



# K'ómoks First Nation

## Finance: Expenditures - Travel Policy

*A policy to establish a process around expenditures paid to suppliers or reimbursed to Council, Committee members, Staff, the KFN community and others.*

Document Information	
BCR #	45-2024_25-BCR
Effective Date	August 1, 2024
Document Sections Modified	
Modification(s) Effective Date(s)	

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## Definitions

“Arrears”	unpaid, overdue debt, or an unfulfilled obligation.
“Assets”	anything of value owned by the First Nation.
“Asset Recognition Criteria”	criteria to be used to set the threshold for determining whether a capital asset must be included in the capital asset register.
“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.
“Budget”	a plan or outline of expected funds and spending over a specified period.
“Capital Assets”	tangible capital assets (physical assets) such as buildings, land, and major equipment.
“Capital Plan”	a consolidated plan or outline of expected funds and spending of all capital projects to be undertaken in a fiscal year.
“Capital Project”	the construction, rehabilitation or replacement of the First Nation’s capital assets and any other major capital projects in which the First Nation or its related entities are investors.
“Capital Project Plan”	a project management plan to carry out a capital project that includes the budget.
“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.
“Classification”	process of categorizing records in an organized way.
“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.
“Conflict of Interest”	situation of personal gain at the expense of others.
“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.
“Corrective Actions”	steps taken to deal with job-related behavior that does not meet agreed upon and communicated performance expectations.
“Cost”	amount of funds to be paid or spent to obtain something.
“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.
“CMO”	Cash Management Online also known as an electronic bank transaction.
“Debt”	something that is owed or due.
“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.

“Eligibility Criteria”	requirements set by Council which must be met by an individual to be considered independent and eligible to be appointed to the Finance and Audit Committee.
“Engagement Letter”	written document prepared by the auditor that serves as a contract to confirm the audit arrangements between the auditor and the First Nation government; it is required by Canadian Generally Accepted Auditing Standards.
“Entity”	corporation, partnership, joint venture or unincorporated association or organization whose financial transactions are consolidated in the First Nation government’s financial statements in accordance with GAAP.
“Expenditure”	amount of funds spent to buy goods, services or to provide programs.
“Expenses”	amount of funds used up or expired and recorded over a period of time.
“Fairness”	refers to giving qualified firms and individuals an equal opportunity to compete for the contract work; and to evaluating tenders and proposals in accordance with accepted practices.
“Fair Value”	is the amount of the consideration that would be agreed upon in an arm’s length transaction between knowledgeable, willing parties who are under no compulsion to act.
“Financial Competency”	ability to read and understand the K’ómoks First Nation government’s financial statements.
“Financial Report”	the compilation of several financial statements used for decision-making purposes.
“Financial Reporting Risk”	possibility of a significant error in financial information often caused by weak internal controls or fraud.
“Financial Statement”	formal record of all funding and property of the K’ómoks First Nation within a specific period. For example, a Cash Flow Statement or a Statement of Financial Position (aka Balance Sheet), or a Statement of Operations (aka Income Statement).

“Fiscal Year”	twelve-month period used for tax or accounting purposes.
“Fraud”	wrongful or criminal act that involves lying or holding back information; this is usually done for personal or financial gain.
“GAAP”	Canadian Generally Accepted Accounting Principles, the framework of accounting guidelines, rules and procedures.
“Indemnity”	security or protection against a loss or other financial commitment
“Independence”	<p>eligibility criteria for finance and audit committee membership defined as an individual who does not have a direct or indirect relationship with the First Nation government that could, in the opinion of Council, reasonably interfere with the individual’s judgment as a member of the finance and audit committee.</p> <p>an individual with a role in the financial management of the First Nation involving planning, organizing, directing or controlling of its financial activities – including budgeting, financial accounting, financial reporting, procurement and use of funds, does not meet the minimum independence requirements for finance and audit committee membership.</p>
“Information”	knowledge received and any documented material regardless of source or format.
“Information Security”	way a First Nation government protects information from unauthorized access, use, modification, or destruction.
“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.
“Internal Assessment”	review of an activity/process by an independent First Nation staff member (i.e. an individual not responsible for or involved in the activity) to determine the effectiveness of that specific activity or process.

