



Finance & Procurement Policy

Approved by the Board of Directors on 2023 June 08

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1.0 Background

1.1 TDC Purpose

Tsal'alh Development Corporation (TDC) is accountable to its Board of Directors, Shareholder and Tsal'alhmec for the use of funds from various business ventures, property purchases and contracts entered with several companies and partners. These resources must be wisely used and invested for the business to be a successful entity and maximizing economic opportunities and benefits for Tsal'alhmec and future generations.

1.2 TDC Values

The values of TDC are for the Corporation to be responsible, culturally relevant, collaborative and partnership oriented, strategic and to create wealth.

1.3 TDC Vision

The TDC creates a self-sufficient stable foundation for wealth creation, self-sufficiency, and economic independence that benefits/enhances the lifestyle of Tsal'alhmec and future generations.

1.4 TDC Mission Statement

The TDC achieves this through collaboratively identifying, developing, and maximizing economic opportunities, as a well-run efficient organization that also contributes to developing a healthy diversified, strong, Tsal'alh economy that is responsive to the needs and interests of the Tsal'alh Government, and Tsal'alhmec.

To do this the TDC also supports small business development, develops/utilizes community HR and skills, education, training, and on-going capacity development.

2.0 Overview

The purpose of the finance policy is to guide the financial management, transparency, and accountability of the TDC in carrying out its mandates effectively and efficiently. Violation of these policies or procedures may be cause for disciplinary action.

The Chief Executive Officer is responsible for the administrative achievement and conduct of staff. Key responsibilities of the CEO include planning, managing risk, asset protection and setting the limitations related to new contracts. These responsibilities are defined in section three.

As detailed in section four, the CEO may delegate some financial reporting, workflow management, and cash management (including financing) responsibilities

to a qualified Bookkeeper/ Accountant, but the CEO remains accountable for their actions, ensuring that policies outlined in this manual are strictly adhered.

TDC must also adhere to additional Debt and Insurance guidelines outlined in sections 5 through 7. Reporting and disclosure requirements related to financial statements and the audit process is outlined in sections 8 through 12.

Final section (13) is dedicated to purchasing and contracts guidelines. All managers and staff with the responsibility to purchase or sign any ongoing purchasing contracts on behalf of the TDC is required to abide by these policies.

The Finance Policy is designed to:

- a. Regulate the receipt, management and expenditure of TDC funds;
- b. Provide all TDC employees with direction and guidance in connection with TDC accounting transactions, procedures and reports;
- c. Ensure that TDC finances are administered in a manner that encourages:
 - i. Sound financial management and effective system of internal controls;
 - ii. Effective and efficient use of funds in the provision of TDC services;
 - iii. Cooperation and coordination with the Shareholder, Tsal'alh Government and Tsal'alhmec; and
 - iv. Development of appropriate financial capacity for present and future needs.

2.1 Financial Statements

- a. Financial statements will be prepared by management in accordance with generally accepted accounting principles (GAAP).
- b. The TDC will follow the guidelines under GAAP that deal with for profit organizations.
- c. The TDC's financial statements will be audited each year by the duly appointed auditor.
- d. On a monthly basis, the CEO will ensure financial reports are provided to:
 - a. Board of Directors, BOD
 - b. LLP Managers and Budget Holders for each respective operating unit.
- e. All financial records will be stored for a minimum of seven years.
- f. The CEO will initiate changes or additions to controls.

3.0 Responsibilities of the Chief Executive Officer

As outlined in the TDC Governance Policies, the Chief Executive Officer (CEO) is the Board's link to administrative achievement and conduct. For the TDC, all administrative achievement and conduct of staff are the responsibility of the CEO.

The CEO may delegate some responsibilities to a qualified Bookkeeper/ Accountant, but the CEO remains accountable for their actions in ensuring that the following limitations regarding Financial Management are adhered to.

