



Indian and Northern
Affairs Canada

Affaires indiennes
et du Nord Canada

Band Managers Handbook

E92
C365
C.1

Canada

©Published under the authority of the
Hon. David E. Crombie, P.C., M.P.,
Minister of Indian Affairs and
Northern Development,
Ottawa, 1984.

QS-5208-000-EE-A1

Cette publication peut aussi être obtenue
en français sous le titre:

Guide à l'intention des gestionnaires
des bandes

BAND MANAGERS HANDBOOK

Table of Contents

	<u>Page</u>
Part I - BAND COUNCIL ADMINISTRATION	1
Part II - PERSONNEL ADMINISTRATION	8
Part III - FINANCIAL ADMINISTRATION	23
Part IV - APPENDICES	55
Appendix A - Regulations Covering Band Elections	58
Appendix B - Regulations Governing Procedures at a Band Council Meeting	67
Appendix C - Recruiting	72
Appendix D - Bookkeeping Terms	73

FOREWARD

Over the last few years, bands across Canada, have developed procedural manuals for the use of their officers and staff. This information booklet has been prepared through an amalgamation of these materials.

Indian/Inuit Management Development
Directorate

October, 1984

INTRODUCTION

This booklet contains no directives, no policy guidelines and no program circulars. It is a compilation of materials which others have found useful and which may be of use to you in your day-to-day activities.

The material contained within this booklet is intended to be used only as a resource for people working within Indian band councils. Please feel free to use any material which may be useful and to disregard the rest.

We did not cover, in detail, special programs such as education, agricultural services, community services, construction services and recreation.

PART I

BAND COUNCIL ADMINISTRATION

1.	Band	2
2.	Band Council	2
3.	Election and Selection of Council	2
4.	Duties of the Council	3
5.	Committees of the Council	3
6.	Council Meetings	3
	a. Quorum	
	b. Agenda for council meetings	
	c. Cancelling a meeting	
7.	Duties and Responsibilities of the Chief	4
8.	Duties of the Councillors	5
9.	Minutes	5
10.	By-laws	5
11.	Money By-laws	7

PART I

BAND COUNCIL ADMINISTRATION

This section gives a general overview of some of the various administrative tasks of a band council. It is by no means a totally comprehensive text. However, it should give the reader a basic understanding of band council administration concepts and procedures. This section covers a broad spectrum of topics ranging from conducting band council elections to defining the roles and responsibilities of chief and council.

1. BAND

The Indian Act defines a "band" as a body of Indians:

- . for whose use and common benefit, lands have been set apart, the title to which is vested in Her Majesty, the Queen;
- . for whose use and common benefit, monies are held by Her Majesty; or
- . declared by the Governor-in-Council to be a band for the purpose of the act.

2. BAND COUNCIL

Under the Indian Act, Section 74(2) a band council is to be made up of one chief and one councillor for every 100 band members. There cannot be less than two or more than 12 councillors however, and a band cannot have more than one chief.

The Indian and Northern Affairs Canada (INAC) minister can sometimes change the composition of a council.

3. ELECTION/SELECTION OF COUNCIL

There are two ways to choose a chief and his council:

- . by holding a secret ballot where every eligible member of the band can vote for the chief and council using the electoral regulations of the Indian Act (See Appendix A).
- . by selecting the chief and council according to band custom. Bands using a band custom system must describe in

detail what the custom of the band is and obtain the INAC minister's authority to use this system; this is usually done in the form of a band council resolution.

4. DUTIES OF THE COUNCIL

The council governs the band. It is responsible for setting policies and ensuring that they are properly implemented and administered by the band staff.

The band council is responsible for the well-being of the band membership and the social, economic and cultural development of the band. The scope of its activities include:

- . ensuring strict adherence to regulations governing programs and services administered by the band (for example, those dealing with roads, housing, sanitation, welfare, student transportation, police and fire protection and so on;
- . treaty matters, trust funds, band capital and revenue funds, in which jurisdiction extends beyond the reserve to those who are members of the band but do not live on the reserve; and
- . matters involving non-band members in matters such as regulations of land leases, resort leases, oil royalties, industry, tourism, timber, etc.

5. COMMITTEES OF COUNCIL

The council may find it useful to set up committees to help do its job. Committees are usually set up through by-laws. The chairman of the committee is always a councillor, but the members can be chosen at large. This allows members with the most experience and knowledge in given topics to serve the committee, even if they are not councillors.

Committees may be permanent, (for the term of office of the council) or they can be temporary (for a fixed period, usually for the duration of a special project).

The committees report to council through its chairman. The chief is automatically a member of all committees, and although does not hold office in committees, has the right to vote.

6. COUNCIL MEETINGS

Council meetings should be held at least once a month, preferably at the same place and time. The chief should be able to call emergency meetings as the needs arise.

a. Quorum

Usually the quorum needed to conduct council meetings consists of the chief or deputy-chief and a majority of the council members.

b. Agenda for Council Meetings

To conduct the meeting in an orderly and speedy way, the band manager, in co-operation with the chief, should prepare an agenda for the meeting. This agenda together with the minutes of the previous meeting should be distributed to all council members at least two hours before the meeting.

c. Cancelling a Meeting

The chief may cancel a meeting if there is no quorum or if there is not sufficient and pressing business to deal with. In special cases the chief may use his discretionary powers in cancelling a meeting. (See Appendix "B" - Regulations Governing Procedures at Indian Band Council Meetings.)

7. DUTIES AND RESPONSIBILITIES OF THE CHIEF

The chief, as the title indicates, is the chief executive of the band, and as such, is the officer responsible for governing the band. (The duties and responsibilities of the chief vary from band to band according to band custom.) Some bands have defined the chief's duties to include:

- . presiding at council meetings - (a deputy should be appointed in case of the chief's absence due to illness, travel, etc.) - (can only vote in case of a tie);
- . working with the band manager to prepare an agenda for council meetings;
- . acting as spokesperson or representative of the band at all official functions;
- . serving as an ex-officio member of all committees of council;
- . expressing views, opinions or feelings of the band either personally or through a delegated spokesman about matters of concern to the band;
- . in emergencies and when it is not possible to call the council together, make decisions on his own;
- . arranging special meetings if and when necessary.

8. DUTIES OF COUNCILLORS

Councillors have a number of duties and responsibilities. These include:

- . attending all meetings;
- . chairing committees as assigned;
- . reporting the committee's progress once a month;
- . bringing concerns of band members before council;
- . informing band members of band council decisions and band affairs; and
- . voting with the best interest of the reserve in mind rather than for self-interest. (A councillor should be excused from a vote if there is a personal interest in the questions being voted on).

9. MINUTES

Taking and recording minutes is usually done by the secretary. Minutes should be concise, readable and recorded in such a manner that people reading them will be able to completely understand what topics were discussed at the council meeting and what decisions were made by the council. All minutes should be written or typed as soon as possible after the meeting and at least four copies should be made.

One copy should go to the district or agency office of Indian and Northern Affairs Canada (INAC), two copies should be kept at the band office (one for band's own records and one for the auditor's use), and one copy should be posted in a conspicuous place such as a bulletin board for band members to read.

Remember all copies of the minutes should be dated and signed by the chairman and the secretary. Signed copies of minutes are considered as legal documents and may be used in a court of law if necessary.

10. BY-LAWS (REGULATIONS)

The band council has the authority under sections 81 to 83 of the Indian Act to set out policies in the form of by-laws. These by-laws are the laws of the council and remain in effect unless they are amended, cancelled or they over-ride the authority given them under the Indian Act. A by-law can be made to:

- . provide health services for the people on the reserve;

- . regulate traffic;
- . keep law and order;
- . stop people from behaving roughly and doing things that are a nuisance to other people;
- . set up pounds where stray cattle and other stray animals can be looked after;
- . construct and maintain roads, bridges, ditches and fences;
- . divide the reserve into building zones and business zones; and
- . control the way in which buildings are constructed, repaired and used;
- . (if the band has been given the authority under Section 60) divide the reserve among members of the band, keeping a certain amount of land for everybody's use, survey lots; and keep a register of certificate of possession and occupation;
- . control weeds;
- . control bee-keeping and poultry farming;
- . build and use band water supply;
- . control or prohibit sports days, shows, races, public games and other amusements;
- . control salesmen who come on to the reserve to sell or buy;
- . control hunting, fishing and trapping;
- . stop and punish people who trespass on the reserve or who come to do things that are not allowed;
- . do anything else that needs to be done in order to do things listed above;
- . impose on summary conviction a fine not exceeding \$100 or one month in jail (or both).

Another system which is less formal in expressing the decisions of the council is a band council resolution (BCR). A band council resolution serves as a notice and a guide to Indian and Northern Affairs Canada (INAC) and band employees to follow a course of action in accordance with the wishes of the council.

Three signed copies of a band council resolution must be forwarded to the district office or agency with the fourth copy to be retained at band office.

11. MONEY BY-LAWS

Band councils are given authority under Section 83 of the Indian Act to raise funds through taxation, licenses and assessments at reserve level to support band projects, supplement appropriated dollars and defray band expenses.

PART II
PERSONNEL ADMINISTRATION

<u>Topic</u>	<u>Page</u>
1. Overview	9
a. Program staff	
b. Administrative staff	
2. Security of Assets	10
3. Mail	10
4. Band Staff Appointments	10
5. Staff Policies	11
6. Contribution Arrangements	11
7. Standards at Work	12
8. Hours of Work	12
9. Pay	13
a. Regular pay	
b. Overtime pay	
c. Pay on acting assignments	
d. Pay increases	
10. Conflict of interest	14
11. Travel Regulations	14
a. General	
b. Meals and accommodation	
c. Trip allowances	
12. Leave	15
a. General	
b. Holiday leave	
c. Sick leave	
d. Maternity leave	
e. Paternity leave	
f. Adoption leave	
g. Compassion leave	
h. Bereavement leave	
i. Marriage leave	
j. Other	
k. Statutory holidays	
13. Employee Performance Review	19
14. Termination of Employment	
a. By employer	
b. By employee	
15. Disciplinary Procedures	20
a. Oral reprimand	
b. Written reprimand	
c. Suspension	
d. Discharge	
16. Grievance Procedures	22

PART II
PERSONNEL ADMINISTRATION

1. OVERVIEW

This section is aimed at giving the reader a basic understanding of the various elements involved in the administration of band employees. The information contained in this section should be looked at only as suggestions or guidelines to help a band manager develop a personnel policy. The topics covered are broad in scope, ranging from designing staffing policy to securing band assets.

As elected representatives, the chief and council are responsible for policy making and also for ensuring that the policies are carried out and that things are done.

Under the concept of local band government on reserves, band councils carry out the policies by employing people to do the work set out in the policies. These people are employees of the band council and are commonly known as "band staff". It is the band staff who convert policy into results.

Band staff usually consist of two groups:

a. Program Staff

Program staff are people who work within an activity which calls for special technical or academic skills or training. Some program activities are welfare, road maintenance, construction, recreation, water systems and sewers.

b. Administrative Staff

Administrative staff are people who work in the activities which support the band council and program staff. Administrative staff should know something about all the program activities undertaken by the band. They must possess special skills in recording the financial business of the band council as well as general office skills. The following employees may be termed as administrative staff: band managers, band accountants, band secretaries, band clerks, and band stenographers.

Administrative staff are often referred to as "band administration". They work in the band office and while each has special duties to perform, they must work together as a unit and co-ordinate the support for the many activities undertaken by the band so that band council can be kept informed of the band's business.

There should be a job description for each position, be it program or administration staff.

2. SECURITY OF ASSETS

The band council and the band manager must take all possible steps to protect the assets of the band.

Keys should be given only to a limited number of employees. Keys for secure storage should be given only to senior officers.

All office equipment and furniture should be numbered and recorded in a ledger. Attractive items such as portable calculators and portable voice recorders should be locked in a safe place at night.

Other equipment, whatever type and wherever used, should also be numbered and recorded in a ledger giving all the necessary information for easy identification of the asset. This will be discussed in the section on audit.

3. MAIL

All out-going and in-coming mail should be recorded by the person opening the mail.

Incoming mail should be date stamped on receipt, and except when marked "personal" or "confidential", should be opened as received.

Postage stamps or the postage meter should be under the control of a senior employee to prevent unauthorized use of postage.

4. BAND STAFF APPOINTMENTS

When a band has been given the authority to administer funds under Section 69 of the Indian Act or by virtue of a contribution arrangement, the band council should:

- . assess the needs and the required number of band staff to competently administer the program;

- . appoint personnel to administer the program;
- . appoint a committee to recommend the selection or appointment of personnel required to administer the management of programs and finances;
- . by a job competition, appoint the most suitable personnel to perform the duties and functions of band administration.

