

Expenditure Policy

Policy

Expenditures paid to suppliers or reimbursed to Councillors and Nipissing First Nation employees for valid Nipissing First Nation activities.

Purpose

The purpose of the policy is to ensure that all expenditures from Nipissing First Nation's funds are in support of valid Nipissing First Nation programs and activities and that processing of payments are subject to proper approvals and budgetary controls.

Scope

This policy and procedure applies to the Council, committees of Council, officers, employees of Nipissing First Nation and any other persons conducting activities in connection with the Financial Administration of Nipissing First Nation.

Definitions

“Approved travel status” – Travel on official Nipissing First Nation business that has been pre-approved by an individual's immediate supervisor. Approved travel status begins once the individual leaves their place of residence for the approved destination and ends once they return to their place of residence or their regular place of employment (e.g. Nipissing First Nation office).

Responsibilities

The individuals listed in the Authorization and Delegation Table from the Delegated and Assignment of Responsibilities Policy are responsible for:

- Before approving an expenditure, ensuring that it is permitted under the current Nipissing First Nation annual budget and as required in Nipissing First Nation's Financial Administration Law and ensuring there are available funds within their budget remaining that have not already been earmarked for other other commitments;
- Reviewing reimbursable expenditure claims to ensure that the requirements of this policy have been met before approving for payment; and
- Approving expenditures per the Delegated and Assignment of Responsibilities Policy.

The employees assigned responsibility for paying accounts will:

- Ensure that all expenditures have the required approvals per this policy and the Delegated and Assignment of Responsibilities Policy before processing for payment; and
- Ensure that all required documentation accompanies each payment and is retained in the financial records of Nipissing First Nation.

Employees, committees and Council members are responsible for:

- Ensuring that all reimbursable expenditures claimed are in accordance with this policy,
- Preparing a reimbursable expenditures claim that includes all required documentation; and
- Seeking approval from the Chief Executive Officer for items that are not addressed in this policy before proceeding.

The Chief Executive Officer is responsible for:

- Providing pre-approvals for planned expenditures that have not been specifically addressed in this policy but that he/she deems to meet the intent of the policy and as are permitted in Nipissing First Nation's Financial Administration Law;
- Approving expenditures for emergency purpose that was not anticipated in the budget if the expenditure is not expressly prohibited by or under Nipissing First Nation's Financial Administration Law or another Nipissing First Nation law.

Procedures

General and Operational Expenditures

All purchases of goods or services will be made in accordance with the Procurement Policy and procedure and the Delegated and Assignment of Responsibilities policy and procedure.

In emergency situations, the Chief Executive Officer may approve the purchase of goods or services that were not anticipated in the budget and are not procured in accordance with the Procurement Policy and procedure and the Delegated and Assignment of Responsibilities policy and procedure. The rationale for the purchases must be documented by the Program Manager. If possible, the payment of the purchases should be in accordance with the Procurement Policy and procedure and the Delegated and Assignment of Responsibilities Policy and procedure.

Receiving documents will be reviewed and initialed by the individual receiving the goods that all goods on the document have in fact been received in satisfactory condition, and that any goods not received are clearly identified as such. The receiving documentation should be forwarded with the requisition for payment to the employee responsible for accounts payable.

If goods are received without receiving documents, the employee receiving those goods is to create a receiving slip noting what goods were received, date of receipt, delivery agent, Nipissing First Nation contact person (normally the person who initiated the expenditure), and the supplier. The receiving document will be initialed by the delivery agent and the employee receiving the goods, and then forwarded with the requisition for payment to the employee responsible for accounts payable.

All requests for payments for performance of work or services or supply of good must be initiated through a requisition for payment that includes a statement certifying that:

- The work or services have been performed or the goods supplied, any conditions in an agreement respecting the work, services or goods have been met and the price charged or amount to be paid is in accordance with an agreement or, if not specified by an agreement, is reasonable; or
- If payment is to be made before completion of the work or services, delivery of the goods or satisfaction of any conditions in an agreement, the payment is in accordance with the agreement.

All requisitions for payment must identify the appropriate account out of which payment is to be made and must include a statement certifying that the expenditure is not prohibited and that it is:

- in accordance with the appropriation identified in the certified statement; or
- allowed without the authority of an appropriation under Nipissing First Nation's Financial Administration Law.