3.1 CEO Fiscal Planning Responsibilities

The CEO will act in a manner consistent with the financial requirements of the TDC and will not depart significantly from the Board's stated strategic goals or jeopardize the fiscal standards of the Board. Therefore, the CEO will:

- a. Ensure accounting and reporting systems to operate within generally accepted accounting principles (GAAP).
- b. Ensure the TDC does not plan or expend more operating funds than are conservatively projected to be received in any given fiscal year (e.g. will not operate in a deficit position).
- c. Ensures current liquid assets do not fall below TDC 's current obligations and liabilities. (Quick ratio of 1.0 or higher)
- d. Produces and shares with the Board, a detailed budget which provides the following information:
 - i. A reasonably accurate projection of revenues and expenses
 - ii. A reliable cash flow projection
 - iii. Subsequent audit trails
 - iv. Planning assumptions

3.2 CEO Financial Conditions and Activities Limitations

The CEO will ensure that the TDC is financially sound. Therefore, the CEO will not allow financial risk to develop, nor jeopardize their ability to allocate funds with integrity. Therefore, the CEO will ensure:

- a. Timely monthly, quarterly, and annual financial reporting is presented to the Board, in a pre-determined, agreed, and consistent format.
- b. Immediately report to the Board and provide recommendations to mitigate risk, when an individual Board member(s), or the Board as a whole, is presented with a potential liability.
- c. Will not commit nor expend more funds than have been provided for in the approved annual budget.
- d. Will not sign contracts or indebt the TDC beyond any levels provided for in the annually approved budgets (annual and long-term).
- e. Will not use any long-term (5 – 10 yrs.) reserves without authorization through the duly approved budget.
- f. All inter-fund transfers can be restored by uncommitted revenues within thirty (30) days.
- g. Ensure payrolls and debts are settled quickly and according to agreed supplier terms.

- h. All tax payments or other government ordered payments or filings are accurately completed, submitted, and paid on time.
- i. All purchases or financial commitments in excess of \$25,000 or those outside of the approved annual plan, must receive the Board's prior approval.
- j. Will not acquire, encumber, or dispose of real property, without Board's prior approval.
- k. Aggressively pursue all past due receivables (1 month).

3.3 CEO Asset Protection Limitations

The assets of the TDC must be properly cared for, including property, equipment, intellectual property, and computerized data. The CEO will not allow TDC assets to be unprotected, inadequately maintained, or unnecessarily risked. Therefore, the CEO will ensure:

- a. Adequate insurance is obtained against theft and casualty losses to at least 80% of replacement value (based upon GAAP depreciated value rates).
- b. Adequate insurance is obtained against liability losses to Board members, staff, and the TDC in amounts that reflect the risks of loss, and no less than the average for comparable operations.
- c. Purchases and licensing of computerized equipment, software, or data or other intellectual property, utilized by the TDC will not be removed or held outside of the TDC, unless there is expressed written permission by Board.
- d. Will not allow non-bonded personnel to access TDC funds.
- e. Adequate maintenance on infrastructure and equipment to limit wear and tear.
- f. Will not, intentionally or through willful neglect, unnecessarily expose the TDC, Board, or staff to claims of liability.
- g. All purchase orders and disbursements:
 - i. Exceeding \$15,000 will demonstrate sufficient business value and achieve balance between cost and long-term quality.
 - ii. Exceeding \$25,000 will have obtained comparative prices and ensure quality through an RFP.
 - iii. Are made with approved and qualified vendors that ensure TDC is free from any actual or perceived conflict of interest.
- h. The receipt, recording and expenditure of funds follow strict internal controls that meet TDC prescribed standards, GAAP principles, and audit standards.
 - i. Will not invest or hold operating capital in unsecured instruments, including:
 - ii. Uninsured chequing accounts and bonds of less than AA rating.
 - iii. Non-interest-bearing accounts.
 - iv. Endanger the public image or credibility of the TDC, particularly in ways that would hinder accomplishment of its strategic goals.

