the applicable amortization rates, for all assets and will prepare and post the journal entries required to record the amortization within the financial system. The Amortization Continuity Schedule and the journal entries will be provided to the Executive Director for review and approval. Refer to [Section 502 Journal Entries / Adjustments](#).



POLICIES & PROCEDURES MANUAL

SECTION: Amortization

POLICY: Asset Management

Page 139

NUMBER: 1002

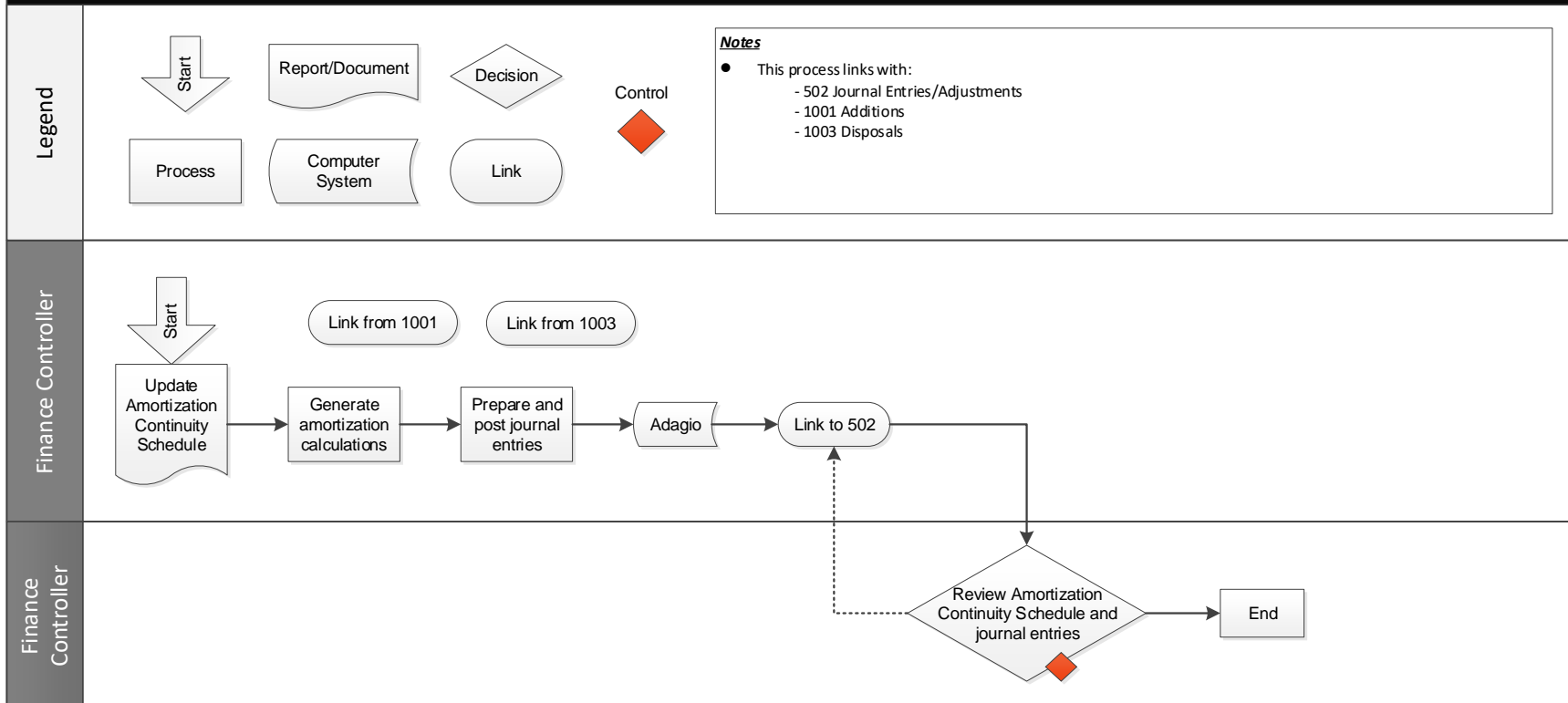
Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Nishnawbe-Aski Legal Services Corporation – 1002 Amortization

Section 1000 –Asset Management





POLICIES & PROCEDURES MANUAL

SECTION: Disposals

POLICY: Asset Management

Page 140

NUMBER: 1003

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

1003 DISPOSALS

POLICY

When tangible capital assets are taken out of service, destroyed or replaced due to obsolescence, scrapping or dismantling, the Finance Controller must be notified of the asset description and effective date. Unless destroyed, assets taken out of service must be made available for public sale at fair value. The finance department shall be responsible for issuing sale invoices and adjusting the asset ledgers.