Payroll

Employee payroll will be paid on a bi-weekly basis.

Hourly employees will record their time daily and submit timesheets on a weekly basis to their immediate supervisor for review. Both the employee and supervisor will sign and date the time sheet to demonstrate its accuracy and approval for payment.

Supervisors of salaried employees will submit any adjustments for vacation, sick or other types of leave to the Human Resource individual who is responsible to relay the payroll adjustments to Nipissing First Nation Finance department.

Vacation pay is paid to hourly paid employees over and above their regular pay in accordance to employment standard percentage rates specified by the province of Ontario.

Statutory payroll deductions defined by Revenue Canada will be remitted no later than the 15th day of each month.

Based on the weekly timesheets for hourly employees and any adjustments required from the salaried employees, a payroll authorization sheet will be created listing all payment amounts and deductions for the previous two week period. The payroll authorization report will then be authorized (through signature and date) by the Chief Financial Officer and EFT batches or cheque payments will be prepared by the Payroll Administrator, verified by the Chief Financial Officer and approved according to the Delegated and Assignment of Responsibilities Policy.

Payroll reconciliations will be completed within thirty (30) days of month end. The reconciliation will compare the payroll authorization report, input instructions to the payroll service provider, financial institution account statement and the general ledger payroll accounts.

Any irregularities will be reported to the Chief Executive Officer.

Reimbursable Expenditures

Employees will clearly demonstrate and document that all amounts they are claiming for reimbursement were directly related to authorized activities performed on behalf of Nipissing First Nation.

Expenses reimbursed by hosts or other third party funding arrangements must be declared on the expense claim in accordance with Nipissing First Nation's Conflict of Interest Policy.

All officers (ie: Chief & Council, Committee members) and employees are deemed to be on official "travel status" for approved trip(s) for the period when he/she department their residence or office until he/she returns to their residence or office.

Travel expenditures will be reimbursed in accordance with the Travel policy.

Other reimbursable expenditures are as follows:

A) Meals and Entertainment (Hospitality)

Hospitality budgets will be set at the beginning of the fiscal year through the integrated planning process. The only individuals that are entitled to a hospitality budget include the following: the Councillors, the Chief Executive Officer, and individuals directly reporting to the Chief Executive Officer.

Pre-approval will be obtained for any meals/expenses that are not within an individual's hospitality budget.

For meals and entertainment expenses, the individual requesting reimbursement must clearly document the purpose of the meal/event, objectives, and individuals (name, position, organization) that are in attendance. Documentation may be on the receipt(s) or in a memo attached to the expense report.

Hospitality funds are available for official Nipissing First Nation business only.

Restrictions on hospitality fund usage include:

- i. Family members must not benefit from hospitality funding;
- ii. Alcohol must not be purchased using hospitality funds.

Hospitality expenses must include original supporting documentation demonstrating the goods or service received (original itemized receipts or invoices) and proof of payment.

B) Memberships

Memberships in professional organizations that are required for an individual's position or are meeting a demonstrated need of Nipissing First Nation will be reimbursed provided that the appropriate immediate supervisor has approved each membership.

For other expenditures not listed in this policy, pre-approval is necessary from the Chief Executive Officer before initiating the expenditure and submitting a reimbursement claim.

C) Expenditure Reporting and Documentation

For general and operational expenditures, the following should be submitted to the Finance Department for payment:

- Original contract/agreement (if applicable).
- Original invoice.
- Purchase order (if applicable).
- Receiving documents / packing slips.
- Requisition for payment that has signed approval(s) according to the relevant policy and the Nipissing First Nation Financial Administration Law (FAL).

For payroll: payroll authorization form, timesheets, and salaried employee adjustments.

Requisition for payment that has signed approval according to the Delegated and Assignment of Responsibilities Policy and the Nipissing First Nation's Financial Administration Law.