“Investment”	an asset or item bought with the hope that it will gain value or provide income in the future.
“Invited Tender”	refers to a tender that is distributed to a certain number of contractors or entities who are invited to bid on a specific project or service provision. Industry standards indicate that at least three contractors should be invited to ensure that the process is fair and there is sufficient competition.
“Life-Cycle Plan”	plan of the First Nation’s assets in terms of costs to buy, operate, upkeep and get rid of over a specified period.
“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 K’ómoks First Nations Fiscal Management Act.
“Long-Term Debt”	any debt that exceeds a period of time beyond 12 months.
“Materiality”	whether a certain financial amount is significant enough to impact a reader’s decision-making choices.
“Materiality Threshold”	the minimum financial amount that a K’ómoks First Nation government considers significant or large enough to warrant consideration or changes in decision making choices.
“Material Change”	means an event, occurrence, or a change in conditions, circumstances, an amending agreement, or other change that could result in or cause changes to the completion, fulfilment or execution of the terms of an original agreement or contract.
“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.
“Organizational Chart”	visual representation of the different positions in a First Nation government that clearly shows reporting relationships (who reports to who).
“Performance Improvement Plan”	plan developed by an employee’s direct supervisor, in consultation with the employee, to address the areas for improvement/development identified during the performance review process.
“Personal Information”	information about a specific individual. In addition to common items such as an individual’s name, gender, physical characteristics, address, contact information, identification and file numbers - it also includes criminal, medical, financial, family and educational history as well as evaluative information and other details of an individual’s life.
“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.
“Projection”	estimates for a future situation based on all the information available now.
“Purchase Order”	document stating the wish of a buyer to purchase something from a seller that shows the exact details of the items the buyer wishes to buy.
“Purchasing”	buying an asset or item. Also referred as “procurement” per the First Nations Financial Management Board Standards.
“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.



“Remuneration”	salaries, wages, commissions, bonuses, fees, honoraria and dividends and any other monetary and non-monetary benefits.
“Replacement”	substitution, in whole or in part, with another of the First Nation government’s capital assets.
“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 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.
“RFQ”	Request for Quotes, competitive process followed by K’ómoks First Nation when trying to obtain best price and best service-program for the Nation.
“Risk”	<p>is defined as anything of variable uncertainty, loss or other negative event of significance that interferes or threatens to interfere with the achievement of KFN’s strategies, goals and objectives.</p> <p>In insurance terms is the possibility of a loss or other adverse event that has the potential to interfere with KFN’s ability to fulfill its mandate, and for which an insurance claim may be submitted.</p>
“Risk Tolerance”	means the degree of uncertainty the K’ómoks First Nation is willing to accept in the achievement of its goals.
“Sole Source”	contract entered into by the First Nation government without a competitive process to purchase goods and/or services.
“Special Committee”	committee formed for a specific purpose and is dissolved when that purpose has been achieved.
“Special Purpose Report”	financial report on a specific activity required by an agreement or a law. Special Purpose reports

may include requirements set as per the Financial Administration Law (FAL) such as:

- Local revenue requirements, or
- Payments made by KFN to honour guarantees and indemnities, or
- All debt and obligations forgiven by the Nation during the fiscal year, or
- Any other report requested by Chief and Council, or the Chief Administrative Officer.

“Standing Committee”

committee that has an ongoing purpose.

“Tangible Capital Assets”

are non-financial assets having physical substance that:

- are held for use in the production or supply of goods and services, for rental to others, for administrative purposes or for the development, construction, maintenance or repair of other Tangible Capital Assets;
- have useful economic lives extending beyond an accounting period;
- are to be used on a continuing basis; and
- are not for sale in the ordinary course of operations.

“Tax Administrator”

means a person appointed by Council under Subsection 3(1) of the KFN Property Taxation Law, 2011 who is responsible for managing the local property tax revenues and local Property Tax revenue bank account on a day-to-day basis.

“Tender Process”

refers to the process where documents outlining the requirements and specifications of a project are put in the hands of prospective contractors or suppliers interested in submitting bids.

