



GLOOSCAP·KLUSKAP
VENTURES

Financial Administration Policy

Glooscap Ventures Financial Administration Policy

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Preamble

This policy is to regulate the receipt, management, and expenditures of Glooscap Ventures funds and establish the financial structure of Glooscap Ventures which manages the funds.

1. Title

This policy will be called the *“Glooscap Ventures Financial Administration Policy”*

2. Definitions

In this policy:

“account” means a financial account of Glooscap Ventures held at an accredited financial institution where the funds on account are held to the credit of Glooscap Ventures.

“agreement” means any written contract between Glooscap Ventures and another party or parties, including the federal government, provincial government, or a third party, pursuant to which money is paid to Glooscap Ventures.

“agency(ies)” means any board, tribunal, commission, committee of Glooscap Ventures or any corporate body controlled by Glooscap Ventures including a society, non-profit organization or business corporation.

“annual budget” means the forecasted revenues and planned expenditures for each fiscal year by Glooscap Ventures and its agencies.

“audit” means the annual audited financial statements of Glooscap Ventures prepared in accordance with the Public Sector Accounting Board (PSAB) standards as outlined in the Year End Reporting Handbook developed by Aboriginal Affairs and Northern Development (AANDC).

“authority” means a body as defined by the Glooscap Ventures Board of Directors to carry out specific responsibilities in a functional area.

“band” means Glooscap First Nation Band as represented by the elected Chief and Council.

“Board of Directors” means a body of appointed members who jointly oversee the activities of a company or organization, inclusive of established committees.

“Chief and Council” and *“Council”* means the Glooscap First Nation leadership consisting of a Chief and three (3) Councillors.

“contract” means a written agreement between Glooscap Ventures and an independent contractor to conduct work on behalf of Glooscap Ventures.

“department” means an administrative division of Glooscap Ventures as established from time to time by Board and includes services centres, administrative units, and other internal organizational units of Glooscap Ventures.

“fiscal year” means the period of time beginning April 1st of one year and ending March 31st of the following year.

“member” means an individual whose name appears on the Glooscap First Nation membership list.

“membership” means all members of Glooscap First Nation.

“Glooscap Ventures Funds” means all monies belonging to Glooscap Ventures including:

- i. All revenues of Glooscap Ventures;
- ii. Money borrowed by Glooscap Ventures;
- iii. Money received or collected on behalf of Glooscap Ventures;
- iv. All monies that are received or collected by Glooscap Ventures pursuant to any agreement or funding to be disbursed for a purpose specified by Board or pursuant to that agreement or funding arrangement.

“policy” means a program of actions adopted by the Board of Directors of Glooscap Ventures and the principles upon which they are based which will guide decisions and actions taken by Board and its employees.

“purchase” means any purchase of goods or services for capital or operating purpose.

“request for proposals (RFP)” means a document that Glooscap Ventures or any of its agencies posts to elicit bids from potential vendors for products and/or the delivery of services.

“resolution” or *“motion”* means a decision made at a meeting of a quorum of the Board as outlined in the Glooscap Ventures bylaws.

“senior management” means a specific executive position(s) or person(s) occupying executive positions as approved by the Board of Directors.

3. Application

This policy governs the receipt, management and expenditures of Glooscap Ventures funds and the financial administrative organization of Glooscap Ventures to manage funds. The policy applies to all Glooscap Ventures departments and agencies in receipt of Glooscap Ventures funds.

4. Financial Authority

a) The Board of Directors is responsible for ensuring the effective and efficient administration of the financial resources of Glooscap Ventures for the benefit of the shareholders of Glooscap Ventures.

b) All financial decisions must be made in accordance with a motion process and have quorum as defined by the Glooscap Ventures bylaws.

c) The CEO and the Financial Controller are responsible for the day to day operations of Glooscap Ventures and will report regularly to the Board on the financial position of Glooscap Ventures.

d) The Board (in cooperation with the CEO and the Financial Controller) shall be responsible for the overall management of Glooscap Ventures financial resources including but not limited to:

- i. The management and control of the collection of Glooscap Ventures funds and revenues;
- ii. The management and control of the expenditures and disbursements of the Glooscap Ventures;
- iii. The maintenance of records of the financial activities of the Glooscap Ventures;

- iv. The preparation of an annual budget in accordance with the priorities approved by the Board;
- v. Ensuring an annual audit of Glooscap Ventures is completed and approved in accordance with PSAB and AANDC requirements.
- vi. All other matters relating to the financial affairs of Glooscap Ventures not assigned by another bylaw of the Board.

e) The Board will approve on behalf of Glooscap Ventures such agreements of funding arrangements with the federal, provincial governments or with any other party for the provision of funding for the Glooscap Ventures, its agencies and other legal bodies. Where applicable, the Board can delegate authority to approve these agreements to the CEO.