5. STAFF POLICIES

The chief and council may make policies that govern all personnel appointed by them. The following are suggested staff policies which may be changed or amended to fit the needs of the band administration.

- . To establish administrative costs on which contributions (funds) will be based, classification standards should be established for all administrative positions in conjunction with INAC .
- . An administrative employee seeking public office must first, in writing, notify the band council of his/her intentions.
- . An employee should automatically cease to be an employee of the band if elected to public office.
- . If an administrative vacancy occurs, the band council should, by band council resolution, appoint an employee on a term basis. Such person will perform all the duties and have all the powers of the position.
- . Band staff should be responsible for specific duties and should report to their immediate superior, usually the band manager or to the band council where there is no band manager.

6. CONTRIBUTION ARRANGEMENTS

One of the obligations of a band in the contribution arrangement is to manage the programs in accordance with band financial and personnel regulations acceptable to INAC.

The band manager should ensure the band financial and personnel regulations are in place and that they are adhered to. These regulations should be made known to all band employees.

The band manager should be responsible for recommending to the band council any changes or amendments to the financial and/or personnel regulations needed to meet local requirements.

7. STANDARDS AT WORK

Employees should maintain a satisfactory standard of dress and general appearance appropriate to their duties. They should also conduct themselves in a courteous and business-like manner at all times.

Band business should be considered confidential and any information regarding band business should not be released to the general public or the news media.

Band staff requested to attend a workshop or seminar should attend all sessions in a serious and businesslike manner. If an employee fails to attend the sessions, the reasons must be given to the band manager. After the session, employees should give either an oral or written report to the band manager.

The chief and council, on recommendation from the band manager, should reserve the right to suspend or dismiss an employee if his or her conduct is found to be inconsistent or detrimental to band business.

Keys issued to band employees should be signed for and under no circumstances should any other person have access to such keys.

Employees should protect and care for all band property entrusted to them. For example, office equipment requiring maintenance or repair should be reported to the band manager.

8. HOURS OF WORK

Office hours will vary due to geographical locations. Some bands expect their employees to work the same number of hours in a week as do other office workers, e.g., thirty-seven and a half hours. Following is a sample policy:

- . Band staff regular hours of work should be from Monday to Friday inclusive and should not exceed thirty-seven and a half hours.
- . Office hours during the months of May to October should be from 8:30 a.m. to 4:30 p.m. with one hour for lunch. These are known as summer hours.
- . Office hours during the months of November to April should be from 8:00 a.m. to 4:00 p.m. with one hour for lunch. These are known as winter hours.

Administrative employees should sign a time sheet showing the time of arrival and time of departure. Council should make rules regarding the fines to be charged for late arrivals.

It should be remembered that late arrivals on a continuing basis could be considered when the employee's appraisal report is being prepared.

9. PAY

a. Regular Pay

Band employee salaries should be paid according to the terms and conditions of employment. The band manager, in consultation with the chief and council, should ensure that the total salaries do not exceed the amount under the contribution arrangement. If exceeded, the band manager and band council would have to make up the difference through other sources of funding.

Advances on employee salaries may be made in special circumstances, as approved by the band manager.

It is important that all employees be treated alike and all be paid on regularly scheduled pay days. Employees could be paid semi-monthly (the 15th and the end of month) or bi-weekly (every 10 working days).

b. Overtime Pay

All overtime should first be approved by the band manager. If overtime is authorized the rate of pay should be time and one-half and should be paid with the following month's regular pay.

At the discretion of the band manager or band council, an employee could be entitled to leave of absence in lieu of overtime earned.

c. Pay on Acting Assignment

An employee who works in a higher position on an acting basis for at least 20 consecutive working days should be paid the wage or salary of the higher position for that period.

d. Pay Increases

If a band is funded a certain amount of money for salaries, it does not have to pay an employee at the highest level for a position. This is particularly true

in situations when a new employee replaces one that has worked for several years and who had received increments. As everywhere else, new employees start at the bottom level of a salary scale as a rule.

Normal, satisfactory performance is expected of every employee and does not necessarily warrant a salary increase. However, a salary increase is an incentive for the employee to be even more effective and efficient.

10. CONFLICT OF INTEREST

Senior staff (e.g. co-ordinators, directors and managers) should not hold positions on council or as chief and vice versa. If they run for and win office, they should resign from the band staff.

Conversely, if they are hired or promoted to senior staff positions, they should resign from council.

No other job should interfere with the band job during working hours.

11. TRAVEL REGULATIONS

a. General

Travel by band staff should first be approved by a superior or the band manager. The band manager's travel should be approved by band council. Any out-of-province trips should be approved by the band council.

When public transportation is used, the most direct route by economy class should be taken unless other arrangements have been approved by the band manager or the band council. All receipts for public transportation should be submitted.

An employee normally needs the approval of the band council before using a private vehicle for band business. When an employee uses a private vehicle, the minimum insurance coverage should be \$100 000 for public liability and property damage. An employee may be reimbursed at a rate of 21 cents per kilometre for the first 12 900 kilometres (31 cents per mile for the first 8 000 miles) and 12 cents per kilometre (18 cents per mile) thereafter.

The band should pay for the maintenance and operation of its own vehicles. Employees are not allowed to claim mileage when using a band vehicle, but are responsible for any damages which they may cause to the vehicles.

Parking tickets, fines and so on, are the responsibility of the employee, regardless of whether a private or the band's vehicle is being used. As well, a record of destination and mileage travelled must be submitted by any employee using any vehicle for band business.

If an employee's licence is suspended or taken away, he or she may be dismissed if the licence is essential to the job.

b. Meals and Accommodation

Travel expenses must be submitted on a form determined by the band council. In order to be reimbursed for overnight accommodation, meals and other expenses, employees must submit all receipts along with a travel expense claim. The band manager may authorize a daily allowance for meals and other expenses in which case a travel expense claim need not be submitted.

c. Trip Advances

The band manager may authorize travel advances for band employees when necessary. The advance should not exceed the estimated cost of the travel (travel expenses, meals accommodation and other expenses). An employee wishing an advance fills out a prescribed form.

The advance should be accounted for within 10 working days after the trip. If this is not done within the time allowed, the band accountant should notify the employee. If the advance still remains unaccounted for, the band manager may authorize the accountant to recover the advance amount from the employee's salary.

12. LEAVE

a. General

Employees are entitled once each fiscal year, to be informed of the balance of their vacation and sick leave credits.

All band staff employees (except term employees and hourly paid employees) earn one and one quarter days holiday credits per calendar month for every month employed. Employees who begin work during the middle of a month should be entitled to leave credits provided they work 10 days during that month.

All staff should be paid annual holiday pay based on four per cent of their gross income.

b. Holiday (Annual) Leave

The vacation year should be from April 1 to March 31st of the following calendar year inclusive.

An employee who has earned at least 10 days' pay in a calendar month of a fiscal year should earn vacation leave as follows:

- . One and one quarter days per month for less than five years of continuous employment.
- . One and two-thirds days per month after five years of continuous employment.
- . Two and one-twelfth days per month after 15 years of continuous employment.

Vacation leave should be taken during the fiscal year in which it is earned. As an exception, an employee may carry up to five days into the following year provided that he or she has requested to do so.

An employee earns, but is not entitled to receive vacation leave with pay during the first six months of continuous employment.

An employee should submit a written request to his or her supervisor for vacation leave at least 15 days in advance.

The chief and council, in consultation with the employee, reserve the right to schedule vacation leave.

c. Sick Leave

Band employees should be entitled to sick leave with pay. All band employees except term and hourly-wage employees should be allowed to accumulate sick leave at the rate of one and one-quarter days per month.

Sick leave credits may accumulate for as long as the person is employed. If an employee resigns, retires or is dismissed however, he or she is not entitled to be paid for the accumulated sick leave.

Up to 15 sick leave days per year may be advanced to an employee who has not accumulated enough sick leave days to cover an illness period. The advance days are deducted from sick leave credits subsequently earned. If the employee quits or is fired, the credits are recovered from any monies owed to the employee.

Employees should report their illness to the band manager on the first day that they are away. If they are away for more than three days, they should be required to bring a medical certificate signed by a physician and give it to the band manager on the first day back at work. Employees can have up to 10 sick leave days in any year (but no more than three consecutive days at a time) without a medical certificate.

d. Maternity Leave

Employees should, if they apply to the chief and council, be granted maternity leave without pay at least six weeks prior to the commencement of leave.

The employee granted maternity leave is entitled to return to her duties as follows: Within six weeks after delivery the employee may give notice that she wishes to return to her duties on a date arranged by mutual agreement between the chief and council and the employee. The employee has the right to return to the position she held prior to maternity leave.

Maternity leave without pay should not be terminated by the employer earlier than eight weeks after the employee has given birth unless she submits a certificate from a qualified medical practitioner or other approved person indicating that her health will not be impaired by returning to duty at an earlier date.

e. Paternity Leave

Provided prior approval is obtained from the chief and council, the male employee should be given a maximum of one day to be present at the birth of his child or children.

f. Adoption Leave

If approved by the chief and council, an employee may be given a maximum of one day to facilitate proceedings.

g. Compassionate Leave

Band staff employees should be entitled to leave of absence with pay when an illness occurs in the immediate family. An employee's "immediate family" is defined as father, mother, step-mother, step-father or foster parent, brother, sister, spouse (including common-law), child (including child of common-law). Compassionate leave should be approved by the band manager, and should not exceed a period of three consecutive days.

h. Bereavement Leave

Every band employee should be entitled to leave with pay in the event of a death in the employee's immediate family. The bereaved employee should be entitled to no more than three days leave. However, if warranted, an additional two days could be allowed for travel if approved by the band manager.

i. Marriage Leave

All employees should be entitled to leave with pay on the following occasions:

- . employee's marriage - five working days; and
- . marriage of the employee's child or a member of the immediate family - one day.

j. Other Leave

Special leave with pay should be granted to an employee at the discretion of the chief and council under the following conditions:

- . when subpoenaed to appear as a witness; and
- . to conduct research, attend conferences and other related activities which would benefit the band.

k. Statutory Holiday

All band employees should be entitled to the following holidays with pay:

- . New Year's Day (January 1st),
- . Good Friday,
- . Easter Monday,
- . Queen Victoria Day (May 24th),
- . Canada Day (July 1st),
- . Civic holiday (which may vary from province to province),
- . Labour Day (1st Monday in September),
- . Thanksgiving Day,
- . Remembrance Day (November 11th),
- . Christmas Day (December 25th),
- . Boxing Day (December 26th), and
- . Local holidays as proclaimed by the band council, e.g., Treaty Day, Pow-Wow, Nomination Day.

If a holiday falls on either a Saturday or Sunday, the following Monday should be observed as a holiday.

Band employees required to work on any statutory holiday should be entitled to one and one half days leave with pay at a future date.

At a local election all band employees entitled to vote should be allowed one half day, with pay, to vote at the polls.

12. EMPLOYEE PERFORMANCE REVIEW

The chief and council or an evaluation committee appointed by the chief and council should conduct regular employee evaluations. New employees should have their performance evaluated twice during the first year of employment. For other employees, the evaluation should be conducted once a year.

An evaluation report should be prepared for each employee and placed in his or her personal file. The employee should be given a copy of the formal evaluation to look at, and after reviewing it, should sign it to indicate that it has been read and understood.

If an employee wants to make comments about the evaluation, he or she should be allowed to do so. To do this, the employee submits the comments in writing to the supervisor who, in turn, should attach the comments to the evaluation report.

If there is disagreement between the supervisor and employee about the evaluation, the employee should have the right to discuss the evaluation with the chief and council. The decision of the chief and council should be considered final and binding.

Each time the employee's performance is formally evaluated, a copy of the final evaluation report should be available to the employee if he or she requests it. As well, any employee should have access to his or her personal file. The request to see the file should be made in writing, and the file should be made available only in the presence of the immediate supervisor.

13. TERMINATION OF EMPLOYMENT

a. By the Employer

The chief and council, after thorough investigation of an employee's performance, may terminate the employee's

services. The employee should be notified in writing of the chief and council decision to discharge him or her and the reasons for such action. The employee should be given a minimum of 14 days notice of termination.

However, if immediate termination of services is agreed to by an employee, such an employee should receive 10 days regular pay in lieu of the 14 days notice. Accrued salary, if any, and vacation pay should be paid to the employee.

b. BY THE EMPLOYEE

The employee should provide at least 14 calendar days notice of resignation in writing. If possible, a longer notice should be given to enable the chief and council to find a suitable replacement, and only in exceptional circumstances should an employee who has accepted an offer of employment for the next fiscal year be allowed to tender his or her resignation before the first day of the next fiscal year.

On resignation with notice, or on termination of employment for reasons beyond the employee's control, the employee is entitled to accrued salary and earned vacation pay. If the employee has taken more vacation leave or sick leave time than he or she has earned, an adjustment should be made in the last pay cheque to recover an overpayment. Adjustments should also be made on a last paycheck to reflect any other items or finances owed to the band chief and council.