“Terms of Reference”

is a documented statement of the mandate, objectives, purpose, scope, functions and rules under which a Committee is expected to operate.

“Unrestricted Investments”

are investments made with funds the source of which is not government transfers or local revenues.

“Useful Life”

is the estimate of either the period over which a tangible capital asset is expected to be used by the K’ómoks First Nation, or the number of production or similar units that can be obtained from the tangible capital asset by the K’ómoks First Nation. The life of a tangible capital asset may extend beyond the Useful Life of a tangible capital asset to the K’ómoks First Nation. The life of a tangible capital asset, other than land, is finite, and is normally the shortest of the physical, technological, commercial and legal life.

“Value for Money”

best combination of price, quality, and benefits of a product or service.

“Virtual Private Network”

VPN is a way to use public telecommunication infrastructure, such as the internet, to provide remote offices or individual users with secure access to the First Nation government’s virtual network.

## Policy Statement

It is K'ómoks First Nation's (KFN) policy to establish a process around expenditures paid to suppliers or reimbursed to Councillors, Staff, K'ómoks First Nation Community and others for valid KFN activities.

## Purpose

The purpose of the policy is to make sure that all expenditures from KFN's funds are in support of valid KFN services and activities and that processing of payments are subject to proper approvals and budget controls. Having rules in place for how spending can get approved and for what is an important part of a KFN's ability to operate smoothly.

## Scope

This policy applies to Council, Council committees, Staff and any other persons conducting activities that require payment of expenditures in connection with the financial administration of the K'ómoks First Nation.

## Responsibilities:

### Positions identified in the Authorization and Delegation Table

are responsible for:

1. before approving an expenditure, ensuring that it is permitted under the current KFN annual budget and permitted within the Financial Administration Law (FAL) guidelines, and ensuring there are no other expenditures already earmarked for other commitments.
2. reviewing reimbursable expenditure claims to make sure that the requirements of this policy have been met before approving items for payment.
3. ensuring expenditures follow guidelines set in any other related or relevant KFN policies.
4. Ensuring all expenditures are reviewed and do not contravene KFN's Code of Conduct and Conflict of Interest guidelines.

### Director of Finance or their designate

are responsible for:

1. making sure that all expenditures have the required approvals as per the guidelines identified in the Purchasing Policy and relevant procedures, this policy and its relevant procedures, and the Authorization and Delegation Table before processing for payment.
2. making sure that all required documentation accompanies each payment and is retained in the financial records of KFN in accordance with the Record Information Management policy.
3. on a quarterly basis, updating and communicating the reimbursable Travel Expenditure Claim forms to current rates identified within the guidelines (and appendixes) set by the National Joint Council Rates and Allowances.

### Staff, Committees and Council members

are responsible for:

1. ensuring and reviewing all expenditure payment claims are in accordance with KFN's annual budget, permissible under the Financial Administration Law guidelines, this policy, the Purchasing Policy and the Authorization and Delegation Table.
2. preparing appropriate Payroll timesheets, Cheque-CMO requisitions, Monthly Mileage form or Travel Reimbursement form(s) and providing all required documentation.
3. Seeking approval from the Chief Administrative Officer or Chief and Council for items that are not addressed in this policy before proceeding.
4. Obtaining authorization to travel from either:
  - a. their direct supervisor
  - b. the Chief Administrative Officer or their designate,
  - c. in the case of Chief and Council, the approval of at least two other Council members.

## The Chief Administrative Officer or their designate

is responsible for:

1. approving expenditures for emergency purpose not anticipated in the budget if the expenditure is not expressly prohibited by or under the Financial Administration Law or another First Nation law.
2. Providing pre-approvals for planned expenditures that have not been specifically addressed in the annual budget of the Nation but are deemed to meet the intent of the policy and are permitted in the Financial Administration Law.

### Attachments

- KFN Travel Expense Claim Template
- KFN Treaty Travel Expense Claim Form
- KFN Monthly Mileage Form
- KFN Cheque-CMO Requisition Forms
- Payroll TimeSheet