



K'ómoks First Nation

Finance: Borrowing – Long-Term Debt Policy

The purpose of this policy is to establish an effective borrowing and accountable framework for the K'ómoks First Nation. Borrowing funds can support K'ómoks First Nation in carrying out its strategic plan and achieving its goals.

Document Information	
BCR #	07-2024_25-BCR
Effective Date	April 25, 2024
Document Sections Modified	Not Applicable
Modification(s) Effective Date(s)	Not Applicable

Chief Kenneth Price

Councillor Coral Mackay

Councillor Candace Newman

Councillor Susan Savoie

Table of Contents

Definitions	3
1.0 Policy Statement	6
2.0 Purpose.....	6
3.0 Scope	6
4.0 Responsibility.....	6
4.1 Council	6
4.2 Finance and Audit Committee	6
4.3 Chief Administrative Officer	6
4.4 Director of Finance	7

Definitions

“Assign”	transfer of duties or functions from one person to another where the former person (the assignor) retains responsibility for ensuring the activities are carried out.
“Authorization and Delegation Table”	a table approved by Council specifying the delegation and assignment authorities over decisions or activities related to the K’ómoks First Nation’s financial administration.
“Cash”	money, cheques, money orders, and equivalent forms of currency.
“Cash Reserves”	funds that a company keeps on-hand to meet short-term and emergency funding needs.
“Chairperson”	head of a meeting, department, committee, or board. The vice-chairperson acts as the head when the chairperson is not there.
“Chief Administrative Officer”	person who is responsible for leading the day-to-day administration or management of the K’ómoks First Nation and who reports directly to Council.
“Committee”	group of people appointed by Council for advising Council or conducting decision-making activities assigned by Council until or unless they are suspended or disbanded by Council.
“Contract”	legally binding agreement between two parties.
“Control”	policy, procedure, or process put in place to manage a K’ómoks First Nation government’s administration.
“Council”	elected or appointed official representatives of the K’ómoks First Nation that includes Chief, Councillors and the equivalent terminology used by the K’ómoks First Nation
“Debt”	something that is owed or due that can mature more than one year from the date of its creation, or can mature and be renewed or extended for a period of time beyond the original renewal date.
“Delegation”	transfer of specific responsibilities from one person to another.

“Director of Finance”	person responsible for the day-to-day management of the K’ómoks First Nation’s finances and who reports to the Chief Administrative Officer.
“Direct Supervisor”	employee responsible for managing and overseeing the work and development of other staff.
“Financial Statement”	formal record of all funding and property of the K’ómoks First Nation within a specific period.
“Fiscal Year”	twelve-month period used for tax or accounting purposes.
“GAAP”	Canadian Generally Accepted Accounting Principles, the framework of accounting guidelines, rules and procedures.
“Information”	knowledge received and any documented material regardless of source or format.
“Integrated Planning and Budgeting”	annual process of planning and budgeting activities across every level of the K’ómoks First Nation government that are linked, coordinated, and driven by the K’ómoks First Nation’s vision and strategic objectives.
“Investment”	an asset or item bought with the hope that it will gain value or provide income in the future.
“Loan Guarantee”	promise to pay all or a part of the principal and/or interest on a debt obligation in the event of default by the borrower.
“Local Revenues”	term used to describe property taxes under the <i>K’ómoks First Nations Fiscal Management Act</i> .
“Long-Term Debt”	any debt that exceeds a period of time beyond 12 months.
“Misconduct or Wrongdoing”	breach of the K’ómoks First Nation’s Financial Administration Law including conflict of interest provisions, code of conduct, Council-approved policies and administrative procedures.
“Officer”	Chief Administrative Officer, Director of Finance, Tax Administrator or any other employee of the K’ómoks First Nation government designated by the Council as an Officer.

“Privacy Protection”	rules a K’ómoks First Nation government puts in place to collect, create, use, share/disclose, retain, protect and dispose of the Personal Information that it needs for its administration.
“Record”	information created, received, and maintained by the K’ómoks First Nation government for operational purposes or legal obligations. A record may be electronic, or hardcopy paper based.
“Recordkeeping”	how an organization creates, obtains, and manages records.
“Rehabilitation”	asset alteration, extension and renovation but does not include routine maintenance.
“Requisition”	purchase order used by the K’ómoks First Nation government when recording expenditures.
“RFP”	Request for Proposal, competitive process followed by the K’ómoks First Nation government to enter into a major service contract. RFPs lay out the K’ómoks First Nation government’s needs and conditions and leave it up to the potential contractors to present a proposal that shows their experience, skills and ability to carry out the contract within time and cost specifications
“Special Committee”	committee formed for a specific purpose and is dissolved when that purpose has been achieved.
“Standing Committee”	committee that has an ongoing purpose.
“Tax Administrator”	person responsible for managing the local revenues and local revenue account on a day-to-day basis, if the K’ómoks First Nation government is collecting local revenues.
“Value for Money”	best combination of price, quality, and benefits of a product or service

1.0 Policy Statement

It is Council's policy to establish a process around long-term debt or borrowing, repayments, use of those funds, recording and subsequently reporting of long-term debt or borrowing to members.

Long-term debt obligations will be recorded, monitored, reconciled and reported to Council quarterly through the Finance and Audit Committee and any exceptions or issues identified and resolved.

2.0 Purpose

The purpose of this policy is to establish an effective borrowing and accountable framework for the K'ómoks First Nation. Borrowing funds can support K'ómoks First Nation in carrying out its strategic plan and achieving its goals.

3.0 Scope

This policy applies to Council, Chief Administrative Officer, Director of Finance, Officers, Finance and Audit Committee, and persons with the authority to recommend or approve long-term borrowing.

4.0 Responsibilities:

4.1 Council

is responsible for:

- a) reviewing and approving any proposed long-term debt or borrowing, including the terms and conditions, recommended by the Finance and Audit Committee.

4.2 Finance and Audit Committee

is responsible for:

- a) reviewing borrowing and long-term debt proposals presented by the Chief Administrative Officer and Director of Finance and recommending a course of action to Council.
- b) monitoring long-term debt borrowing obligations and repayments.

4.3 Chief Administrative Officer

is responsible for:

- a) reviewing borrowing proposals prepared by the Director of Finance, and
- b) recommending a course of action to the Finance and Audit Committee

4.4 Director of Finance

(in conjunction with the Tax Administrator for local revenue account related debts) is responsible for:

- a) preparing borrowing proposals for each proposed borrowing and presenting it to the Chief Administrative Officer for review.
- b) ongoing monitoring and management of all borrowing, including timely payments, maintaining sufficient documentation, and performing regular reconciliations of debt transactions.
- c) reporting and disclosing borrowings in the financial statements in accordance with Canadian GAAP, the Financial Administration Law and any agreements under which the borrowings were incurred.