PROCEDURE

Departments will notify the Finance Controller of any disposal, prior to the asset being disposed of.

Once approved by the Finance Controller, the Department will complete the disposal / sale of the asset in a timely manner. Legal Counsel may be also notified/involved, if applicable.

Once the disposal is complete, the Finance Controller will review the disposal / sale transaction and prepare the journal entry required to remove the asset from the general ledger and to record any sale or loss from the disposal. Refer to [Section 502 Journal Entries / Adjustments](#).

The Finance Controller will also update the Amortization Continuity Schedule for the disposal.



POLICIES & PROCEDURES MANUAL

SECTION: Disposals

POLICY: Asset Management

Page 141

NUMBER: 1003

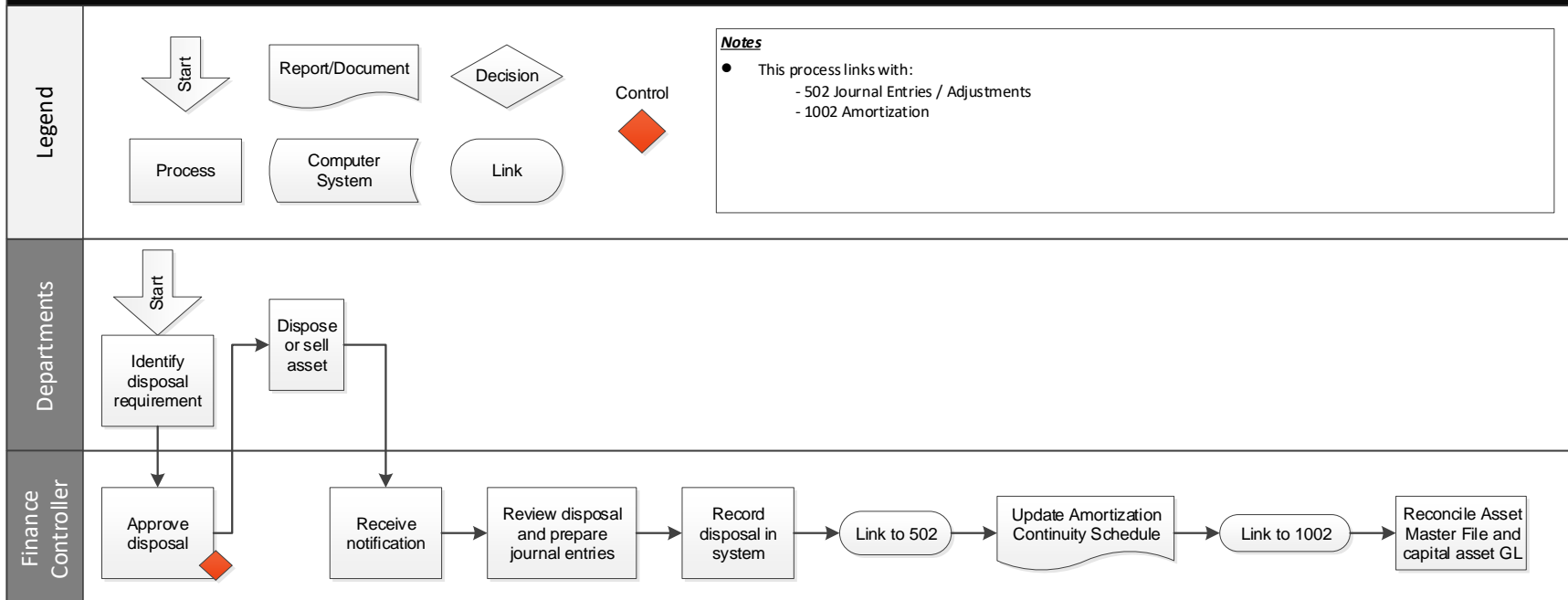
Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Nishnawbe-Aski Legal Services Corporation – 1003 Disposals