3.4 CEO Focus of Funding and Contracts Limitations

The CEO will not commit to any funding or contract arrangements that exceed the Annual Plan, and/or exceed limitations set by Board. In addition, the CEO will:

- a. Research, and apply for funding with strategic funding partners who can contribute funds and allow the TDC to maximize benefits, these partners include, but not limited to: AANDC/ Aboriginal Business Entrepreneurship Development, Aboriginal Financing Institutions, and/or Provincial and/or Federal Government Programs.
- b. Prohibit any action that would lead to funds being used in ways that are inconsistent with the funding terms, or are careless, unlawful, or unethical.
- c. Assess and ensure that staff and contractors associated with the funding or contract are capable to produce appropriate, targeted, and efficient results.
- d. Establish and/or adhere to an annual contract schedule that ensures renewals are processed at least three months prior to contract expiry date.
- e. Ensure all contracts TDC undertakes includes account/bookkeeping costs, administrative and overhead costs, additional fee for benefits and overtime, etc. which all can amount to additional fee of 100-200% of labour costs. Proper costing of all fixed and variable costs for each contract needs to be assessed prior to submitting bids.
- f. Ensure all contracts TDC undertakes are profitable, invoices and billing accurately reflects costs and contract terms.
- g. Obtain comparative price and review quality before awarding funded positions or contracts over \$10,000.00.

4.0 Responsibilities of the Bookkeeper/ Accountant

For TDC, all administrative achievement and conduct of staff are the responsibility of the CEO. The CEO can delegate some responsibilities to a qualified Bookkeeper/ Accountant, but the CEO remains accountable for the department's actions, which are required to be consistent with the limitations outlined in the *Responsibilities of the CEO* section. Where there is no qualified Bookkeeper/ Accountant, the CEO retains all responsibilities detailed herein.

4.1 The Bookkeeper/Accountant is responsible for:

- a. Maintaining an annual budget that estimates resources and expenditures, based upon a five-year rolling strategic plan.
- b. Ensuring that adequate internal controls and systems are in place so:
 - i. All financial transactions are properly authorized and adhere to TDC Conflict of Interest Policies;
 - ii. All financial transactions are recorded and coded correctly, according to Generally Accepted Accounting Principles (GAAP);
 - iii. Relevant, timely and clear financial information is provided to the CEO, and
 - iv. Error and fraud is prevented, detected, and corrected.

- c. Ensuring TDC assets are protected, consistent with CEO limitations.
- d. Recommending an auditor.

TDC Operations Manual:

- e. Regularly reviewing and recommending updates for the TDC Operations Manual to the CEO, ensuring the effective management of TDC finances, consistent with legislative requirements and best practices;
- f. Regularly engaging the CEO and TDC employees to review policy recommendations that support effective financial management through a process that improves overall TDC efficiency and effectiveness; and
- g. Make recommendations to the CEO for general TDC policy updates as needed.

CEO Support:

- h. Regularly engaging/collaborating with the CEO to provide financial management support for effective and efficient financial management, including but not limited to:
 - i. Assisting the CEO in streamlining financial planning/reporting and department policy writing.
 - ii. Providing support to effectively manage and lead resolution of complex budget issues,
 - iii. Wage planning for employees,
 - iv. Providing feedback to employees and contractors/consultants to improve decision-making, TDC management, and operations; and
 - v. Planning and implementing an effective TDC Annual Financial Management Plan as part of the TDC Strategic Plan/Annual Plan that strengthens organizational effectiveness, efficiency, and accountability.

4.2 Financial Management & Accounting Systems

The Bookkeeper/ Accountant is responsible for ensuring that TDC financial systems do not jeopardize the data integrity and standards of TDC, which includes:

- a. Ensuring accounting, financial management, and reporting systems are consistent with generally accepted accounting principles (GAAP);
 - g. Accounting principles are essential rules and concepts that govern the field of accounting, and guides the accounting process that should record, analyze, verify and report the financial position of the business. These accounting principles are the foundation of accounting according to GAAP and the foundation of accounting and reporting at the TDC.
- a. 5 principles of accounting are;
 - i. Revenue Recognition Principle,
 - ii. Historical Cost Principle,
 - iii. Matching Principle,

- iv. Full Disclosure Principle, and
- v. Objectivity Principle.
- b. Developing an annual budget that provides an accurate projection of revenues and expenses, cash flow projection, and is consistent with audit requirements.
- c. Maintaining a balanced budget for each calendar year.

4.3 Financial Control Systems

The Bookkeeper/ Accountant will ensure that adequate internal controls and systems are in place including:

- a. All financial transactions are properly authorized;
- b. All financial transactions are recorded and coded correctly;
- c. All assets of the TDC are safeguarded;
- d. Relevant, timely and clear financial information is provided to those who need it to carry out their duties; and
- e. Error and fraud are prevented and/or detected.

