

FINANCE · MANAGEMENT · LEADERSHIP



AFOA CANADA

Building a Community of Professionals

Finance Policies for your Nations Government

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Agenda

1. Introduction
2. Critical content for policies
3. Additional optional sections
4. Sources of support
5. Updating policies
6. Wrap Up

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1. Purpose & Benefit



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Purpose & Benefit - Why

- Provide protection to the community from litigation
- Finance policies are designed to protect the financial assets (think cash and property) of the community.
- Policies help guide decision makers and provide a fair and equitable approach to all stakeholders and users.
- Aim to be fair & equitable to all parties
- Policies will help protect leaders in potential litigation.
- Policies are created to support and guide decision makers

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2. Foundational Areas



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Cash Management

- Includes processes to safeguard the financial assets:

Accounts Payable

Bank Accounts

Petty Cash

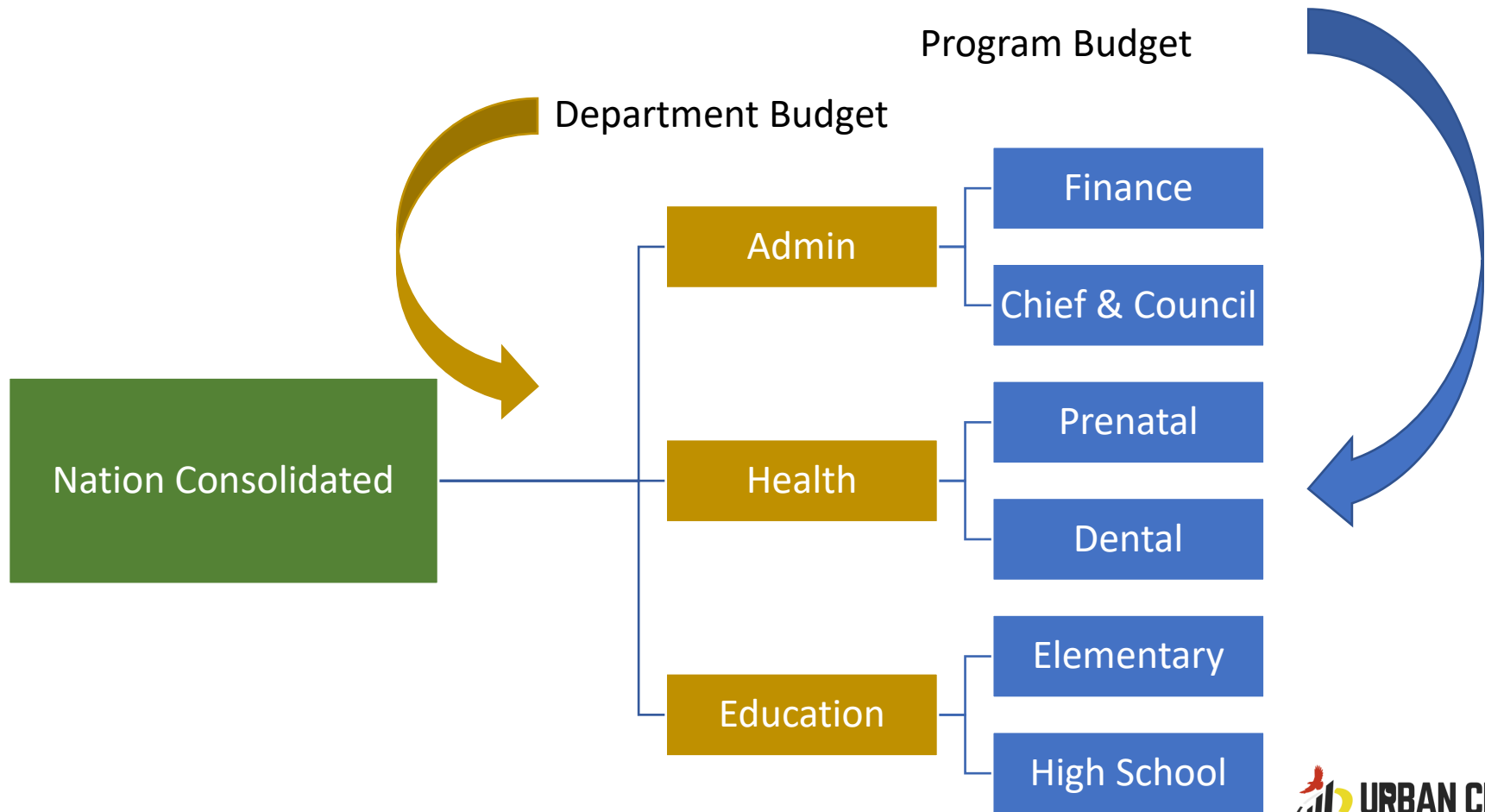
Accounts Receivable

Borrowing

Signing Authority

Budgets and Planning

- Creates structure and process around budget season:
 - Program Budgets
 - Recurring Funding
 - Proposal Funding
 - Operating Budget
 - Departmental Budgets
 - Consolidated Budgets
 - Capital Assets Budgets
 - Replacements
 - Reserves
 - Multi-Year Budgets
 - 5 year, 10 year, 20 year
 - CCP



Internal & External Reporting

Internal

Manager Reporting

Treasury Reporting

Finance & Audit Committee

External

Auditor

Government

Funders

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3. Additional Optional Content (Best Practice)



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Investments

- Provide a guiding document for excess unrestricted funds
- Strategy for investments
- Risk tolerance
- Investment managers and financial management
- Trustees, board, oversight
- Statement of investment policy

Lending

- Does the community offer loans to citizens?
 - Provide a guiding document for advances, loans
 - Process for loan guarantees (co-sign)
 - Departments/Persons responsible
 - Record keeping
 - Binding Legal Document
 - Process for potential write downs, or non-collectability process

Emergencies

- Covid 19, global pandemic
- Tied to Risk Assessments
- Plan for catastrophic events

System Improvement

- Review process
- Planned systems overhauls
- Plan for system conversions

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4. Sources of support



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Support and Current Trends

- AFOA Canada
- First Nations Financial Management Board
- Public Accounting Firms
- Legal Firms

Transparency is at the forefront

- First Nations University: All policies publicly available
 - <https://www.fnuniv.ca/about-us/policies/>
- Tsawwassen First Nation: All policies publicly available
 - <https://tsawwassenfirstnation.com/governance-overview/policies/>

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5. Updating policies



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Updating

At a minimum

- Review annually:
 - If substantial – make a new version with changes
 - Remains current with trends and economic times
- In-depth review every 5 years
 - Consultant, Auditor, Legal
- Signed off by finance & audit committee, Chief & Council

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6. Wrap Up

CONCLUDING REMARKS



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Summary

- Finance policies and procedures are designed to protect the community leaders and financial assets.
- Finance policies should include sections for every aspect of cash handling
- Policies should be reviewed annually
- Chief & Council are ultimately responsible
- Supports available
- Transparency and availability



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Anwunikit

Niawen

Meegwetch

Mahsi

Ekosi

‘Doy-gg

Mussi Cho

Thank you



Thank you!

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