Reimbursable expense claims must be complete, sufficiently supported, and recorded on the prescribed expense claim form. Before submitting expenses to the Finance Department for approval and payment, the employee will ensure that they have prepared a complete claim that includes:

- i. The employee's signature and date signed, acknowledging that all amounts claimed are accurate and in support of Nipissing First Nation official business;
- ii. Original receipts for all amounts claimed. Depending on the nature of the claim, these can include:
 - Invoices.
 - Itineraries for air/train travel.
 - Itemized restaurant bills (where per diems do not apply).

Support for any exchange rates used in the expense claim. Sufficient support includes receipts from exchange bureaus for money exchanged or credit card bills showing the exchange rate received. When neither is available, the Bank of Canada official rate shall be used.

Signed travel authorization from the employee's manager (for the Chief Executive Officer a member of Council will approve, for Council members the Chief will approve).

If applicable, a signed pre-authorization supporting business class travel.

Proof of payment for items claimed, which includes credit card or debit receipts.

Credit card receipts alone are not sufficient, the original itemized receipt or invoice from the supplier must be included in every reimbursement or expense claim.

For all expenditures, claims with the appropriate support must be submitted to the Finance Department within thirty (30) days of the expense being incurred.

D) Approval for Payment

No money may be paid out of any account without a requisition for payment.

Invoices received must be immediately forwarded to the Finance Department with a requisition for payment who will then process them to:

- i. Match with the purchase order and the receiving document,
- ii. Ensure that all required documentation has been submitted to support payment,
- iii. Verify mathematical accuracy,
- iv. Ensure that any taxes are correctly calculated and processed if applicable for tax exemption claims,
- v. Confirm that funds are available to pay the invoice, and
- vi. Identify and note the authorized general ledger account coding.

Invoices for goods or services that have not been ordered through a purchase order or contracting process, will be approved for payment by the manager who initiated the purchase. Approval for payment will:

- i. Be evidenced by a dated signature or initials on the invoice,
- ii. Attest that the good or service has been received in accordance with the terms and conditions of the purchase, and that the invoiced amount is accurate mathematically and also for any taxes calculation, and
- iii. Identify and note the authorized general ledger account coding.

The individual that approves the expenditure cannot be the same individual who approves the requisition for payment.

Reimbursable expense claims will be reviewed by the Finance Department to ensure that:

- i. The expense claim is mathematically correct and that taxes are identified and accounted for correctly,
- ii. Authorized general ledger account coding instructions are identified,
- iii. Expenses claimed are for authorized activities,
- iv. The claimed expenses are eligible and comply with this policy and procedure, and
- v. Adequate and sufficient supporting documentation is attached.
- vi. Any exceptions to the above will require authorization from the Chief Financial Officer for payment.

The Chief Finance Officer will enter invoices and reimbursable expense claims into the general ledger for payment only when they have been appropriately processed and approved according to this policy and procedure and the Nipissing First Nation's Financial Administration Law.

Invoices or reimbursable expense claims that are still being processed or approved at the end of the Finance Department period will be recorded as an accrued liability.

Claims that do not meet the requirements outlined in this policy will be denied reimbursement.

E) Payments

Accounts payable will be paid within thirty (30) days of the receipt of an invoice or reimbursable expense claim, with the exception of those invoices or expense claims which require management approval.

The Finance Department will prepare cheques every Wednesday unless specified by program requirement(s) (for example, post secondary education issues two (2) payment runs a month which is the 15th day and 30th day of each month).

The payments package will be provided to two authorized signatories, and will be accompanied by:

- i. A listing of all payments prepared noting the payee, amount, and payment date; and
- ii. Supporting documentation for each payment (e.g. cheque, transfer) including:
 - Approved invoices, expense claims, purchase orders, and receiving documents, and
 - Evidence that the Finance Department has completed the processing of the payment, including account coding.

Payments will be initiated / distributed by Finance immediately upon receipt of the signed payments from two authorized signatories.

All documentation supporting payment will be retained in accordance with the Records Management Policy and the Information Privacy Policy. This will include purchase orders, invoices, contracts, packing slips, reimbursable expense claims with receipts, etc.

Accounts Payable employees will notify the Chief Financial Officer immediately of any instances of:

- i. Non-compliance with policy requirements that cannot be resolved, and
- ii. Suspected fraud.

*Approved this 26 day of January, 2016.
Amended and approved this 18th day of December, 2018
Amended and approved this 21st day of December, 2021.*