4.4 TDC Accounts and Account Controls

- a. The TDC must maintain a bank account with a recognized chartered bank, additional accounts may be opened as required and approved by the CEO and TDC Board of Directors.
- b. Eligible signing officers include the CEO and up to four (4) Board members.
- c. A minimum of two (2) signing officers must sign every cheque and approve every electronic transfer.
- d. Authorized signing officers shall not sign or prepare cheques made payable to themselves or persons where there is a potential, perceived or actual conflict of interest.
- e. The bank shall be notified of any changes in signing authority
- f. Blank cheques shall never be signed. Cheques must be properly completed prior to being signed.
- g. Blank cheques that are sequentially pre-numbered must be stored in a secure location accessible only by the CEO, Office Administrator and Bookkeeper/ Accountant.
- h. Cheques should be three-part forms, consisting of a cheque and two (2) advice (cheque stubs). Advices shall include the following information:
 - i. Payee
 - ii. Date of payment
 - iii. Amount of payment
 - iv. Cheque number
 - v. Reference numbers for documents being paid
- i. Once the approved accounts payable coding voucher has been entered into the general ledger, cheques must be prepared, issued, and recorded in the general ledger to discharge the liability.

- j. No manual cheques or electronic transfers shall be issued outside of the accounting system.
- k. Voided or spoiled cheques should have the signature area marked out with a pen, marked "Void" across the cheque and kept in a Voided Cheque File.

4.5 Financial Data Management

The Bookkeeper/ Accountant will ensure that all financial data is managed and protected in the following ways:

- a. Store computerized data on the TDC server or a licensed third-party service provider.
- b. Ensure the data is regularly and properly backed up, testing to be sure data can be restored when needed.
- c. Financial data will be secured with robust security and access managed with multi-factor authentication.
- d. Install and regularly update anti-virus software and firewall protection.
- e. Ensure all TDC financial data is securely stored on the server or cloud, and not on any individual devices that are less secure and susceptible to hardware failures resulting in loss of data.
- f. Ensure that no one other than TDC employees with written approval from the CEO and/or Board, have access to TDC financial information at any time.
- g. Ensure all hard copy accounting information is stored neatly in binders or files and is kept in lockable filing cabinets for no less than seven years.
- h. Ensure digital data remains secure for no less than seven years.

5.0 Loans and Borrowing Powers

The TDC is prohibited from making loans to any member of the TDC Board, or any individual or group of individuals, from monies designated as TDC funds.

The TDC shall not co-sign any loan or provide any form of security for any loan made for the benefit of any individual or group of individuals.

6.0 Debts

The TDC or its designate shall use debt collection agencies or the British Columbia Courts to collect debts, which are more than ninety (90) days in arrears. Prior to initiating collection action, TDC shall make reasonable efforts to negotiate payment of outstanding debts with the debtor.

7.0 Insurance

- a) Potential liabilities arising from accidents that involve TDC employees, contractors/consultants, assets, or liabilities arising from actions of TDC

employees of contractors/consultants must be adequately protected by insurance.

- b) Ensure accurate reporting and timely payments are made to WorkSafe BC.
- c) Comprehensive review of insurance policies and coverage should be completed annually and in consultation with insurance professionals, with updates to limits and coverage as appropriate.
- d) The TDC will keep up-to-date insurance coverage for all TDC operations. This coverage will include, but is not limited to:
 - i. Broad Form Commercial General Liability – protects against third party claims
 - ii. Directors and Officers coverage – protects key personal from personal losses if they are sued as a result of serving as a director or an officer.
 - iii. Property Insurance – to cover all TDC assets from fire, earthquake, theft, and other perils. Regular review is required to ensure assets are adequately valued and insurance is sufficient on a replacement value basis for all buildings and high value heavy equipment.
 - iv. Third party liability insurance on all vehicles will be reviewed annually by the Bookkeeper/Accountant to ensure that third-party coverage is adequate.
 - v. Business interruption insurance on fixed operating expenses that TDC is obligated to pay regardless of natural disaster or other factors prevent normal business operations.