15. DISCIPLINARY PROCEDURES

An employee could be disciplined or discharged for the following reasons:

- . incompetence and inability to do the required work;
- . disruptive influence at work or in the community;
- . abandonment of the position (with seven consecutive absent days, the position may be considered abandoned) or too many absences;
- . unprofessional performance or conduct;
- . refusal or neglect to obey regulations or policies; and
- . non-performance of the job.

To maintain discipline in the staff, there are generally four steps to be taken in disciplinary action: oral reprimand, written reprimand, suspension and discharge.

In some cases it could be necessary to by-pass one or several steps, depending on the seriousness of the behavior. However, except in unusual circumstances, no employee should be discharged unless he or she has had previous caution in writing and the opportunity to correct the shortcomings or breaches of discipline.

a. Oral Reprimand

In an interview, the immediate supervisor brings the problem to the employee's attention and emphasizes the need for improvement on the part of the employee. A plan for corrective behaviour should be worked out jointly to find constructive ways of overcoming the difficulty. The discussion should take place in private and if possible, result in the employee agreeing to correct unacceptable behaviour. Date of oral reprimand should be noted in the employee's file.

b. Written Reprimand

When an oral reprimand has not, within a reasonable period of time, produced the desired effect, the employee should again be interviewed, reminded of the previous oral reprimand, and told that his or her conduct or performance is still unsatisfactory and that a written reprimand will be issued that day by the immediate supervisor.

Again, the object should be to encourage the employee to correct the behaviour. The employee should be given the opportunity to make the explanations on his or her own behalf either in writing or orally in order to have the situation clearly understood on both sides. All written reprimands should be placed in the employee's personal file.

c. Suspension

Only the chief and council should have the authority to implement this disciplinary action. Suspension is an enforced, temporary absence from duty without pay not exceeding 10 working days. It could follow oral and written reprimands if the employee does not make the required improvement.

Suspension is a serious disciplinary action because it involves the employee's livelihood. If the circumstances warrant, and if the misconduct or negligence is very serious, suspension may be imposed immediately by the chief and council without previous reprimands.

Suspension should only be imposed after an unbiased investigation has been made. The employee is interviewed and is notified of the suspension which should be confirmed immediately in writing.

d. Discharge

Depending on the circumstances, an employee may be disciplined in the previous three ways before being discharged, or may be immediately discharged.

16. GRIEVANCE PROCEDURE

If an employee is discharged or suspended for more than two days, he or she may file a grievance with the chief and council. The employee should do this within two working days of being informed of the disciplinary action. The chief and council should allow the employee to present the grievance within 10 working days of receiving the grievance notice. These time limits could be modified by mutual agreement between the employer and employee. An employee wishing to abandon a grievance should inform the chief and council in writing.

PART III
FINANCIAL ADMINISTRATION

<u>Topic</u>	<u>Page</u>
1. Delegation of Financial Signing Authorities	23
a. Contracting for goods and services under \$3,000	
b. Contracting for goods and services over \$3,000	
c. Approving accounts for payment	
d. Signing cheques	
e. Authorizing travel on band business	
f. Authorizing advances	
g. Issuing receipts for monies received	
h. Negotiating short-term bank loans	
i. Receiving bank statements and redeemed cheques	
j. Making bank deposits	
k. Special authorities	
2. Submissions for Funds	27
a. Sources of financial assistance	
b. Submissions to INAC	
c. Submissions to other departments	
3. Revenues	29
a. Sources and classification of band revenues	
b. Band bank accounts	
c. Receipts for monies received	
d. Safekeeping of funds on hand	
e. Making deposits	
f. Accounting records	
. The revenue journal	
. General ledger	
g. Accounting statements	
. Statement of accounts	
. Monthly revenue statement	
4. Bank Accounts	33
a. Opening an account	
b. Closing an account	
c. Signature cards	
d. Bank accounts in the general ledger	
e. The bank reconciliation statement	
5. Contracts for Goods and Services	35
a. Purchases less than \$50	
b. Purchases between \$50 and \$1,000	
c. Purchases between \$1,000 and \$3,000	
d. Purchases over \$3,000	
e. Filing procedures	
6. Filing Purchase Orders and Contracts	37

Topic	Page
7. Processing Accounts Payable	37
a. Date Stamping	
b. Approval for payment	
c. Auditing accounts payable	
d. Recording accounts payable	
e. Timing payments	
f. Filing paid invoices	
8. Processing Employee's Pay	40
a. Time records	
b. Rates of pay	
c. Pay deductions	
d. Additional payroll charges	
e. Employee pay records	
f. Payroll summary	
g. Accounting records	
9. Welfare Payments	42
a. Applications for aid	
b. Budget decision sheet	
c. Rates of welfare	
d. Individual records	
e. Date of payment	
f. Preparation of cheques and journal	
10. Control of Budgets	44
a. Contribution arrangements	
b. Types of contribution arrangements	
c. Analysis of contribution arrangements	
d. Deficit reserve	
e. Budget control record	
f. Posting the budget control record	
11. Issuing Cheques	48
a. Types of cheques	
b. Safekeeping	
c. Documents required for cheque issue	
d. Copies of cheques	
e. Redeemed cheques	
12. Financial Reports	50
a. Trial balance of the general ledger	
b. Bank reconciliation statement	
c. Budget statement	
d. Expenditure statement	
e. Revenue statement	
f. Accounts payable	
g. Project reports	
h. Monthly financial report for INAC	
13. Specific Audit Requirements and Procedures	52
a. Travel advances	
b. Travel claims	
c. Recoverable travel claims	
d. Salary advances	
e. Loans	
f. Inventories	
g. Accounts payable	
h. Accounts receivable	

PART III

FINANCIAL ADMINISTRATION

This portion of the handbook is intended to give the reader a general overview of the various financial procedures and practices involved in band council administration. It is by no means totally comprehensive, but it can serve as a useful guide for a band manager to design financial administration policy suited to the local situation. The topics range from financial signing authority to issuing cheques.

To help those who are unfamiliar with bookkeeping terms, a short dictionary has been included as Appendix D. A number of books on basic bookkeeping, available in most bookstores and libraries, may also be useful to those unfamiliar with the subject.

1. DELEGATION OF FINANCIAL SIGNING AUTHORITIES

This section outlines the financial signing authorities normally delegated by the band council to various staff members. This is in accordance with the procedures recommended by Indian and Northern Affairs Canada (INAC) program circular D-1 dated April 1, 1976.

a. Contracting for Goods and Services Under \$3,000.00

The band manager should be authorized to enter into contracts for goods and services on behalf of the band as follows:

- . for purchases of \$50.00 or less, by telephone order. This authority also applies to heads of programs;
- . for purchases in excess of \$50.00 but less than \$1,000.00, by local purchase order; and
- . for purchases over \$1,000.00 but less than \$3,000.00 where prior band council approval has been given, by local purchase order.

b. Contracting for Goods and Services over \$3,000.00

The band manager should be authorized to call for tenders from three suppliers where the estimated cost of a contract for goods or services exceeds \$3,000.00.

Tenders should be processed according to procedures outlined in sections 7.1 to 7.16 of INAC's program circular D-1. At the first band council meeting following the closing date for tender submissions are presented to the council for the selection and approval of one tender. When the successful bidder has been determined the band

manager draws up a contract to be signed by the contractor and by the band manager. The band manager should submit the contract to the band solicitor to ensure that the contract is in good form and protects the interests of the band.

c. Approving Accounts for Payment

The band manager should be authorized to approve accounts for payment. The welfare administrator is authorized to approve welfare expenditures. Administrators of programs should be authorized to approve payments related to their programs.

d. Signing Cheques

The following should be authorized to sign cheques drawn on band bank accounts: the band chief, any band councillor, the band manager, and the welfare administrator (welfare cheques only). Two signatures should be required to validate a cheque.

e. Authorizing Travel on Band Business

The band manager should be able to authorize employees or band members to travel on business for the band.

The band council should be able to authorize council members or the band manager to travel on band business.

f. Authorizing Advances

The band manager should be able to authorize travel advances if the travel plans have been previously approved.

The band manager should be able to authorize salary advances to staff members where circumstances warrant this action.

g. Issuing Receipts for Monies Received

The bookkeeper or alternate bookkeeper should be authorized to issue receipts for band monies received.

h. Negotiating Short-Term Bank Loans (For Overdrafts)

The band manager may, after receiving band council approval, negotiate short-term bank loans to cover temporary overdrafts.

i. Receiving Bank Statements and Redeemed Cheques

The band manager and the bookkeeper should be authorized to sign for the receipt of bank statements and cancelled cheques for all band bank accounts.

j. Depositing Funds into Band Bank Accounts

The band manager and bookkeeper should be authorized to certify deposit slips covering deposits to band bank accounts.

k. Special Authority

The band chief should be authorized to exercise any of the foregoing signing authorities when the designated employee or alternate is not available for this purpose.

2. SUBMISSIONS FOR FUNDS

This section outlines a recommended procedure for preparing budget submissions to obtain funds from Indian and Northern Affairs Canada (INAC) to carry out administrative functions of the band and projects initiated by the band.

The band manager should be responsible for completing all budget submissions and presenting them to the band council for approval.

The council should require that all budget documents be completed and approved in sufficient time to be delivered to the department or agency on or before the due dates set by them.

a. Sources of Financial Assistance

Bands are eligible to receive financial assistance from the following departments and agencies upon presentation of the required submissions:

- . Indian and Northern Affairs Canada (INAC): administration, education, social assistance, and core funding.
- . Health and Welfare Canada (HWC): alcohol abuse.
- . Employment and Immigration Canada (EIC): summer employment.
- . Central Mortgage and Housing Corporation (CMHC): housing.
- . Some provincial governments: cultural affairs.

b. Submissions to INAC

INAC requires detailed information with each request for funding. Forms which allow information and numbers to be formatted into columns should be made up for these submissions.

i. Cost Details by Function

A separate sheet should be completed for each function or group of related functions within a service. The details required for each sub-function should be stipulated on each form. These forms require financial information regarding the previous year's expenditures, the current year's approved budget, and the band's request for the new year.

If a submission were being prepared for 1982-83, for example, the expenditures - previous year column would be those shown in the auditor's statement for the year 1980-81. The approved budget - current year column would show the contribution arrangements (including amendments) that were approved for 1981-82. The column headed "GB hand request - new year" would show the request for 1982-83.

Care must be exercised in calculating the amounts to be shown for each function in the column "band request - current year" since normally, if requested, only a percentage to cover the economic increase over the previous year is allowed unless a new or substantially increased workload is involved. If this occurs the request must be supported by detailed information about the change together with current statistics which will be shown in the section "narrative support account" by the band.

ii. Cash Flow

After the budgets have been approved, the band manager prepares a cash flow form for each contribution arrangement. This shows the amount of cash required each month during the fiscal year. When preparing the schedule the seasonal nature of certain functions must be taken into account. Where two or more pages are used the grand total should be shown on the last page only. Where the contribution arrangement spans two fiscal years, as in the school year, a cash flow for each fiscal year should be prepared.

iii. Cost of Salaries

Where salaries are included in a particular function a salary cost form should be completed and attached to the cost details by function form. This shows the function number, description of position, salary amount, U.I.C. amount (employer's share), Workmen's Compensation Board contribution and the total of these costs.

c. Submissions to Other Departments and Agencies

Each year various departments and agencies of government sponsor programs which are designed to provide work for the unemployed and for disadvantaged groups. Since these programs normally change their requirements from year to year no details for preparing submissions are being included here. The band council is usually on the mailing list for such programs. When new programs are introduced complete details of the programs, application forms and instructions for completing the forms are sent to the band.

3. REVENUE

In section 62 of the Indian Act revenue monies are defined as being all Indian monies other than capital monies.

Capital moneys are defined as being all Indian monies derived from the sale of surrendered lands or from the sale of band capital assets.

a. Sources and Classification of Band Revenue

Revenue monies of the band are in the main received from federal government sources. INAC provides funds for administration, education, welfare and for various individual projects.

Other federal departments including Employment and Immigration Canada, Health and Welfare Canada, Communications and the Central Mortgage and Housing Corporation provide funds for projects falling within their respective jurisdictions. A few provincial governments provide some funds for cultural projects.

Revenue monies are also received from interest on capital funds held in trust by the INAC. Revenues are classified according to the list of revenue accounts.

b. Band Bank Accounts

To facilitate budgetary control, separate bank accounts in the band's name should be maintained at a chartered bank or trust company. All revenues received are deposited into one of the following accounts:

- . administration,
- . welfare,
- . education, or
- . other accounts opened as necessary.

c. Receipts for Monies Received

When a remittance payable to the band is received from any source the bookkeeper issues a pre-numbered receipt in duplicate. The receipt should contain the following information:

- . current date,
- . name of remitter,
- . amount (written and in figures),
- . purpose of remittance,
- . account number to be credited,
- . signature of bookkeeper, and
- . band stamp.