Section 1000 – Asset Management





POLICIES & PROCEDURES MANUAL

SECTION: Delegation of Authority Table

POLICY: Schedule A

Page 142

NUMBER: Schedule A

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

SCHEDULE A: DELEGATION OF AUTHORITY TABLE

Financial Administration Activity / Function	Responsible Position	Authorization level	Delegation to Others?
Annual Budget	Board of Directors	Executive Director and Finance Controller make recommendation to Board for approval	No - Mandatory Board responsibility
Audited Financial Statements	Board of Directors	Executive Director and Finance Controller to provide completed audited financial statements for approval	No - Mandatory Board responsibility
Policies & Procedures	Board of Directors	Executive Director and Finance Controller make recommendation to Board	No - Mandatory Board responsibility
Borrowing / Debt	Board of Directors	Executive Director and Finance Controller make recommendation to Board	No - Mandatory Board responsibility
Appropriation of Surplus Funds or Restricted Funds or Withdrawal of Funds from Reserves	Board of Directors	Executive Director and Finance Controller make recommendation to Board	No - Mandatory Board responsibility
Bank Accounts – opening/closing	Board of Directors	Executive Director and Finance Controller make recommendation to Board for approval	No - Mandatory Board responsibility
Appointment of External Auditors	Board of Directors	Executive Director and Finance Controller make recommendation to Board for approval	No - Mandatory Board responsibility
Insurance	Board of Directors	Executive Director to provide recommendation to Board for approval	
Vendor Selection for Competitive Procurement	Board of Directors	Executive Director and Finance Controller make recommendation to Board for approval	
Expenditures	Board of Directors	Authorize purchases greater than \$25,000	



POLICIES & PROCEDURES MANUAL

SECTION: Delegation of Authority Table

POLICY: Schedule A

Page 143

NUMBER: Schedule A

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Financial Administration Activity / Function	Responsible Position	Authorization level	Delegation to Others?
	Executive Director/ LAO Director	Responsible for all purchases up to \$25,000 Any commitment of funds exceeding the budgeted amounts	
	Finance Controller	Responsible for all purchases up to \$10,000	
	Managers	Responsible for all purchases up to \$5,000	
Signing of Contracts or Agreements	Board of Directors	Board of Directors to sign all funding agreements	
	Executive Director	Executive Director will sign all agreements and contracts and capital leases Executive Director will review all agreements, contracts and capital leases and discuss with the Board of Directors as necessary	
	Finance Controller	Finance Controller will review all agreements, contracts and capital leases (with focus on financial implications) and discuss with the Board of Directors as necessary	
Investments	Board of Directors	Executive Director and Finance Controller make recommendation to Board for approval	
Purchase Orders	Board	Responsible for all purchases over \$25,000	
	Managers and Executive Director (co-approval)	Responsible for all purchases between \$5,000 and \$25,000	



POLICIES & PROCEDURES MANUAL

SECTION: Delegation of Authority Table

POLICY: Schedule A

Page 144

NUMBER: Schedule A

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Financial Administration Activity / Function	Responsible Position	Authorization level	Delegation to Others?
	Managers	Responsible for all purchases up to \$5,000	
Payroll – Payments other than regular payroll	Executive Director	Must authorize any payments to employees that are not through regular payroll	
Expense Claims/Reports	Board of Directors	Monitor the Executive Director’s expense claims through Board reporting	
	Executive Director	Approve Managers expense claims	
	Managers	Approve staff expense claims	
Regulatory/Contractual Filings and Reports to Funders	Executive Director	Must approve all un-recurring general ledger journal entries	
	Board of Directors	Receive reports to major funders	
Receiving of Donations	Executive Director	Decide on the restrictive nature of a gift, and its acceptance or refusal	
	Board of Directors	Decide on whether to accept restricted securities	
Journal Entries	Financial Controller	Must complete all journal entries and adjustments	
	Executive Director	Executive Director to approve all journal entries and adjustments	



POLICIES & PROCEDURES MANUAL

SECTION: Delegation of Authority Table

POLICY: Schedule A

Page 145

NUMBER: Schedule A

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

Financial Administration Activity / Function	Responsible Position	Authorization level	Delegation to Others?
Cheques		Any two of the following must sign cheques: <ul style="list-style-type: none"> a) Executive Director b) Financial Controller c) HR Manager d) Talking Together Manager e) Members of the Executive Committee of the Board of Directors 	



POLICIES & PROCEDURES MANUAL

SECTION: Finance Policy
Declaration Form

POLICY: Schedule B

Page 146

NUMBER: Schedule B

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

SCHEDULE B: FINANCE POLICY DECLARATION FORM

By signing below, I confirm that I have read, understood, and will adhere to the NALSC Finance Policy and Procedures Manual.

Date:	Date:
Name:	Witness name:
Signature:	Witness Signature



POLICIES & PROCEDURES MANUAL

SECTION: Credit Card Policy
Declaration Form

POLICY: Schedule C

Page 147

NUMBER: Schedule C

Date: October 23, 2019

Revised: N/A

Approved: October 23, 2019

SCHEDULE C: CREDIT CARD POLICY DECLARATION FORM

By signing below, I confirm that I have read, understood, and will adhere to the NALSC Credit Card Policy.

Date:	Date:
Name:	Witness name:
Signature:	Witness Signature