8.0 Organization of Finances

- a) Financial Reporting will be organized so that they are clear and understandable.
- b) TDC operations are to be divided into Limited Partnerships (LLP), namely: Cranes Landing RV Park, Lil'tem Mountain Hotel, Sixxets Property Management, Contract Management, Lillooet's Finest Water, TDC Administration.
- c) An activity that is significant in terms of funding received and/or money spent, and that differs significantly from other types of activities or programs, should be tracked as an individual financial account with a separate budget, plans and reporting.
- d) The Bookkeeper/ Accountant or Office Administrator is responsible for preparing annual budgets for each LLP, quarterly and annual financial results reporting, and all other financial reporting as reasonably requested by the Board.
- e) The CEO is responsible for implementing each LLP budget and maintaining a balanced budget.

TDC contingency funds from all LLP surpluses provide the TDC cumulative financial security. Surpluses may also be used to leverage additional funding or to make additional payments on loans or debts, as recommended by the Bookkeeper/Accountant or CEO and as approved by the Board.

The Bookkeeper/ Accountant or Office Administrator will maintain the approved annual budget as directed by the CEO and consistent with TDC policies, based upon a five-year rolling strategic plan to be renewed annually.

9.0 Financial Reporting

- a) Annual budget figures are to be allocated as appropriate to the twelve (12) months of the year, or as identified by CEO and recorded in the financial accounting system.
- b) The Bookkeeper/ Accountant working collaboratively with the CEO will produce a monthly financial report for the prior month, within one week of the end of the month, that summarizes the overall TDC Annual Budget, and each LLP's area:
 - i. The budgeted revenues and expenditures (R & E) for the month and year-to-date;
 - ii. Total R & E for the month and year-to-date;
 - iii. Variance for the month and year-to-date; and
 - iv. Notes to financials as needed.
- c) The Bookkeeper/ Accountant is responsible for scrutinizing the monthly financial statement for over/ under spending, uncollected revenues, and other variances.
- d) All reporting and documents used for monthly, quarterly and annual reporting will be scrutinized for errors by the Bookkeeper/Accountant before being released to the CEO and TDC Board.
- e) The Bookkeeper/ Accountant is also responsible for developing quarterly and annual reporting, for Board approval, that includes at a minimum:
 - i. Consolidated balance sheet,
 - ii. Cash flow statement,
 - iii. Statement of revenues and expenses, and
 - iv. Notes to financials.

10.0 Audit and Reporting Requirements

- a) The CEO is responsible for ensuring finances are audited annually by an independent auditor.
- b) The audit must be carried out in accordance with generally accepted audit principals, and financial statements must be prepared in accordance with generally accepted accounting principles.
- c) The audit will include all transactions involving TDC finances. The CEO and Bookkeeper/Accountant will provide the auditor with all required accounting records and documents supporting the financial records.
- d) The audit shall report on all TDC financial activities and shall include:
 - i. Consolidated balance sheet,

- ii. Statement of revenues and expenses, and
- iii. Notes to financials.
- e) A management letter to the TDC Board will identify any shortcomings in the accounting procedures or systems of internal control, and any other concerns that the auditor feels should be considered.
- f) A copy of the audit must be permanently kept in the TDC Office in electronic and hard copy formats.
- g) The TDC Board will present the audited financial statements to the Shareholder and Tsal`alhmecc at the Annual General Meeting (December).
- h) The audited financial statement will include audited schedules for expenditures.

11.0 Budget Adjustment & Amendment Process

The TDC operating budget may be adjusted or amended in two different ways. Adjustment of the budget involves a reallocation of existing funds and does not change the budget "bottom line". Amendment of the budget involves an addition to or reduction of existing funding.

- a) Adjustment: Under the first method, LLP expenditures and requirements are monitored throughout the year. Certain LLP's may in rare circumstances develop the need for additional funding to cover unanticipated costs that cannot be covered from their existing LLP revenue, while other LLP's will not require their full budget authorizations. The CEO reviews and analyzes all LLP budgets to determine what adjustments are necessary and whether the adjustments can be made within existing annual limits. When an adjustment is needed, the CEO will look first to savings within the department; and then transfers between departments. No Board action is needed as budget adjustments will be done administratively.
- b) Amendment: Amending TDC`s budget occurs whenever the potential changes cause the existing Annual TDC budget to increase. TDC budget increases are strictly prohibited. Budget increases can only occur when the CEO authorizes additional funding from strategic funding partners that has a significantly positive impact on the TDC budget, or the Board approves additional funding from other sources.