The original receipt is given to the remitter and the duplicate remains in the receipt book. If an error is made in the preparation of a receipt both copies are marked "cancelled" and remain in the book.

Exception: Individual receipts need not be issued for minor recurring amounts such as for photocopying charges and casual coffee sales. Such funds should be accumulated and a covering receipt issued regularly, for example, on the 15th and on the last working day of each month.

d. Safekeeping of Funds on Hand

When a cheque is received for deposit the bookkeeper issues a receipt and immediately endorses the cheque on the reverse with the endorsement stamp "for deposit only to the credit of (the band)".

Pending deposit in the bank all cheques and currency on hand should be placed in a locked metal cash box. One key to the cash box is retained by the bookkeeper and the other placed in a sealed and identified envelope in the safe.

At all times, except when in use, the cash box should be stored in the safe. The safe should be kept locked except when items are being placed in it or removed from it. The combination to the safe should be held only by the band manager, bookkeeper and one designated councillor.

e. Depositing Procedure

Band funds should be deposited in the bank on the morning of the last business day of the week, normally Friday. On the last business day of each month a final deposit for that month should be made.

When preparing the remittances on hand for deposit the bookkeeper sorts them into groups for the different bank accounts. A deposit slip is prepared in duplicate for each account affected. Deposit slips should contain the following information:

- . current date,
- . account number,
- . name of account,
- . list of cheques showing remitter and amount,
- . list of currency and coin,
- . total of currency,
- . total of cheques, and
- . total deposit.

The deposit books along with the applicable cheques and currency, should be passed to the band manager so he or she can verify the items listed and the total shown before signing the deposit slip. The person making the deposit in the bank should ensure that it is made on the date shown and that the duplicate deposit slip is properly date-stamped by the bank.

f. Accounting Records

i. Revenue Journal

The revenue journal will be divided into sections in order to accumulate revenue totals within the following divisions:

- administration,
- welfare,
- education, and
- sundry projects.

The bookkeeper should post the details of the individual receipts to the appropriate division and

initial the upper right corner of the receipt to indicate that this action has been completed. Postings should be carried out at least once a week and at the end of each month. The following details should be shown.

- date of receipt,
- remitter,
- credit amount, and
- distribution, (by sub-function).

After the end of each month the columns will be ruled off, added and cross footed before being posted to the general ledger.

ii. General Ledger (Revenue Accounts)

After the revenue journal has been closed off at the end of each month the column totals will be posted to the appropriate general ledger account and the revenue journal initialled in the lower right corner to indicate that this action has been completed. The following details will be entered:

- date,
- reference,
- month,
- credit amount, and
- total to date.

g. Accounting Statements

i. Statement of Accounts

On a monthly basis INAC provides statements of accounts of band funds held in trust as follows:

- ii. Monthly Transaction Report - This statement shows all transactions which occurred during the month affecting capital and revenue monies held in trust by the department.
- iii. Monthly Statement of Receipts and Disbursements which shows the revenues received and expenditures made from the capital and revenue accounts.
- iv. Monthly Revenue Statement

Within five working days after the close of each month the bookkeeper should prepare a cumulative

revenue statement, in duplicate, from the balances in the general ledger revenue accounts. The statement should follow a format similar to the one shown below:

Cumulative Revenue Statement for the period ending...

<u>Function No.</u>	<u>Function</u>	<u>Total to Date</u>
---------------------	-----------------	----------------------

Approved:

Prepared by:

(Band Manager)

(Bookkeeper)

The original statement will be signed by the bookkeeper and passed to the band manager for approval. The duplicate statement will be retained and filed by the bookkeeper. The band manager will present the revenue statement to the band council at the first meeting following completion of the statement. The date of presentation will be noted on the original statement.

4. BANK ACCOUNTS

This section outlines suggested policies and procedures concerning bank accounts used for band banking.

The band council, by resolution, may authorize the use of any branch of a chartered bank in the area for band banking. The resolution could be a simple statement of policy such as "It is the policy of the band council to use the facilities of the branch of the (name and location of bank) for all band banking."

a. Opening a Bank Account

When a band council resolution to open a bank account in a specified bank has been approved, the band manager contacts the designated branch to obtain the appropriate forms and signature cards. The required documents are completed promptly and returned to the bank. The bank will supply a deposit book and cheque book which are placed in the custody of the band bookkeeper. As soon as the first deposit is made, the account becomes operational.

b. Closing a Bank Account

When a bank account is to be closed for any reason, the bank manager is advised, in a letter, of the band's intention to close the account at the end of the third month from the date of the letter. All funds may be withdrawn from the account except for an amount sufficient to cover any outstanding cheques.

The bank statements should be monitored to ensure that all outstanding cheques are accounted for. If after the three-month waiting period, there are still cheques outstanding, the bank will be requested to remit the balance in the account to the band. On receipt of this remittance it will be credited to general ledger account entitled "outstanding cheques suspense". If cheques are presented at a later date they will be settled by issuing a cheque and debiting this account.

c. Signature Cards

When new signature cards are required because of personnel changes should be obtained and completed before the effective date of the change. They should be delivered to the bank no later than that date. All current cards are placed together for photocopying and this copy is retained on file.

d. Bank Accounts in the General Ledger

After the end of each month the bookkeeper prepares a summary of deposits made to each bank account using the duplicate deposit slips. These amounts are posted as debits to the cash in bank accounts in the ledger. From the summary of cheques prepared for each bank account, the totals are posted as credits to the cash in bank accounts. Entries for bank adjustments are made to these accounts when bank statements are received.

e. Bank Reconciliation Statement

When the monthly bank statements and redeemed cheques are received, the cheques are checked against the statement to ensure that no unauthorized items have been included. The serial number and amount of the redeemed cheques are checked against the cheque register. Each cheque on hand is checked on the cheque register and those not yet redeemed are identified as "o/s" on the register. When all have been accounted for, those outstanding are listed on the bank reconciliation statement which is prepared in duplicate using the following format:

Bank Reconciliation Statement

..... Account
for the month of, 19...

Balance per bank statement \$

Less Outstanding cheques:

<u>No.</u>	<u>Amount</u>
	\$

Balance per general ledger \$

Date: _____ Prepared by: _____
(Bookkeeper)

The original of the bank reconciliation is passed to the band manager for presentation to the band council at their next meeting. The duplicate is filed by the bookkeeper.

5. CONTRACTS FOR GOODS AND SERVICES

This section outlines suggested policies and procedures to be used when purchasing goods and services for band use.

A band council policy on purchasing should clearly state procedures to follow and authorizations necessary for spending specific amounts of money. Following is an example of a purchasing policy:

- . a purchase order or formal contract will be issued for all purchases in excess of \$50.00 in value;
- . all purchases amounting to \$1,000.00 or more per order must be approved by the band council before ordering;
- . tenders will be called where the estimated expenditure amounts to \$3,000.00 or more;
- . purchases from one supplier will not be split in order to circumvent the above limits; and
- . budgets will not be exceeded without the prior approval of the band council.

a. Purchases Amounting to \$50.00 or Less

The band manager and other officers should be authorized to make purchases of goods or services for band use of \$50.00 or less without a purchase order. Normally such purchases are made in person or by telephone order. This authority is intended to cover minor purchases that are urgently required. After verifying that the goods have been received the invoice is approved for payment by the officer concerned and passed to the bookkeeper for payment.

b. General Procedures for Purchases Over \$50

For purchases over \$50 written purchase orders and contracts should be used. The purchase order or contract should be completed in triplicate and should clearly show the items or service being purchased, the quoted price and the total value of the order. After being approved and signed by the proper authorities it is passed to the bookkeeper for budgetary control.

The bookkeeper verifies that the funds are available for the order, then posts the order to the budgetary control sheets. The original of the order is sent to the supplier, the duplicate is filed alphabetically by function number and the third copy is filed in numerical order.

When the order is delivered, the duplicate of the purchase order is attached to the final invoice for the order.

c. Procedures for Purchases Between \$50 and \$1,000

For this size of order, the band manager's authorization should be sufficient. Quotations may be obtained by phone. The purchase order follows the normal routing explained above under "general procedures" once the band manager has signed the purchase order.

d. Procedures for Purchases Between \$1,000 and \$3,000

For this size of order, band council authorization should be required. The band manager obtains quotations and completes the purchase order. The order is presented to the band council who either accepts it or rejects it through a band council resolution (BCR). If rejected, the order is returned to the band manager marked "Not Approved BCR (number)." If approved the BCR number should appear on all copies of the purchase order.

e. Procedures for Purchases Over \$3,000

For orders over \$3,000 the order should go to tender and at least three quotations should be obtained. The tendering procedures in Indian and Northern Affairs Canada's program circular D-1 should be followed. The band manager forwards the details of the requirements to at least three suppliers and requests that they submit a tender to him on or before a specified closing date.

Tenders will be opened by the band manager on the date and at the time specified in the tender call. They should be presented to the band council at its next meeting for selection of a successful bidder. The band manager draws up a formal contract with the assistance of the band solicitor for the contractor and the band manager to sign.

The BCR number will be shown on all copies of the contract which will be passed to the bookkeeper for budgetary control. When invoices are received they will be verified as to receipt of the goods or services, approved for payment by the band manager and passed to the bookkeeper for payment action.

6. FILING PURCHASE ORDERS AND CONTRACTS

After the purchase order or contract has been posted to the budgetary control sheet the bookkeeper will initial and state the order in the lower right corner. The original will be removed and mailed or delivered to the supplier. The duplicate will be filed in alphabetical sequence by function number and the triplicate will be filed in numerical order on a Shannon file.

When all items on an order have been delivered the duplicate will be attached to the invoice which completes the order.

7. PROCESSING ACCOUNTS PAYABLE

This section presents suggestions for policy and procedures for handling invoices.

The policy for accounts payable should be clearly stated. An example would be "It is the policy of the band council to pay suppliers invoiced within 30 days from the date of the invoices and to pay invoices immediately when cash discounts are allowed for prompt payment."

a. Date Stamping

After opening the mail the receptionist should separate the invoices from the rest of the mail and date-stamp the back of all copies of each invoice. They will then be passed to the band manager.

b. Approval for Payment

On receipt of the invoices the band manager should contact the appropriate person to make sure that all of the goods or services billed on an invoice have, in fact, been received in good condition. This person should initial the original invoice "Received-(initial)-date". The invoice is then stamped "approved for payment", signed and dated by the band manager before being passed to the bookkeeper for audit.

c. Audit of Accounts Payable

When preparing invoices for audit, the bookkeeper groups them into function number sequence and, where applicable, will withdraw the covering purchase order from the outstanding file.

The following items should be checked on the invoice to make sure that they are the same as on the purchase order:

- . name of supplier,
- . F.O.B. point,
- . tax exempt status,
- . discount, if any,
- . unit prices, and
- . quantities.

The bookkeeper then verifies the extensions and additions on the invoice, ensures that they have been approved by the band manager and shows the applicable sub-function number on the invoice. If all deliveries against the purchase order are completed, the order is attached to the invoice.

Where a partial delivery is made, the invoice number, date and the balance remaining is paid will be calculated and shown on the order and the purchase order is returned to the outstanding order file. After the cheque has been issued the invoice should be stamped "paid" and the cheque number and date shown. These entries should be initialled by the bookkeeper.

d. Recording Accounts Payable

After the audit is completed the invoices should be posted to the budget control record in the following manner. If previously committed, increase expenditures, and decrease commitments. If not previously committed, increase expenditures, and decrease free balance.

Invoices should also be posted to the invoice journal and simultaneously to the applicable function card in the general ledger to show the following:

- . accounts payable amount (Cr.),
- . date,
- . name,
- . function number, and
- . (Dr.) Amount.

Periodically during the month and at the end of each month, the accounts payable ledger should be posted with individual credit entries from the invoice journal. The monthly total of the accounts payable column in that journal should be posted as a credit to the accounts payable control account in the general ledger.

When cheques are issued to pass invoices, the cheque journal and postings to the accounts payable control account in the general ledger are updated at the same time. Periodically during the month and at the end of the month debit entries are made from the cheque journal to the supplier's accounts in the accounts payable subsidiary ledger.

At the end of each month to verify the accuracy of the accounts payable records, the balances in the accounts payable ledger should be totalled and verified to the control account in the general ledger.

e. Timing of Payments

Where an invoice is subject to a cash discount for prompt payment it should be audited immediately by the bookkeeper and a cheque issued. Where the terms of a contract provide for payments on specified dates, cheques should be issued in sufficient time to ensure that they are in the hands of the contractor by the due date. In all other instances, invoices should be paid within 30 days from the invoice date.