5. Policies and Procedures

a) The Board may approve such additional policies and procedures as may be necessary to give effect to the provision of this Policy. Such policies and procedures, when approved by the Board shall become part of the Policy and shall be enforced as such.

6. Role of Senior Management

a) The roles and responsibilities of the CEO in relation to the Financial Administration of Glooscap Ventures monies are as follows:

- i. The conduct of the administration necessary to discharge the administrative responsibilities of the Board, including staff supervision;
- ii. Work in conjunction with the Financial Controller to prepare an annual budget each year for presentation to Board in March. The Budget will be developed in conjunction with the Operational Plan and capital requirements.
- iii. Monitoring adherence to any agreement, funding arrangements or contracts entered into by Glooscap Ventures or any of its departments or agencies.
- iv. Any other tasks outlined in the Job Description of the CEO or as assigned by the Board.

b) The roles and responsibilities of the Financial Controller in relation to the Financial Administration of Glooscap Ventures monies are as follows:

- i. The administrative supervision of the compilation and preparation of the overall annual operating and capital budgets for Glooscap Ventures and its agencies and departments.
- ii. The preparation of monthly and annual financial statements and long term financial projections and cash flow as required from time to time by the Board
- iii. For all Glooscap Ventures owned and operated entities the Financial Controller will present monthly to the Board the following:
 - a. Balance Sheet
 - b. Income Statement with variance analysis explaining any significant variances
 - c. Any other information that may be required or requested by Board to make informed decisions
- iv. Administration and supervision of the financial records and reporting systems
- v. Monitoring the adherence to any agreement and funding arrangements entered into by Glooscap Ventures or any of its service areas or agencies.

- vi. The maintenance of records of all receipts and expenditures in such a manner so as to facilitate an annual audit and all required reporting.
- vii. Establish, monitor bank accounts required for the financial business.
- viii. Conduct financial analysis/risk assessment for potential new investments.
- ix. Any other tasks outlined in the Job Description of the Financial Controller or as assigned by Board.

7. Delegation of Authority

The Board of Directors may approve the delegation of authority to approve expenditures on behalf of the Glooscap Ventures within the annual budget and consistent with financial organization and requirements of Glooscap Ventures.

8. Annual Budget

- a) The Financial Controller and the CEO will work collaboratively to prepare an annual budget for the review and approval of the Board of Directors. Estimates of the Revenues and Expenditures for Glooscap Ventures will be used for the purpose of the preparation. The Board of Directors may increase or decrease the allocation of funds to different sectors of the budget assuming compliance with government funding agreements and necessary own source revenue. The budget becomes official upon the approval of the Board of Directors at the Board meeting in March of each year.
- b) The annual budget will be presented to Board each February for consideration.

9. Financial Management: Expenditures and Invoicing

- a) All payments and financial commitments shall be made in accordance with the approved annual budget and/or in accordance with the Board of Directors resolution/motion. No payments shall be made for the performance of work, supply of goods or rendering of services unless the charge in respect of such work, goods or services has been authorized:
 - i. Pursuant to Board resolution;
 - ii. By a person delegated to authorize such payment that is in accordance with the annual budget;
 - iii. Pursuant to an agreement entered into between the Glooscap Ventures and the person(s) or corporations providing such work, goods or services which establishes the amount, or a method of calculating the amount, to be charged for such work, goods or services.
- b) For all work, goods or services that are provided by or through Glooscap Ventures or any other person on behalf of Glooscap Ventures for a fee or charge, an invoice shall be rendered for payment for the work, goods or services.
- c) No payment shall be made for the change in the supply of work, goods or services to Glooscap Ventures unless:
 - i. The change in respect to such goods or services has been authorized,
 - a. By a person delegated to authorize such work and that is in accordance with the annual approved budget;
 - b. Pursuant to a motion of the Board;

- c. Pursuant to a contract detailing the change in work (or an amendment to the original contract) entered into between Glooscap Ventures and the person or entity providing such goods or services which establishes the amount or a method of calculating the amount, to be charged for such goods and services.
- ii. An invoice must be presented to substantiate the requirement for payment.
- d) The Financial Controller is responsible to ensure that all invoices and applicable payments are rendered pursuant to this policy.
- e) Glooscap Ventures maintains the right to a 30 day waiting period for the payment of all invoices once an invoice has been received by the Financial Officer or Financial Controller.