12.0 Financial Information Disclosure

- a) Shareholders have the right to access Board approved TDC financial reports.
- b) All requests for financial disclosure must be made to the CEO providing necessary specifics to enable the CEO to identify the records sought.
- c) The CEO will respond openly, accurately and completely to the Shareholder`s request within 30 days. If more time is required for any reason, the CEO is responsible for advising the Shareholder when the response can be reasonably expected.

- d) If the response does not contain sufficient information and satisfy the request, the CEO may refer the request to the TDC Board Treasurer and/or Admin & Finance Committee.
- e) If the request contains insufficient information to identify the financial information requested or does not contain appropriate identification, the CEO and/or the TDC Board Treasurer/Admin & Finance Committee must advise the Shareholder in writing and identify the reason(s) for refusal.
- f) Any Tsal`alhmec may examine all approved financial reports of the TDC by request to the CEO or to the TDC offices during regular business hours.
- g) The CEO may refuse to disclose to a Tsal`alhmec financial information that:
 - i. Would reveal the deliberations of the Board or any of its committees, including any advice, recommendations, or policy considerations submitted or prepared for submission to the Board or any of its committees.
 - ii. Contains legal opinions which are subject to solicitor client privilege.
 - iii. Could reasonably be expected to harm the financial or economic interests of the TDC.
 - iv. Would be an unreasonable invasion of a third party's privacy, including personal or corporate financial information.

13.0 Purchasing and Contracts

13.1 Applicability

The policies in this section relate to the procurement of all equipment, supplies and services.

The policies in this section apply to TDC and all of its LLP's, regardless of where the funds originate.

13.2 Purchasing and Expenditure Authority

- a) Expenditures of TDC may be made only if the expenditures have been approved with the annual budget, approved by the CEO or the TDC Board, and subject to the CEO limitations outlined by the Board. If the purchase of goods or services has been approved as part of the annual budget the purchase may proceed without further approvals required. In these cases, purchase approval should be included in the cheque requisition notes to financials and financial reports, as "approved through annual LLP budgets, (date)".
- b) The CEO is the only authorized persons to complete purchase orders for the TDC and with authorized photocopies prepared for their supplier and the TDC Bookkeeper/Accountant.
- c) The CEO will review and purchase goods/services with the goals of:
 - i. Achieving balanced LLP budgets;

- ii. Obtaining the best possible price quotes, maximizing quality and best benefit for TDC;
- iii. Purchasing in bulk when beneficial to do so; and
- iv. Minimizing shipping costs.

13.3 Bids or Quotes

To obtain the best value for TDC when purchasing or contracting, where required, a Request for Proposals (RFP) process will be undertaken within the financial standards outlined below:

- a) For goods and services up to \$15,000 an RFP process or formal quote is not required.
- b) For goods and services \$15,000 to \$25,000 the CEO is required to ensure that there is a strict method of ensuring a balance between cost and long-term quality (e.g. requesting three or more quotes).
- c) For goods and services more than \$25,000, an RFP process is required with the TDC Board participating in the review and selection process.
- d) Exceptions to this policy include purchasing:
 - i. Routine TDC office supplies,
 - ii. Equipment, repair parts for special equipment, or
 - iii. When a true emergency (life or death or severe damage to TDC assets) exists.

Any changes made to the designated purchasing authorities or purchasing limits must be approved by the CEO and by the full TDC Board for the CEO through a motion recording this decision.