To control the payment date of these invoices a series of file folders can be set up and labelled with the days of the month from 1 to 31. The invoice is placed in the appropriate folder according to the invoice date, e.g., an invoice dated July 15 will be placed in the folder labelled 15. If the due date falls on a weekend or statutory holiday the invoice is placed in the folder of the last working day before the holiday.

Three days prior to the due date for payment (as indicated by the calendar date on the file folder) the bookkeeper withdraws all invoices in the folder and prepares covering cheques.

f. Filing of Paid Invoices

Paid invoices should be filed in alphabetical order by supplier's name. Within each file they should be filed by date of payment. After the close of each fiscal year the file folder will be removed from the current file and placed in a dormant file section. Dormant files should be retained for five years. In the sixth year the oldest files may be destroyed.

8. PROCESSING EMPLOYEES' PAY

This section suggests procedures for processing pay for band employees.

Policy governing employees' pay should be clearly stated. Following is an example.

It is the policy of the band council to pay their administrative employees on a two-week basis. Pay dates for these employees fall on Thursdays and include payment to Friday of that week.

Employees on a hourly-rate basis are paid each Friday on a current basis.

a. Time Records

Each day, administrative employees sign a time sheet showing the time of their arrival and departure. These sheets are maintained by the secretary and turned over to the band manager at the end of the pay period.

Prior to the end of each pay period the bookkeeper provides the band manager with a salary payroll for each service showing the employee's name and gross pay for the period.

Using the time sheets, the band manager calculates, and shows on the payroll any adjustments for lates and absences. These will be totalled and recorded under "total adjustments". The amount due each employee will be calculated and entered in the last column. All columns will be totalled and cross-footed before the payroll is approved for payment by the band manager. The approved payroll should be returned to the bookkeeper on the day prior to the pay date.

Foremen maintain time sheets showing the hours worked daily by hourly-rate employees. These are turned in to the bookkeeper each Friday for calculation of pay and issue of pay cheques.

b. Rates of Pay

The band council establishes all rates of pay. Normally they approximate those paid by other employers in the area.

c. Pay Deductions

Based on the gross earnings of an employee and the length of the pay period the bookkeeper uses tables to ascertain the UIC deduction. This amount is recorded on the cheque stub.

In some bands a deduction of \$4.00 per pay period is made from administrative employees for the coffee fund.

d. Additional Payroll Charges

The employer's share of unemployment insurance contributions is determined by totalling the employee deductions and multiplying this figure by 1.4. The employee and employer shares are recorded as credits (liabilities) on the payroll summary.

At the end of each month the liability is cleared by issuing a cheque in favour of the Receiver General for Canada and forwarding it to the Taxation Data Centre in Ottawa. At the present time assessments are not received from the Workmen's Compensation Board.

e. Employees' Pay Records

The pay record should contain the following information:

- . pay period ending date,
- . gross salary,
- . UIC deductions,
- . other deductions,
- . total deductions,
- . net amount,
- . cheque number, and
- . sub-function

f. Payroll Summary

After the end of each month the bookkeeper prepares an analysis of the payroll journals using work sheets to accumulate the following information:

- . sub-functions charged,
- . payroll deductions, and
- . employer's share of UIC.

From the work sheets a payroll summary is prepared for each service. The following format is an example:

	<u>Pay Summary</u>	Month -
	Dr.	Service -
		Cr.
Various sub functions	xx.xx	
Salary advances	xx.xx	
Employers' share UIC	xx.xx	
UIC payable		xx.xx
Revenue - coffee		xx.xx
Advances refunded		xx.xx
Payroll clearing		xx.xx

g. Accounting Records

The accounting records used in the pay system should include the following:

- . Pay cheque including a stub showing the pay period, gross pay, payroll deductions, total deductions and net pay.
- . Payroll journal employees' pay record contains the same information as the pay stub.
- . Payroll distribution which is a work sheet used to summarize payroll charges.
- . Payroll summary, which consolidates all payroll debits and credits.
- . General ledger which records expenditures by service and sub-function.

9. PROCESSING WELFARE PAYMENTS

This section outlines a suggested procedure for processing and accounting for welfare payments.

a. Applications for Social Aid

Band members may apply for social aid at the band office. The welfare administrator should assist the applicant complete an initial application form for social aid. This form provides details of the applicant's family status, employment history, financial resources and income. When completed and signed by the applicant it is retained by the welfare administrator.

b. Budget Decision Sheet

The welfare administrator transfers basic information from the application to the budget decision sheet. Using the schedule of rates and the administrator's guide along with the above information he determines the amount payable monthly to the applicant. This amount is shown on the budget decision sheet.

c. Rates of Welfare

The rates of welfare assistance used by the band are similar to those used by provinces. These are outlined in a rate schedule which is revised periodically.

d. Individual Records

The monthly amount payable is recorded on the budget decision sheets. These sheets are filed in alphabetical order in a binder and payments are recorded on them each month.

e. Date of Payment

Normally welfare payments are made on the first day of each month. Where the first falls on a holiday the date of payment is moved ahead to the first working day following the holiday.

f. Preparation of Cheques and Journal

The welfare administrator should indicate on the budget decision sheet, against the appropriate month, the details of the applicant's needs and resources and the amount payable. If no payment is to be made, "nil" will be entered in the deficit column.

Two days before the pay date the welfare administrator shows on a nominal roll prepared in advance, the details and total amount to be paid to each welfare recipient for the month. This listing should be totalled, stamped

"approved for payment" and signed by the welfare administrator. The listing is passed to the bookkeeper for preparation of cheques.

10. CONTROL OF BUDGETS

This section suggests policy and procedures relating to the control of budgets. Policy for budget control should be clearly stated, as in the following example.

It is the policy of the band council to maintain strict control over all budgets to ensure that over-expenditures do not occur.

Indian and Northern Affairs Canada has a firm policy with respect to the control of budgets:

It is the policy of the department that there is no budgetary flexibility from one arrangement to another, that is, that funds provided under one arrangement cannot be used to cover costs incurred under another, unless specifically provided for in the agreement.

Band policy should be consistent with that of the department.

a. Contribution Arrangements

The primary source of funds for the band's budget is Indian and Northern Affairs Canada (INAC). Agreements for the provision of funds for specified purposes are covered by contribution arrangements. These are defined as agreements between INAC and the band council, setting out the obligations of both parties, the services to be covered and the method of payment of the contributions.

b. Types of Contribution Arrangements

i. Single With Budget Flexibility

This type of arrangement covers an agreement with one service (or division) of INAC under which funds may be transferred from one function (activity) to another within the agreement.

ii. Single Without Budgetary Flexibility

This type of arrangement covers an agreement with one service under which funds may not be transferred from one function to another nor from one project to another.

iii. Consolidated Arrangement

This type of arrangement covers an agreement with more than one service and usually includes several functions. The budget is flexible within the arrangement and funds are transferable between the services and functions included in the agreement.

The type of arrangement is indicated in paragraph 3 of each contribution arrangement.

c. Analysis of Contribution Arrangements

At the beginning of each fiscal year the funds provided in each contribution arrangement should be analysed to determine the areas from which funds can be made available to reduce the outstanding deficit. A budget analysis worksheet is prepared to ascertain the total funds allocated to each of the following categories:

- . salaries and wages,
- . annual contracts,
- . other flexible expenditures, and
- . non-flexible expenditures.

d. Deficit Reserve

The band council reviews the amounts available in each function under the above categories and decides where expenditures can be reduced in order to transfer funds to the deficit reserve. The total to be set aside must equal the amount of the annual reduction to the deficit agreed to by the band council and the regional office of INAC.

The amount to be transferred to the reserve is approved by a band council resolution and from a copy of the resolution the bookkeeper prepares a journal entry to reduce the appropriate function budgets and set up a budget control sheet for the total applicable to the deficit reserve under each service.

e. Budget Control Record

From the budget analysis worksheet a budget control record will be set up for each function. Following is an example:

MEMORANDUM BUDGET CONTROL RECORD

FISCAL YEAR 1981-82		SERVICE	Education	FUNCTION	3009
Date	Item	Budget	Commitments	Expenditures	Free Balance
April 1	Budget	\$279,715.90			\$279,715.90
1	Reserve	(2,000.00)			277,715.90
1	School Comm.		\$202,125.00		75,590.90
1	Allowances		42,018.00		33,572.90
30	Allce Paid		(3,143.00)	\$3,143.00	33,572.90
30	Totals	\$277,715.90	\$241,000.00	\$3,143.00	\$ 33,572.90

f. Posting the Budget Control Record

- i. Budget - From the budget analysis worksheet the amount of the budget applicable to a function is entered on the first line of the budget control record in the budget column and in the free balance column.
- ii. Deficit Reserve - A budget control record is set up and identified as "deficit reserve" for each service. From the budget analysis worksheet, the amount to be transferred from each function is entered in the budget column and the free balance column increased. On the budget control record of the "donor" the amount being transferred will be entered as reductions in the budget column and in the free balance column.
- iii. Commitments - Commitments which cover annual contracts are entered as increases in the commitments column and the free balance reduced by the same amount. Where salaries are to be committed for a fiscal year the amount of the commitment is determined by multiplying the gross amount of the latest payroll by 16 (the number of pay periods in the year). Where purchase orders are used to procure goods or services, the total amount of each order is entered as an increase in the commitment column and the free balance column reduced.
- iv. Expenditures - When an invoice is received covering an expenditure for which no previous commitment has been made, such as for a telephone bill or minor purchase of less than \$50.00, the amount is posted as an increase in the expenditures column and a decrease to the free balance. When a previously

committed expenditure is being processed it is entered as a decrease in the Commitments column and an increase in the expenditures column.

- v. Adjustments - In order to ensure that the budget control record correctly reflects the actual balance of outstanding commitments on hand at the end of each month a verification should be carried out. All columns in the control record are totalled and cross footed to verify their accuracy.

The balances of commitments outstanding on purchase orders and contracts held in the outstanding files are added and the total under each function compared with the balance shown in the commitment column for that function. Where there is a variance, an adjustment is made to bring the control record into balance with the outstanding commitments on hand.

If the total of the commitments exceeds that in the control an entry will be made to increase the commitments and to decrease the free balance.

Where the commitments are less than the control the commitments are decreased and the free balance increased.

Where a revised commitment for salaries is to be made this will be determined by multiplying the total of the most current payroll by the number of pay periods remaining in the fiscal year.

- vi. Transfers - When the bookkeeper becomes aware that a commitment or a direct expenditure, if posted, will create a deficit in a particular budget, a budget deficit advice form should be prepared in duplicate. The original is passed immediately to the band manager. The bookkeeper retains the duplicate in a pending file along with the document creating the deficit.

The band manager reviews the balances in other functions and, if flexible funds are available, makes a written recommendation to the band council for a transfer from one function budget to another within the same service. If acceptable, the transfer will be approved by a band council resolution.

The original copy of the budget deficit advice is returned to the bookkeeper with a copy of the covering resolution. The budget control records are adjusted by increases to the budget column and the free balance columns of the receiving budget and decreasing these columns for the donor budget.

11. ISSUING CHEQUES

This section outlines the policy and procedures to be followed in controlling and processing cheques that are charged to band funds. Policy for issuing cheques should be clearly stated. An example in current use is:

It is the policy of the band council to have all cheques drawn against band bank accounts signed by two persons who have been designated as cheque signing officers by the council.

Vouchers authorizing the issue of cheques must be approved for payment by a person designated by the council for this purpose.

a. Types of Cheques

It may be useful to use different types of cheques for different functions. Following is a system which is being used successfully:

- . pay cheques (with stub) - education service
- . pay cheques (with stub) - administration
- . general cheques (in duplicate) - education service (green)
- . general cheques (in duplicate) - administration (blue)
- . social aid cheques (with stub) - welfare
- . bank cheques (with stub) - special projects

b. Safekeeping

All blank cheque supplies should be under the custody of the bookkeeper and in a locked metal filing cabinet. The bookkeeper retains one key and an additional key should be placed in a sealed envelope, identified on the outside of the envelope and placed in the safe.

c. Documents Required for Cheque Issue

- i. Salaried Employees - Each day, salaried employees should sign an attendance sheet showing the time of arrival and departure. At the end of the pay period, the secretary passes the record to the band manager. The band manager supplies a list of lates and absences to the band council which decides

the penalties to be imposed. On a listing prepared in advance showing the names of all salaried employees and their pay rate, the band manager compiles the deductions applicable to each employee and the balance due to them. The listing is totalled and approved for payment by the band manager before being passed to the bookkeeper for preparation of cheques.