10. Financial Management Reporting

- a) The Board shall review and approve the financial statements presented to them each quarter during a regular Board meeting.
- b) The Board shall review the Annual Audit at an Annual General Meeting once the audit is completed.

11. Tenders for Construction or Capital Projects

- a) Construction or capital projects valued at greater than \$25,000.00 must be made by invitations to tender.
- b) Construction or capital project purchases over \$5000.00 and under \$25,000.00 will be required to obtain 3 quotes to ensure the best value for money.
- c) All construction or capital project purchases under \$5000.00 can be sole sourced by the CEO with notification to the Board.
- d) All tenders must be treated confidentially.
- e) Clear and consistent evaluation criteria will be developed prior to the opening of tenders and quotes. All evaluation criteria for projections will be maintained.
- f) Invitations to tender shall include:
 - i. The time and date of closing;
 - ii. Clear, concise details from which comparable bids can be made including all work to be completed, and licenses required by independent contractors etc.;
 - iii. The time, date, and place tenders are to be opened;
 - iv. Amount of the security deposit and applicable insurance if required.
- g) The tendering period is not be less than five (5) working days, unless it is in an emergency situation.
- h) All tenders are to be returned sealed and addressed to Glooscap Ventures, clearly marked "Tender for....." and the time and date of receipt is to be recorded on the unopened envelope of tender when received.
- i) All tenders received shall be opened in public in the presence of the person responsible for the tender process and one other individual.

- j) The name of the tendered, project, date of bid and amount shown must be summarized and recorded.
- k) The lowest tender received shall normally be accepted unless the person or body authorized by the Board to accept the tender deems it in the best interest of Glooscap Ventures to accept a higher tender because the higher tender:
- i. Provides a better quality product or better service
 - ii. Provides greater economic benefit to Glooscap Ventures
 - iii. Provides joint venture opportunity to Glooscap Ventures
 - iv. Is approved by the Board by a resolution/motion
- l) Where other than the lowest tender is accepted, the reasons are to be recorded and signed and dated by the person or persons responsible for making the decision.
- m) The Board or the person responsible for the tender may give precedence to Aboriginal business in the consideration of tenders but are not obliged to approve the Aboriginal tender if not in the best interest of Glooscap Ventures.
- n) Signing authority for all contracts related to Construction or Capital Projects as per Section 12(c).

12. Awarding of Contracts (Non Capital and/or Construction)

- a) Contracts not exceeding \$5000.00 can be sole sourced upon approval of the CEO with notification to the Board.
- b) Contracts exceeding \$5000.00 will be subject to a Request for Proposals Process as outlined:
- i. A detailed request for proposal will be developed by the program manager or the CEO
 - ii. The RFP evaluation process will be developed in conjunction with the RFP
 - iii. The RFP will be posted publically for no less than two weeks
 - iv. An internal committee of Glooscap Ventures of no less than three (3) will review and rate the proposals and agree to the successful proponent.
 - v. Aboriginal bidders will be, at the discretion of the Board, be given precedence in the selection process.
- c) Approval and signatures for all contracts, capital and non-capital will be subject to the following:
- i. Any contract under \$4999.99 can be signed by the CEO;
 - ii. Any contract between \$5000.00 and \$49,999.99 must be signed by the Chair or one Board member with signing authority;
 - iii. Any contract between \$50,000.00 and \$99,999.99 must be signed by two Board members with signing authority or a combination of the Chair and one Board member with signing authority ;
 - iv. Any contract exceeding \$100,000.00 must be signed by the Chair and two Board members with signing authority.