Procedure:

- a) If the complexity, scope, or risk to TDC for goods or services is high, regardless of value, the CEO may, at his/her discretion, proceed with an RFP process.
- b) The TDC reserves the right to hire outside professionals, such as engineers, to execute the tendering procedures on their behalf for services that are complex, and/or have a high degree of risk.
- c) The CEO will ensure that an annual qualified suppliers list is developed, including Tsal'alhmec, St'at'imc community and/or St'at'imc majority owned businesses who will be included in the RFP process.
- d) RFP's will be conducted with full and open disclosure. The RFP should contain the following:
 - i. Tender instructions
 - ii. Tender and Contract form
 - iii. General Conditions
 - iv. Contractor Statement of Qualifications and Insurance

- v. Timing and key deadlines/statement of work plan and specifications
 - vi. Key deliverables expected
 - vii. Proposed evaluation criteria
 - viii. Percentage of St'át'imc and/or Aboriginal ownership
 - ix. Other important terms or conditions, and
 - x. Contract agreement that includes general conditions and terms of payment.
- e) All quotes submitted by competing vendors are opened at a public opening and a summary of all bids is completed and made available to all vendors.
 - f) Copies of the bids and of each tendering process are to be kept on file.
 - g) For all contracts, the lowest tender received shall normally be accepted, unless the CEO deems it to be in the best interest of TDC to accept a higher tender proposal, because it:
 - i. Provides a better-quality product or service; or
 - ii. Provides economic benefits to TDC or Tsal'almec.

The CEO must document the reasons for the decision to accept the higher tender.

13.4 Purchase Orders

Purchase orders are required to ensure that all purchases are authorized, accurately recorded in the TDC accounts, and that any potential liability arising on purchases is mitigated through timely payment.

- a) Purchasing goods or services consists of three separate functions:
 - i. Initiating a purchase order,
 - ii. Receiving goods or services, and
 - iii. Payment
- b) Purchase orders will contain, at a minimum:
 - i. Name and address of the vendor,
 - ii. Description of the item or service and cost per unit,
 - iii. Quantity to be purchased,
 - iv. Total cost of the purchase,
 - v. Expected receipt date,
 - vi. General ledger code used when recording the expense, and
 - vii. Initials of the purchaser, as an indication of authorization.
- c) Purchase Order forms shall be assigned sequential numbering related to the department's financial coding, as identified, and tracked by the Bookkeeper/ Accountant.
- d) The Bookkeeper/ Accountant will provide LLP Managers and the CEO with current charts of accounts for their programs to assist with account coding purchase orders.

- e) Under no circumstances are the purchasing limits of the CEO to be circumvented by using two (2) or more purchase orders to commit funds to purchase any one (1) item or service.
- f) A purchase made without utilizing a purchase order is an unauthorized purchase. Unauthorized purchasing circumvents the budget process and approval procedures for purchases.
- g) All goods and services received will be thoroughly evaluated upon receipt and recorded as received on the purchase order by designated TDC staff, noting the date and time received. Any variance in the order made compared to the goods/services received must be immediately addressed by the appropriate staff who is responsible for resolving the situation. If resolution is not timely or in accordance with the terms of purchase, the CEO is responsible for immediately notifying the Bookkeeper/ Accountant to negotiate payment.
- h) Payment for all goods and services purchased in accordance with TDC policy will be made according to the supplier terms. These terms may be negotiated by the CEO and must be identified on the invoice.
- i) Cheque runs should be prepared on a regular basis, as determined by the Bookkeeper/ Accountant, and approved by the CEO.
- j) All purchasing and all cheques are to be recorded in the accounting system, no manual cheques are permitted.
- k) A pre-cheque register shall be prepared by the Bookkeeper/ Accountant. The pre-cheque register shall list the following information for each cheque that is to be prepared:
 - i. Payee,
 - ii. Amount, and
 - iii. Invoice numbers and invoice amounts that are being paid.
- l) The Bookkeeper/Accountant shall review the pre-cheque register to verify that only due invoices will be paid during the cheque run and shall initial the pre-cheque register as an indication of review.
- m) The Bookkeeper/Accountant will prepare cheques based on the pre-cheque register.
- n) Prior to signing the cheques, the payment voucher (printed cheque and related accounts payable coding voucher) shall be reviewed by no less than two (2) signing authorities.
- o) Cheque signers shall review the payment voucher to ensure that the documentation is accurate and complete.
- p) Signed cheques will be mailed on the day of signature.
- q) The cheque and one (1) copy of the cheque advice shall be forwarded to the vendor.
- r) The second copy of the cheque advice shall be attached to the completed payment voucher.