- ii. Hourly-Rate Employees - Foremen should maintain time records showing the hours worked each day by hourly-rate employees. At the end of each pay period, the foreman initials the record and turn it in to the band manager, who makes a photocopy and returns the record to the foreman. The band manager certifies the copy approved for payment and passes it to the bookkeeper for issue of cheques.

- iii. Welfare Payments - On a nominal roll prepared in advance, the welfare administrator should prepare a listing from the budget decision sheets showing the amount to be paid to each welfare recipient in the current month. The listing is totalled, and approved for payment by the welfare administrator, then passed to the bookkeeper for issue of cheques.

Where welfare has been provided through the use of a purchase order, the supplier's invoice should be approved by the welfare administrator and then passed to the bookkeeper.

- iv. Accounts Payable - Invoices covering goods and services should be approved for payment by the band manager before being passed to the bookkeeper for payment.

- v. Cheque Requisition - Where no voucher is available to support a payment, e.g., for a travel advance, a cheque requisition should be prepared showing the name of the payee, the amount required and the reason for the payment. This will be approved for payment by the band manager or band chief before being passed to the bookkeeper for cheque issue.

d. Copies of Cheques

Where copies of cheques are available, eg., for the education service and administration service, these will be filed on Shannon files in numerical sequence.

e. Redeemed Cheques

When bank statements are received after the end of each month the cheques are checked off the statement. The cheques on hand will then be checked off against the appropriate journal and if not received will be marked "o/s" (outstanding) opposite the missing number.

12. FINANCIAL REPORTS

This section describes the various financial reports that must be produced on a regular basis from information maintained in the accounting system. Policy for preparing financial reports should be clearly stated. An example is:

It is the policy of the band council to have all monthly financial reports completed within six working days of the end of each month.

All accounting records for a fiscal year are to be ready for audit within 309 days from the end of the fiscal year.

The following statements should be prepared on a monthly basis within six working days after the end of each month

a. Trial Balance of General Ledger

Immediately after the end of each month all cards in the general ledger should be totalled and the total to date shown.

Function totals are calculated and shown in the last two columns. The bookkeeper signs and dates the trial balance in the lower right corner and retains it in a trial balance file for each fiscal year. A copy should be passed to the band manager.

b. Bank Reconciliation Statement

On receipt of bank statements and cancelled cheques a reconciliation should be carried out for each bank account. From the bank statement, applicable cheque list and general ledger bank account balance a bank reconciliation statement is prepared. The bookkeeper retains the statements in a bank reconciliations file for each fiscal year for each bank account.

c. Budget Statement

After the end of each month the total in the expenditure column of each budget control record should be verified against the function total shown in the trial balance. When the control record is in balance, a budget statement is prepared. Photocopies of the statement are made for the band council and for the band manager. The original will be retained by the bookkeeper in a budget statement file.

d. Expenditure Statement

After the end of each month, an expenditures statement should be prepared from the summarized trial balance to show by department and agency the total expenditures to the end of the month for each function. The bookkeeper will retain the original statement in an expenditure statement file and provide photocopies to the band council and band manager.

e. Revenue Statement

After the end of each month a revenue statement should be prepared for the trial balance to show by department and function the total revenue received to the end of the month. The bookkeeper will retain the original in a revenue statement file and provide photocopies to the band council and band manager.

f. Accounts Payable

After the end of each month an accounts payable statement should be prepared from the accounts payable ledger listing in alphabetical order the companies to whom the band owes monies and showing the amount owed. The list will be totalled and balanced to the control account in the general ledger. The bookkeeper retains the original and provides photocopies to the band council and the band manager.

g. Project Report

For each department or agency for which a project has been undertaken a project report should be prepared at the end of each month. These are prepared in different formats depending upon the requirements of the agency concerned. The figures are taken from the trial balance. The original is retained by the bookkeeper and photocopies made for the agency concerned, the band council and the band manager.

h. Monthly Financial Report for INAC

One of the conditions for continuing to receive funds under the contribution agreements with INAC is that financial statements are to be submitted to them on a monthly basis. These are prepared using figures from the trial balance. It is essential that this report be prepared and dispatched promptly after the end of the month.

13. SPECIFIC AUDIT REQUIREMENTS AND PROCEDURES

This section outlines the special procedures and audit requirements applicable to various transactions

a. Travel Advances

When travel has been authorized, the band manager may approve an advance in an amount sufficient to meet the anticipated expenses. A requisition for cheque is prepared in favour of the claimant, showing the amount requested, the purpose of the travel and the function number to be charged.

After approval by the band manager it will be posted to the budget control record as an increase to expenditure and a decrease to the free balance. The covering cheque is debited to the applicable function on the journal and on the general ledger card for travel. From the journal the amount of the advance will be posted as a debit in the subsidiary advance ledger.

b. Travel Claims

Immediately after returning from a business trip the employee should prepare a travel claim in accordance with the applicable scale of allowances. A second advance will not be issued until the previous advance is fully accounted for.

The travel claim is submitted to the band manager to be approved for payment and then passed to the bookkeeper for audit. If the amount of the claim exceeds the advance the bookkeeper will enter against the function number on the face of the claim, a debit entry for the amount of the claim and a credit entry for the amount of the advance. The difference will equal the amount of the cheque to be issued and this should also be shown on the face of the claim.

From the travel claim the debit and credit entries will be posted to the budget control record. When the cheque is issued, the amounts of the debits and credits are recorded on the journal and on the general ledger function card. From the cheque journal a credit entry will be posted to the advance ledger.

If the amount of the claim is less than the advance the employee must make an immediate refund of the difference. The bookkeeper will record as above on the face of the claim the debit entry in the amount of the claim and a credit entry in the same amount applicable to the advance.

The claim will be processed as a credit voucher and used as a posting medium for posting debits and credits to the budget control and to the function card in the general ledger. A credit posting will be made to the advance ledger. The receipt covering the amount of the refund will be posted to the revenue journal and function card in the general ledger. From the journal a credit posting will be made to the subsidiary advance ledger.

c. Recoverable Travel Claims

When a travel advance is required that will subsequently be reimbursed by another department or agency the cheque requisition, under the sub-function heading, will show "recoverable - (name of department)".

A separate ledger card will be opened in the general ledger and identified as "Accounts Receivable - (name of department)". When the travel claim is being prepared the employee will use the schedule of allowances applicable to that department and not those authorized by the band council.

d. Salary Advances

When requested by an employee who receives an annual salary the band manager may authorize a salary advance. This should not exceed 80 per cent of the amount due at the time of the request and if granted is rounded-up to the nearest dollar.

A requisition for cheque will be prepared and approved by the band manager. The bookkeeper will post the amount to the budget control record and when the cheque is issued entries will be made to the journal and general ledger function card. A notation "advance" will be made against these entries. From the journal a debit posting will be made to the advance ledger.

Recovery of the advance will be made from the next pay. The gross amount of the pay will be shown as a debit and the amount of the advance recovered will be shown as a credit in the budget control record. When the cheque is issued debit and credit entries will be recorded on the journal and on the general ledger function card. A credit will be posted from the journal to the advance ledger.

e. Loans

Program circular D-4 issued by Indian and Northern Affairs Canada April 1, 1976, directs that funds received from the department are not to be used for the purpose of making loans (D4.7). Loans made in prior years are recorded in a loans receivable ledger with a control accounts under the same title in the general ledger.

When a payment is received to be applied to a loan a receipt will be issued. This will be posted as a credit on the revenue journal and on the loans receivable control in the general ledger. From the journal a credit will be entered in the loans receivable ledger.

f. Inventories

Inventory records should be maintained on a memorandum basis for all land, buildings, vehicles, equipment and other real assets purchased for the band. When such an item is purchased a photocopy of the covering invoice is be placed in a file labelled "assets purchased". At the end of the year these will be sorted by service and category in order to prepare inventory lists showing the identification of each item and its cost.

These lists should be retained by the bookkeeper in a file labelled "fixed assets". Periodically the band manager and one band councillor (rotational) verifies the existence of the items listed. They prepare a list of missing, unserviceable and obsolete items for approval for write-off by the band council. When approval is received the items should be deleted from the listings and the band council resolution number (BCR #) shown.

g. Accounts Payable

When invoices, approved for payment, are received by the bookkeeper they will be audited, recorded on the purchase order, if applicable, and posted as expenditures to the budget control record.

Audited invoices will be recorded simultaneously on the invoice journal in the accounts payable column as credits and debited on various function cards in the general ledger. At this point they are held in a pending file until the due date for payment.

From the invoice journal credit postings will be made to the individual accounts in the accounts payable subsidiary ledger. When cheques are issued in payment, debit postings will be made simultaneously to the cheque journal, and to the accounts payable control in the general ledger. From the journal debit entries will be made to the individual accounts in the accounts payable subsidiary ledger. At the end of each month the total of the accounts in this ledger will be balanced to the general ledger control.

h. Accounts Receivable

Most of the accounts receivable of the band consist of billings to band members covering municipal services and loans or advances. The band council has directed that amounts due for municipal services be collected by deductions from paylists or welfare lists. Where this is not possible an invoice form will be issued.

i. Municipal Services (water and sewer service, garbage collection)

Before the end of each month the bookkeeper should prepare a municipal services summary in quadruplicate showing the occupant's name and the source from which collection will be made, i.e., administration payroll, education payroll, welfare list or by invoice. Each column will be totalled and cross-footed. The summary will be posted in total in the accounts receivable journal as a debit to accounts receivable - municipal services with credits to the function cards for revenue (water) or revenue (garbage collection).

When the nominal roll for welfare is prepared deductions for municipal services will be recorded. (These will be, in effect, payment in advance, since welfare is paid in advance.) When the covering cheques are prepared the journal and function card will show the amounts deducted. From the journal the total of the deductions will be posted as a credit to accounts receivable - municipal services in the general ledger. A copy of the municipal services summary will be attached to the welfare nominal roll.

On the first salary paylists after the first of each month deductions should be made for municipal services. A copy of the municipal services summary will be attached to the payroll. The total deductions will be shown as a credit entry to accounts receivable - municipal services on the payroll summary.

Where deductions have not been made on the paylists or on the welfare lost, an invoice will be issued and delivered to the occupant (see below).

ii. Other Services

Invoices will also be used to bill for services rendered to outside agencies. When monies are due to the band for any reason the bookkeeper will prepare an invoice in duplicate showing the name and address of the debtor, the invoice date, a sequential invoice number, a description of the goods or services supplied and the amount due.

The original will be sent to the debtor and the duplicate retained in numerical order by the bookkeeper. Invoices will be recorded as a debit to accounts receivable and a credit to the applicable function card in the general ledger. Individual postings to the accounts receivable subsidiary ledger will be made from the journal.

When a payment for an invoice is received a receipt will be issued and recorded on the revenue journal as a credit to accounts receivable and debit to cash. Credit postings will be made from the journal to the accounts receivable subsidiary ledger.

- iii. At the end of each month the accounts receivable subsidiary ledger will be reviewed by the bookkeeper and any amounts that have been outstanding for more than 30 days will be listed on a statement and sent to the debtor.

iv. Follow-up Letter

When the review of the accounts receivable reveals that any account has been outstanding for more than 90 days a form letter will be sent to the debtor.

v. Recovery of Outstanding Accounts

It is departmental policy that prompt and vigorous action be taken to collect accounts receivable.

Where no response or an unsatisfactory response is received to the follow-up letter the band manager will review the case and, where a band member is the debtor, recommend a repayment schedule for deductions from monies due from the band. Repayment schedules will be passed to the band council for approval by band council resolution. On receipt of a copy of the resolution the bookkeeper will commence deductions from the first available payment.

APPENDIX A

REGULATIONS COVERING BAND ELECTIONS

(P.C. 1954-1367, SEM. 1954)

1. These regulations may be cited as the "Indian band Election Regulations".
2. In these regulations:
 - (a) "Act" means the Indian Act;
 - (b) "deputy electoral officer" means any person appointed by the electoral officer for the purposes of an election;
 - (c) "Director" means the Director of the Indian Affairs Branch of the Department of Indian Affairs and Northern Development;
 - (d) "election" means a band election held pursuant to the provisions of the Act;
 - (e) "elector" means a person who
 - (i) is registered on a band List;
 - (ii) is of the full age of twenty-one years; and
 - (iii) is not disqualified from voting at band elections;
 - (f) "electoral officer" means the Superintendent or the person appointed by the council of the band with the approval of the Minister;
 - (g) "Minister" means the Minister of the Department of Indian Affairs and Northern Development;
 - (h) "Superintendent" means the Superintendent or senior field officer of the Indian Affairs Branch in charge of the agency and includes the Indian Commissioner for British Columbia, all Regional Supervisors and any other officer acting under the instructions of the Minister or Director.