13. The Annual Financial Audit

- a) The auditor will be approved as per the Glooscap First Nation Regulations to conduct the annual audit of the books and records of Glooscap Ventures.

b) The Auditor shall be a member of a recognized professional accounting associated authorized to conduct audits.

c) The Financial Controller shall have the financial records for the preceding year completed and available for inspection by the auditor by May 15th of each year.

d) The auditors are entitled to access the following Glooscap Ventures information:

- i. All books, records, accounts, voucher;
- ii. Information necessary for the completion of the audit from any service area or program manager;
- iii. Board resolutions/motions, bylaws, minutes;
- iv. Administrative and financial policies;
- v. Agreements, funding arrangements, contracts and any other related documents.

e) The Audit will be presented to the Board, Financial Controller and CEO in accordance with section 10 (b)

f) The audit will be approved by the Council of Glooscap First Nation and signed by the Chief and Council of Glooscap First Nation, in accordance with rules set out by Aboriginal Affairs and Northern Development Canada. (AANDC)

g) The audit will be presented to the Board at the AGM following receipt of the completed audit.

h) The Financial Controller shall retain the signed audit of financial statements, together with the related financial information and details of the general ledger.

i) An original copy of every annual Audit shall be kept at all times by Glooscap Ventures as part of the permanent financial records of the Glooscap Ventures.

14. Financial Ratios

a) The Financial Controller will attempt to always meet the financial ratios are indicated by Aboriginal Affairs and Northern Development Canada (ANNDC). Ratios are as follows:

- i. Liquidity Ratio: Threshold of 0.90
- ii. Sustainability (Net Debt) Ratio: Threshold of 0.60
- iii. Working Capital Ratio: Threshold of -0.80

b) When financial ratios are not met, explanations will be provided to Board and a plan will be put in place to achieve the ratios.

15. Accounting for Fixed Assets

a) Fixed assets shall include land, buildings, equipment and other assets as acquired.

b) The Financial Controller shall be responsible for accounting for all fixed assets.

c) These accounts will serve to:

- i. Maintain a physical inventory of assets
- ii. Establish accountability

- iii. Determine replacement costs
- iv. Provide appropriate insurance coverage

d) The Financial Controller in cooperation with the appropriate staff will arrange for the annual inventory and appraisal of Glooscap Ventures property, equipment and material. Any discrepancies between an inventory and property records on file will be traced and explained.

e) No fixed asset shall be sold without prior approval of Board and with guidance from the Financial Controller.

f) All proceeds from the sale of those fixed assets belonging to Glooscap Ventures will be deposited into the appropriate Glooscap Ventures account.

g) Assets that become obsolete, surplus or unusable by Glooscap Ventures shall be disposed of in such a manner that is advantageous to Glooscap Ventures.

16 Loans to Members, Staff and Elected Officials

a) There shall be no loans granted to members, staff or elected officials with the exception of travel advances for staff to conduct the business of Glooscap Ventures.

17. Use of Corporate Credit Cards

a) Corporate credit cards will only be issued to staff members who are required to travel on a regular basis on Glooscap Ventures related business.

b) Corporate cards given to staff must be approved by the Board of Directors at a meeting of the Board.

c) Corporate credit cards must not be used for personal use. The use of the card is limited to expenses approved by Board and outlined in the Glooscap Ventures Employment Policy: Travel Policy.

d) The balance of the corporate card must be paid in full each month to prevent incurring interest charges. Glooscap Ventures reserves the right to deduct the balance from the employees pay if another remedy cannot be reached with the employee.

e) Any expenses on the corporate card that are not deemed acceptable must be paid by the Glooscap Ventures employee. This includes over expenditure on meals, incidentals etc. Fuel for personal vehicle is not considered an acceptable expense, as Glooscap Ventures provides mileage as per the Travel Policy as outlined in the Glooscap Ventures Employment Policies.

(f) On a monthly basis, the Director of Administration of Glooscap First Nation will review and approve the Visa statements, prior to processing by the Finance Department.

18. Conflict of Interest

The Glooscap Ventures Code of Conduct Policies including but not limited to the Conflict of Interest Policy shall be followed in all situations.

19. Amendments and Repeal

a) Amendments or repeal of this policy shall require a majority vote in favour of the amendment or repeal at a duly convened meeting of a quorum of the Board.

b) The Financial Administration Policy of Glooscap Ventures will be reviewed every three (3) years by the Financial Controller and CEO. Any changes will be presented to Board and approved in accordance with Section 19 (a).

The Glooscap Ventures Financial Administration Policy was approved and passed at the duly convened meeting of the Glooscap Ventures Board of Directors on _____, 2015.

Chair Signature _____ Date _____

Vice Chair Signature _____ Date _____

Chair of Audit and Finance Committee Signature _____ Date _____