- s) The completed payment voucher will be stamped "PAID" by the Bookkeeper/ Accountant and filed alphabetically by vendor name.
- t) A finalized cheque register shall be prepared by the Bookkeeper/ Accountant and kept on file.
- u) When a cheque is reported lost, destroyed, or stolen, the Bookkeeper/ Accountant will review bank account history to confirm the cheque has not been cashed. Cheques can then be canceled, and a stop payment order sent to the bank. A second cheque may be issued only after the bank has received a stop payment order.
- v) If a cheque contains an error, it must be marked "VOID," and the signing area must be blotted or cut out. The spoiled cheque must be retained and filed in numerical sequence with the cancelled cheques for that month when the cheques are returned from the bank.
- w) TDC cheques not presented to the bank for payment (outstanding cheques) within six (6) months of the date of issue are considered "stale dated". These payments shall be cleared from the accounting system. Another cheque may be issued upon request of the payee.
- x) The Bookkeeper/ Accountant will prepare adjusting entries to reverse voided, stale-dated, and spoiled cheques on a timely basis.

Procedure:

- y) A TDC suppliers list will be developed by the CEO and reviewed annually to ensure the TDC has the highest quality and best costs.
- z) Requisitions must be clear and specific.
- aa) Purchase orders will be rejected for the following reasons:
 - i. Insufficient information
 - ii. PO form not properly filled out
 - iii. Incorrect approval
 - iv. Nonconformance with existing approved budget.
- bb) Processing time is two (2) working days to receive CEO approvals for purchases.

13.5 Contract Renewal

The CEO has the discretion to renew contracts of up to \$25,000. For contracts \$25,000 and above, the renewal must be approved by the TDC Board.

Procedure:

Contract renewal may be considered where all terms of a contract have been successfully met, where there is a need to continue having the contract services provided, and where there is a demonstrated benefit to having continuity in the service provider.

13.6 Payroll Controls

The following policy is intended to ensure that all salaries, wages, and benefits are paid correctly and in a timely manner.

- a) The LLP Managers and CEO is responsible for ensuring a hiring form is completed for each new employee that specifies the employee's name, social insurance number, salary and salary coding (per the salary grid), and start date.
- b) Employees must complete and enter their time accurately on a weekly or bi-weekly basis in WagePoint, with the department Manager responsible for checking WagePoint for accuracy and completeness (e.g. statutory and non-statutory leave tracking) prior to signing, approving it, and submitting it to the Bookkeeper/Accountant.
- c) The CEO is responsible for finalizing employee performance reviews and ensuring the Bookkeeper/ Accountant has a copy of the Financial Payroll Notification Form
- d) For Direct Deposit payroll payments, the Bookkeeper/ Accountant must review and initial each page of the Payroll Register for EFT (Electronic Fund Transfer) payments, the manual payroll, the Payroll Register Grand Total Report showing the total of all EFT payments, and the bank reconciliation confirming EFT payments.
- e) Using the Payroll Register, the Bookkeeper/ Accountant must prepare monthly accrual to ensure payroll is correctly recorded in the appropriate month for financial statement adjustment.

13.8 Credit Card Purchases

Preamble:

TDC has one BMO credit card which is maintained and held by the CEO at the TDC office., The only persons authorized to use the credit cards are those named on the cards. The credit limit all together is \$25,000.00. there is no financial limit per transaction, but all purchases made on these cards are subject to the same Finance & Procurement Policies as all other purchases.

The Accountant/ Bookkeepers Procedure:

- a) The Account/Bookkeeper will print monthly statements and match all purchases with signed and coded receipts from all purchases, as received from the card holder.
- b) Once uploaded into the computer, if there are any missing receipts the card holder will be informed.

- c) If a receipt is not received within a grace period (one week) the Accountant/ Bookkeeper will then create an invoice for any outstanding receipts which will be sent to the credit card holder to be credited to the credit card statement.
- d) Once all receipts have been entered into a Cheque Request and entered into the account system it may be filed.

The Credit Card Holders Procedure:

- a) All Credit Cards are issued to specific named card holders. Each individual will sign and date an agreement with the bank before gaining access to their credit card.
- b) The credit card holders are responsible for handing in all receipts signed and coded to the Accountant/ Bookkeeper.
 - i. Failure to do so will result in an invoice to the credit card holder.
 - ii. Continued failure to handle receipts will result in loss of privilege to credit card.