Definition of residence for the purpose of
determining the eligibility of voters

3. The following rules apply to the interpretation of the words "ordinarily resident" in respect of all matters pertaining to the right of an elector to vote in an election:

- (a) Subject to the other provisions of this section, the question as to where a person is or was ordinarily resident at any material time or during any material period shall be determined by reference to all the facts of the case;
- (b) The place ordinary residence of a person is, generally, that place which has always been, or which he has adopted as, the place of his habitation or home, whereto, when away therefrom, he intends to return and, specifically, where a person usually sleeps in one place and has his meals or is employed in another place, the place of his ordinary residence is where that person sleeps;
- (c) A person can have one place of ordinary residence only, and he shall retain such place of ordinary residence until another is acquired;
- (d) Temporary absence from a place of ordinary residence does not cause a loss or change of place of ordinary residence.

Nomination Meeting

4. (1) When an election is to be held the electoral officer shall post a notice in the form prescribed of a meeting of the electors for the purpose of nominating candidate for election; such notice shall be posted in one or more conspicuous places in each electoral section at least six clear days prior to the date of the proposed nomination meeting and at least twelve clear days prior to the date set for the election;
- (2) Where it is not practicable to hold a meeting for the nomination of candidates in accordance with the provisions of sub-section one, the Director may order that the meeting shall be held on a date less than six clear days before the day on which the election is to be held;
- (3) At the time and place specified in the notice, the electoral officer shall declare the meeting open for the purpose of receiving nominations, and any person who is an elector may propose or second the nomination of any duly qualified person to serve as a chief or councillor, and the meeting shall remain open for not less than two hours after commencement when, if the number of persons nominated to serve on the band council does not exceed the requisite number, the electoral officer shall declare the persons so nominated duly elected.

- (4) The electoral officer shall not close the nomination meeting until such business as he considers may properly be brought before it has been disposed of.
- (5) In the event of more than the required number of persons being nominated for chief and councillors, the electoral officer shall declare that a poll will be held and shall name the time and the place where such poll shall be taken;
- (6) Whenever a poll is to be taken the electoral officer shall, without any unreasonable delay after the nomination, cause to be posted in one or more conspicuous places within the section a notice to that effect in the form prescribed.

Manner in Which Voting Shall Be Carried Out

- 5. (1) The electoral officer shall prepare a voters' list containing the names, in alphabetical order, of all electors.
- (2) The electoral officer shall post one or more copies of the voters' list in a conspicuous place in the section, and where a reserve is divided into more than one section, he shall post one or more copies of the voters' list in a conspicuous place in each section.
- (3) Any elector may apply to have the voters' list revised on the ground that the name of an elector has been omitted therefrom or the name of an elector is incorrectly set out therein or the name of a person not qualified to vote is included therein.
- (4) If the electoral officer is satisfied that a list should be corrected, he shall make the necessary correction therein.
- (5) There shall be prepared ballot papers in the form prescribed containing the names of the candidates for chief and councillors, which shall be listed on the ballot papers in alphabetical order.
- (6) Any candidate, who has been nominated may withdraw at any time after his nomination but not later than forty-eight hours before the time of the opening of the poll, by filing with the electoral officer a written withdrawal of his nomination, signed by himself in the presence of the electoral officer, a justice of the peace, a notary public, or a commissioner for oaths, and any votes cast for any such candidate shall be null and void.

- (7) The electoral officer shall procure or cause to be procured as many ballot boxes as there are polling places, and shall cause to be prepared a sufficient number of ballot papers for the purpose of the election.
- (8) The electoral officer shall before the poll is open cause to be delivered to his deputy the ballot papers, materials for marking the ballot papers, and a sufficient number of directions for voting as may be prescribed.
- (9) The electoral officer or his deputy shall provide a compartment at each polling place where the electors can mark their ballot papers free from observation, and he may appoint a constable to maintain order at such polling places.
- (10) The poll shall be kept open from nine o'clock (standard time) in the forenoon until six o'clock (standard time) in the afternoon of the same day, but where it appears to the electoral officer that it would be inconvenient to the electors to have the poll closed at six o'clock, he may order that it be kept open until not later than eight o'clock, (standard time) of the afternoon of the same day.,
- (11) A candidate shall be entitled to not more than two agents in a polling place at any one time.
- (12) Voting at all elections shall be by ballot in the manner set forth in section six.
- (13) The electoral officer or his deputy shall immediately before the commencement of the poll open the ballot box and call such persons as may be present to witness that it is empty; he shall then lock and properly seal the box to prevent it being opened without breaking the seal and shall place it in view for the reception of the ballots, and the seal shall not be broken nor the box unlocked during the time appointed for taking the poll.
- (14) At the request of any candidate or his agent or any elector, an oath on affirmation in the form prescribed as to his right to vote shall be administered to any person tending his vote at any election.

The Poll

- 6. (1) On a person presenting himself for the purpose of voting, the electoral officer or his deputy shall, if satisfied that the name of such person is entered on the voters' list at the polling place, provide him with a ballot paper on which to register his vote.

- (2) The electoral officer or his deputy shall cause to be placed in the proper column of the voters' list a mark opposite the name of every voter receiving his ballot paper.
- (3) No person who has refused to take the oath or affirmation referred to in sub-section fourteen of section five when requested to do so shall receive a ballot paper or be permitted to vote.
- (4) The electoral officer or his deputy may and when requested to do so shall explain the mode of voting to a voter.
- (5) Each person receiving a ballot paper shall forthwith proceed to the compartment provided for marking ballots and shall mark his ballot paper by placing a cross opposite the name of the candidate or candidates for whom he desires to vote; he shall then fold the ballot paper so as to conceal the names of the candidates and the marks on the face of the paper but so as to expose the initials of the electoral officer or his deputy, and on leaving the compartment shall forthwith deliver the same to the electoral officer or his deputy, who shall without unfolding the ballot paper verify his initials and at once deposit it in the ballot box in the presence of the voter and of all other persons entitled to be present in the polling place.
- (6) While any voter is in the compartment for the purpose of marking his ballot paper no other person shall, except as provided in sub-section seven, be allowed in the same compartment or be in any position from which he can see the manner in which such voter marks his ballot paper.
- (7) The electoral officer or his deputy on the application of any voter who is unable to read or is incapacitated by blindness or any other physical cause from voting in the manner prescribed by sub-section five shall assist such voter by marking his ballot paper in the manner directed by such voter in the presence of the agents or the candidates in the polling place and of no other person, and place such ballot in the ballot box.
- (8) The electoral officer or his deputy shall state in the voters' list opposite the name of such elector in the column for remarks the fact that the ballot paper was marked by him at the request of the voter and the reasons therefore.

- (9) A voter who has inadvertently dealt with his ballot paper in such a manner that it cannot be conveniently used shall upon returning it to the electoral officer or his deputy be entitled to obtain another ballot paper, and the elected officer or his deputy shall thereupon write the word "cancelled" upon the spoiled ballot paper and preserve it.
 - (10) Any person who has received a ballot paper and who leaves the polling place without delivering the same to the electoral officer or his deputy, in the manner provided, or if, after receiving the same, refuses to vote, shall forfeit his right to vote at the election, and the electoral officer or his deputy make an entry in the voters' list in the column for remarks opposite the name of such person to show that such person received the ballot paper and declined to vote, in which case the electoral officer or his deputy shall mark upon the face of the ballot paper the word "declined", and all ballot papers so marked shall be preserved.
 - (11) An elector whose name does not appear on the voters' list may vote at an election, providing that the electoral officer or his deputy is satisfied that such person is qualified to vote.
 - (12) Every elector who is inside the polling place at the time fixed for closing the poll shall be entitled to vote before the poll is closed.
7. Immediately after the close of the poll the electoral officer or his deputy shall in the presence of such of the candidates or their agents as may be present open the ballot box and
- (a) Examine the ballot papers and reject all ballot papers,
 - (i) which have not been supplied by him; or
 - (ii) by which votes have been given for more candidates than are to be elected; or
 - (iii) upon which anything appears by which the voter can be identified, but no word, letter or marks written or made or omitted to be written or made by the electoral officer or his deputy on a ballot paper shall void it or warrant its rejection;
 - (b) Declare a ballot paper containing the names of candidates for more than one office, on which votes are given for more candidates for any office than are to be elected, to

be void as regards all the candidates for such office; but such ballot paper shall be good as regards the votes for any other office, in respect of which the voter has not voted for more candidates than are to be elected;

- (c) Subject to review on recount or on an election appeal, take a note of any objection made by any candidate or his agent to any ballot paper found in the ballot box and decide any question arising out of the objection.
 - (d) Number such objection and place a corresponding number on the back of the ballot paper with the word "allowed" or "disallowed", as the case may be, with his initials;
 - (e) Count the votes given for each candidate from the ballot papers not rejected and make a written statement of the number of votes given to each candidate and of the number of ballot papers rejected and not counted by him which statement shall be then signed by him and such other persons authorized to be present as may desire to sign the same.
8. Immediately after the completion of the counting of the votes the electoral officer shall publicly declare to be elected the candidate or candidates having the highest number of votes, and he shall also post in some conspicuous place a statement signed by him showing the number of votes cast for each candidate.
9. Where it appears that two or more candidates have an equal number of votes, the electoral officer shall give a casting vote for one or more of such candidates, but the electoral officer shall not otherwise be entitled to vote.
10. (1) The electoral officer shall prepare a statement in triplicate showing the total number of votes cast for each candidate, the number of rejected ballots and the names of the candidates duly declared elected.
- (2) One copy of such statement shall be forwarded to the Director, one to the Regional Supervisor or the Indian Commissioner for the Province of British Columbia, and one copy filed in the Agency Office.
- (3) The statement shall be signed by the electoral officer and such of the candidates or their agents as are present and desire to sign it.

Disposition of Ballot Papers

11. The electoral officer shall deposit all ballot papers in sealed envelopes with the Superintendent, who shall retain them in his

possession for eight weeks, and unless otherwise directed by the Minister or by a person authorized by him shall then destroy the ballot papers in the presence of two witnesses who shall make a declaration that they witnessed the destruction of them.

Election Appeals

12. (1) Within thirty days after an election any candidate at the election or any elector who gave or tendered his vote at the election who has reasonable grounds for believing that:
- (a) There was corrupt practice in connection with the election;
 - (b) There was a violation of the Act or these regulations that might have affected the result of the election; or
 - (c) A person nominated to be a candidate in the election was ineligible to be a candidate;
- May lodge an appeal by forwarding by registered mail to the Director particulars thereof verified by affidavit.
- (2) Where an appeal is received by the Director pursuant to sub-section one, the Director shall within seven days of the receipt of the appeal forward a copy of the appeal together with all supporting documents by registered mail to the electoral section.
- (3) Any candidate may within fourteen days of the receipt of the copy of the appeal forward to the Director by registered mail a written answer to the particulars set out in the appeal together with any supporting documents relating thereto duly verified by affidavit.
- (4) All particulars and documents filed in accordance with the provisions of this section shall constitute and form the record.
13. (1) The Minister may, if the material that has been filed is not adequate for deciding the validity of the election complained of, conduct such further investigation into the matter as he deems necessary, in such manner as he deems expedient.
- (2) Such investigation may be held by the Minister or by any person designated by the Minister for the purpose.
- (3) Where the Minister designates a person to hold such an investigation, such person shall submit a detailed report

of the investigation to the Minister for his consideration.

14. Where it appears that:

- (a) There was corrupt practice in connection with an election;
- (b) There was a violation of the Act or these regulations that might have affected the result of an election; or
- (c) A person nominated to be candidate in an election was ineligible to be a candidate.

The Minister shall report to the Governor in council accordingly.

Secrecy of Voting

- 15. (1) Every person in attendance at a polling place or at the counting of the votes shall maintain and aid in maintaining the secrecy of the voting.
- (2) No person shall interfere with a voter when marking his ballot paper or obtain or attempt to obtain at the polling place information as to how a voter is about to vote or has voted.
- 16. The Minister may make such orders and issue such instructions as he may deem necessary from time to time for the effective administration of these regulations.
- 17. Such forms as are required for the purpose of these regulations shall be as are prescribed by the Minister.
- 18. Any person who violates any of the provisions of these regulations is subject to the penalties provided by section one hundred of the Act.

P.C. 2604-May 9, 1952, as amended by P.C. 4214 October 9, 1952.

Note: Section 100 of the Indian Act:

"Every person who is guilty of an offence against any provision of this Act or any regulation made by the Governor in council or the Minister for which a penalty is not provided elsewhere in this Act or the regulations, is liable on summary conviction to a fine not exceeding two hundred dollars or to imprisonment for a term not exceeding three months or to both fine and imprisonment".

APPENDIX B

REGULATIONS GOVERNING PROCEDURES AT
INDIAN BAND COUNCIL MEETINGS

- 1. These regulations may be cited as the "Indian Band council Procedure Regulations".
- 2. In these regulations,
 - (a) "Council" means the council of a Band elected pursuant to section 73 of the Indian Act;
 - (b) "Department" means the Department of Indian Affairs and Northern Development;
 - (c) "Director" means the Director of the Indian Affairs of the Department of Indian Affairs and Northern Development;
 - (d) "Minister" means the Minister of the Department of Indian Affairs and Northern Development;
 - (e) "Secretary" means the person appointed by the council of a Band to record the minutes of the council meetings;
 - (f) "Superintendent" means the Superintendent or Senior Field Officer of the Indian Affairs Branch in charge of the Agency, and includes all Regional Supervisors, all Assistants Indian Agency, and any other officer acting under the instructions of the Minister or Director.

Meetings of the Council

- 3. (1) The first meeting of the council shall be held not later than one month after its election, on a day, hour and place to be stated in a notice given to each member of the Council, and meetings shall thereafter be held on such days and at such times as may be necessary for the business of the council or the affairs of the Band.
- (2) No member of a council may be absent from meetings of the council for three consecutive meetings without being authorized to do so by the chief of the Band or Superintendent, with the consent of the majority of the Councillors of the Band.
- 4. The chief of the Band or Superintendent may, at any time, summon a special meeting of the Council, and shall summon a special meeting when requested to do so by a majority of the members of the Council.

5. The Superintendent shall notify each member of the council of the day, hour and place of the meeting.

Order and Proceedings

6. A majority of the whole council shall constitute a quorum, but where a council consists of nine or more members, five members shall constitute a quorum.
7. If no quorum be present within one hour after the time appointed for the meeting, the Secretary shall call the roll and take the names of the members then present and the council shall stand adjourned until the next meeting.
8. The chief of the Band, or with the consent of the majority of the Councillors present at the meeting, the Superintendent shall be the presiding officer.
9. (1) Upon a quorum being present the presiding officer shall take the chair and call the meeting to order.

(2) (a) In the absence of the chief, or
(b) where the Superintendent is not chosen the presiding officer pursuant to Section 8

a chairman shall be chosen from among the members present who shall preside during the meeting or until the arrival of the chief or until the Superintendent is chosen as the presiding officer.
10. The presiding officer shall maintain order and decide all questions of procedure.
11. The order of business at each regular meeting shall be as follows:
 - (a) reading (correction, if any) and adoption of the minutes of the previous meeting;
 - (b) unfinished business;
 - (c) presentation and reading of correspondence and petitions;
 - (d) presentation and consideration of reports of committees;
 - (e) new business;
 - (f) hearing deputations;
 - (g) adjournment.

12. Each resolution shall be presented or read by the mover, and when duly moved and seconded and placed before the meeting by the presiding officer, shall be open for consideration.
13. After a resolution has been placed before the meeting by the presiding officer it shall be deemed to be in the possession of the Council, but it may be withdrawn by consent of the majority of the council members present.
14. When any member desires to speak, he shall address his remarks to the presiding officer, and confine himself to the question then before the meeting.
15. In the event of more than one member desiring to speak at one time, the presiding officer shall determine who is entitled to speak.
16. (1) The presiding officer or any member may call a member to order while speaking and the debate shall then be suspended and the member shall not speak until the point of order is determined.

(2) A member may speak only once on a point of order.
17. Any member may appeal the decision of the presiding officer to the council and all appeals shall be decided by a majority vote and without debate.
18. (1) All questions before the council shall be decided by a majority vote of the Councillors present.

(2) The presiding officer shall not be entitled to vote but whenever the votes are equal the presiding officer, other than the Superintendent, shall cast the deciding vote.
19. Every member present when a question is put shall vote thereon unless the council shall excuse him or unless he is personally interested in the question, in which case he shall not be obliged to vote.
20. A member who refuses to vote shall be deemed to vote in the affirmative.
21. Whenever a division of the council is taken for any purpose, each member present and voting shall announce his vote upon the question openly and individually in the council and, when so requested by any member, the secretary shall record the same.
22. Any member may require the question or resolution under discussion to be read for his information at any period for the debate, but not so as to interrupt a member speaking.

23. (1) The regular meetings shall be open to members of the Band, and no member shall be excluded therefrom except for improper conduct.
- (2) The presiding officer may expel or exclude from any meeting any person who causes a disturbance at the meeting.
24. The council may at the first meeting thereof appoint in lieu of the committee of the whole council the following standing committees:
 - (a) Finance;
 - (b) Roads and Bridges; and
 - (c) Welfare.
25. The council may appoint special committees on any matters as the interests of the band may require.
26. A majority of the members of a committee shall be a quorum.
27. The chief of the Band shall ex-officio be a member of all committees and be entitled to vote at all meetings thereof, and other members of the council may attend meetings of a committee and may with the consent of the committee take part in the discussion but shall not be entitled to vote.
28. The general duties of standing and special committees are:
 - (a) to report to the council from time to time as often as the interests of the Band may require, all matters connected with the duties imposed on them respectively and to recommend such action by the council in relation thereto as they may deem necessary and expedient;
 - (b) to consider and report upon all matters referred to them by the council or by the chief of the Band.
29. Special meetings of committees shall be called at the request of the chairman or a majority of the committee or in the absence of the chairman on request of the chief of the Band or the Superintendent.
30. Any representative of the Minister present at a council meeting may:
 - (a) address the Council, and explain to and advise the members thereof upon their powers and duties;

- (b) explain to and advise the members thereof upon any question of procedure;
 - (c) give such information as may be requested by any member of the council relating to the administration of the affairs of the Band.
31. The council may make such rules of procedure as are not inconsistent with these regulations in respect of matters not specifically provided for thereby, as it may deem necessary.

APPENDIX C

PERSONNEL PROCEDURES

Recruiting

1. All permanent jobs shall be advertised by means of posters and the media wherever possible.
2. Applications for employment shall be made on application forms provided by the Band Office.
3. Steps in selecting employees:
 - (a) Selection Committee will consist of the chief and council for those positions that are supervisory in nature - co-ordinators, directors, managers. Committees will be the selection committee for all other staff unless the chief and council stipulate otherwise.
 - (b) Selection committee will interview applicants in the community wherever possible and supervisor in charge of the program will prepare the qualifying list.
 - (c) When checking references of professional applicants, the supervisor and one person shall check references independent of each other.
 - (d) In the case of teachers, the successful applicant will be given the for "Offer of Employment" signed by the band manager.
 - (e) The successful applicant will sign the form "Acceptance of Employment" within 72 hours.
 - (f) The Band will confirm the offer and acceptance by a motion at the next Band council Meeting. The chief will sign the form "Confirmation of Employment".
 - (g) The employees job description and employee procedures will be explained by the employees immediate supervisor at the time of interview.
4. All permanent jobs must be approved by the chief and Council.

APPENDIX D*

COMMON BOOKKEEPING TERMS

ASSETS:	Items that are owned by the band. For example, cash, accounts receivable (money owed to the band), buildings, machinery, equipment, etc.
LIABILITIES:	Debts owed by the band. For example, accounts payable (money owed by the band), bank loans, unpaid bills (usually bills unpaid at the end of an accounting period).
CHEQUE:	A document prepared by the band in payment for goods or services. This document authorizes the bank to pay money from the band's bank account to the person or business named on the cheque. Cheques are important documents used by the band and auditors. For example, if the band were to pay somebody \$100 in cash, there would be no documentation or record of the transaction. but if a cheque was used, the cancelled cheque would be returned by the bank with the bank statement thus enabling the band to confirm the expenditure, and who has received payment.
RECEIPT:	A document prepared by the band when money is received. The receipt records who the money is from and the amount of money received. Most receipts also provide space to record what the payment is for. The receipt is another important document which is used by the Band and auditors. For example, if the band received \$100, a receipt would be issued to the person paying the \$100. The receipt provides a record that the person paid the money and the band has received it.
JOURNAL:	A record of financial transactions.
CASH PAYMENT JOURNAL:	A record of all cheques issued by the band.

*This material was obtained at financial management training course prepared by the Confederation College of Applied Arts and Technology, Thunder Bay, Ontario

CASH RECEIPT JOURNAL:

A record of all receipts issued by the band.

REVENUE:

The term used for money received by the band.

EXPENDITURE:

The term used for all money spent by the band.

SURPLUS:

The amount of money left over when more money is received than is spent.

For example, if the band received \$300 for a program and spent only \$200 on that same program, there would be a surplus of \$100. This is commonly referred to as an excess of revenue over expenditure because you received more money (revenue) than was spent (expenditure).

DEFICIT:

The amount of money short when more money is spent than is received.

For example, if the band received \$200 and spent \$300 for a program, there would be a deficit of \$100. This is commonly referred to as an excess of expenditure over revenue because more money was spent (expenditure) than received (revenue).

DEBIT:

An expenditure in a particular program. A debit results in a reduction of band funds. All cheques issued by the band are an expenditure (debit) in the particular programs for which they have been issued. Assets are always debits because they must be purchased (an expenditure is required to obtain them). If the band has money in the bank or people owe money to the band, these are debits.

In bookkeeping, debits are used in the following circumstances:

1. Increased expenditures (an increase in expenditures is called a debit because you must pay out money).
2. Decreased revenues (a decrease in revenues is called a debit because you receive less money).
3. Decreased liabilities (a decrease in liabilities is called a debit because you pay money that is owing by the Band).

4. Increased assets (an increase in assets is a debit because you must spend money to make purchases or acquisitions).

The use of debits may be confusing. It would be helpful to memorize the use of debits listed above.

CREDIT:

A revenue is a particular program. A credit results in an increase of band funds. All receipts issued by the band are revenue (credit) for the particular program for which they have been issued, because of the money that is received. Liabilities are always credits. If the band owes people money this is a credit, because the money has not yet been paid out.

In bookkeeping, credits are used in the following circumstances:

1. Decreased expenditures (a decrease in expenditures is called a credit).
2. Increased revenues (an increase in revenues is called a credit because money is received).
3. Increased liabilities (an increase in liabilities is called a credit because you owe money that has not yet been paid).
4. Decreased assets (a decrease in assets is a credit).

The use of credits may be confusing. It would be helpful to memorize the use of credits listed above.

DOUBLE ENTRY SYSTEM:

This means that every debit side of an entry has an equal credit side.

The system works on the rule that all accounts must balance. Money taken from one account must be placed in another. All financial transactions are recorded in two places - that is, you make a double entry.

LEDGER CARD:

A card on which all transactions for a particular account/program are recorded. Every account/program has a ledger card.

For example, all transactions for Recreation would be recorded on a card labelled "Recreation" or with a number making reference to "Recreation".

JOURNAL ENTRY: A procedure used mainly for correcting errors and omissions.

The journal entry will always have two sides - debit and credit. It is a double entry. The debits will equal the credits - that is, the debits and credits will balance.

For example, assume tha the band made an expenditure of \$200 for Recreation but it was incorrectly charged to Administration. To correct this a journal entry could be made as follows:

Sample Journal Entry

<u>Program</u>	<u>Debit</u>	<u>Credit</u>
Recreation	\$200.00	
Administration		\$200.00

The reason for this journal entry is as follows:

1. The original payment was debited as an expenditure to Administration.
2. The expenditure should have been debited to Recreation.
3. The \$200 credit to Administration corrects the \$200 debit which had been made to Administration in error.
4. The journal entry illustrated above now properly records the \$200 Recreation expenditure charged against the Recreation program as a debit.

BANK RECONCILIATION: A bookkeeping procedure used to detect whether any errors or omissions have been made either by the Band or the bank in recording transactions affecting the bank account.

Interest payments or bank charges for cashing cheques are automatically recorded on the bank statement by the bank and are not normally recorded on the band's books.

This means that the band's records would ot show the same balance as the bank's statements, as the bank charges have not yet been listed.

TRIAL BALANCE: A listing of all the ending balances of all ledger cards. The total of all debit balances must equal the total of all credit balances. If the debit balances and credit balances are equal it assures you that all transactions are recorded on the double entry basis in the books.

Sample Trial Balance

<u>Program</u>	<u>Debit</u>	<u>Credit</u>
Recreation	\$100.00	
Administration		\$100.00
	<u>\$100.00</u>	<u>\$100.00</u>

Money taken from one account is always recorded in another account.

You will note that the debit column equals the credit column, signifying that all transactions are recorded on the double entry basis.

TRANSPPOSITION ERROR:

An error that occurs when figures are recorded backwards.

For example, recording an amount of \$32 when it should be \$23.

FISCAL PERIOD:

Any period of time established for accounting purposes, usually a month, quarter-year or year.

FISCAL YEAR:

The particular twelve-month period used as a year for accounting purposes by a business or government. Band governments are presently using the period of April 1st to March 31st as a fiscal year. The twelve months need not begin with January.

CALENDAR YEAR:

A twelve-month period from January 1st to December 31st.