



Qikiqtani Inuit Association

Financial Policies

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ARTICLE 1 INTRODUCTIONS

These Financial Policies are made in accordance with QIA By-Law #5 Restated and By-law #6. The Executive Director has the authority to make and approve procedures to implement these Financial Policies.

Article 1.1 Purpose

QIA is transparent and accountable to Qikiqtani Inuit. QIA recognizes the high degree of trust it has from its members to use QIA resources wisely and fairly. QIA seeks to avoid any waste of financial resources.

Article 1.2 Application

These Financial Policies and the procedures made to implement them apply to all QIA staff and all members of the Board of Directors. The Executive Director is responsible for ensuring QIA's operations adhere to these policies. QIA policies should be read together with applicable QIA procedures, and where appropriate, applicable QIA by-laws. The Executive Director, Assistant Executive Director, Department Heads and other QIA staff who handle QIA funds to manage contractors, purchase goods, services, or travel, or who handle QIA payroll, payments or benefits must be familiar with these Financial Policies and the procedures made to implement them.

Article 1.2.1 Contributions

These Financial Policies apply to QIA's handling of funds contributed to other people or groups, and to the members of the QIA committees that grant funds, such as Ilagiiktunut or Benefits Fund. These Financial Policies also apply to all money management, including funds received by way of grants, Contribution Agreement or other third-party sources.

ARTICLE 2 GENERAL FINANCIAL MANAGEMENT

"Senior Management" means the Executive Director and Assistant Executive Director. A "Department" in the Financial Policies is not necessarily the same as an organizational unit called a department within QIA. QIA Finance uses the term "Department" to describe a cost centre within the General Ledger. QIA Finance uses the term "Department Head" to describe as a person responsible for a specific cost centre, or "Department". For financial management, a Department Head may be responsible for more than one Department. The President is the Department Head for the budget of the Board of Directors and the Executive Committee.

Article 2.1 Revenue

In compliance with QIA bylaws, all incoming funds are deposited in a bank.

Article 2.2 Accounting

QIA uses generally accepted accounting principles. QIA Executive Director, with the Department of Finance, is responsible for the appropriate selection and application of accounting principles. QIA uses a fund-based accounting system, with the General Fund, Economic Development Fund and the Legacy Fund. QIA uses the accrual method of accounting.

Article 2.3 Budgeting

Article 2.3.1 Approving the Budget

The Executive Committee and the Board of Directors must approve an annual budget for QIA. The annual budget sets out in monetary terms the goals and objectives of QIA for the fiscal year. The purpose of the budget is to direct funding in accordance with the priorities and directions of the Board of Directors. At its winter meeting, usually held in February, the QIA Board of Directors approves the QIA budget for the next fiscal year (April 1 to March 31).

Article 2.3.2 Responsibilities related to Budget

The Secretary/Treasurer oversees the budgeting, spending and auditing of QI As finances throughout the year on behalf of the Board of Directors, in compliance with the bylaws. Budgeting and auditing oversight is exercised with support from the Finance Committee. The Executive Director is responsible for implementing the budget and directing QIA operations according to the budget. The Executive Director is responsible for the monitoring of actual expenditures as compared to budgeted expenditures because the budget is the means by which the Executive Director has the authority to spend. The President is responsible for supervising the Executive Director outside of meetings of the Executive Committee.

Article 2.3.3 Budget Revision

Anyone responsible for a budget account, also known as a "Department Head", must identify to the Executive Director, or designate, significant variations from the budget, ideally before they occur, and seek approval for budget revisions. Budget revisions must comply with Commitment Approval Authority levels.

Article 2.4 Financial Statements

In compliance with QIA bylaws, QIA shall complete annual consolidated and non-consolidated financial statements within 180 days of its fiscal year end (March 31), and once audited, present the financial statements to the Annual General Meeting.

Article 2.5 Investments

QIA investments will not conflict with Inuit societal values. The Executive Committee will review and confirm investment policy statements where QIA holds marketable securities. The investment of marketable securities is held for the benefit of the Economic Development Fund and Legacy Fund.

Article 2.6 Legal Compliance

The Executive Director, or designate, ensures QIA's legal compliance with laws applicable to financial management including but not limited to those governed by the Canadian Revenue Agency, Nunavut Workers' Safety and Compensation Commission, and Nunavut Legal Registries.

ARTICLE 3 CAPITAL ASSETS

The control, accounting, auditing, depreciation, and disposal of capital assets will be done in accordance with generally accepted accounting principles. QIA accounting records shall contain capital assets with a value over \$5,000. The Finance Department accounts for all capital assets until they are disposed of or written-off. QIA shall maintain adequate insurance on its property and assets.

Article 3.1 Acquisition of Capital Assets

The Procurement Policy applies to the acquisition of capital assets.

Article 3.2 Disposal of Capital Assets

With the approval of the Executive Director, assets are disposed of safely with respect to data protection and the environment.

ARTICLE 4 EXPENDITURES

"Expenditures" means any money spent other than payroll. All expenditures shall be properly authorized by a Commitment Approval Authority and all payments properly authorized by a Payment Approval Authority. All expenditures must be supported by the proper form, and made in accordance with the Financial Policies and procedures made pursuant to the Financial Policies.

In the event of overpayment of expenditures, the Executive Director, or designate, shall cause recovery efforts to be made.

ARTICLE 5 FINANCIAL APPROVAL AUTHORITIES

Generally, all expenditures shall be according to the approved budget. All payments made by QIA must go through a series of approvals, each of which is performed by someone with specific approval authority. All approval authorities are delegated to positions identified by title, rather than to individuals identified by name. Satisfying all four kinds of approval authorities is necessary in a financial transaction. No person with approval authority shall exceed the limits of that approval authority, either the nature of the expenditure or the amount of the expenditure. No individual shall exercise approval authority with respect to an expenditure from which he or she personally can benefit, directly or indirectly. The improper exercise of authority may be subject to discipline. Misuse of an approval authority will be treated as if it were a misuse of QIA funds.

Article 5.1 Kinds of Approval Authority

Article 5.1.1 Commitment Approval Authority

Commitment approval authority is the authority to make the decision to spend, or the authority to make financial commitments. Generally, this authority is used by Department Heads. The same person may use both Commitment and Payment approval authorities.

Commitment decisions include but are not limited to:

- a tender or request for proposals
- contracts for services,
- a purchase order, and
- travel approval.

Article 5.1.2 Payment Approval Authority

Payment approval authority is the authority to pay out money. The Payment approval authority checks the invoice, makes sure the work has been done, approves and submits the documentation to the Finance Department. Generally, this authority is used by Departments Heads. The same person may use both Commitment and Payment approval authorities.

Article 5.1.3 Accounting Approval Authority

Accounting approval authority, within the Finance Department, checks to see that the other authorities are in place, the documentation is complete, and prepares payments.

Article 5.1.4 Cheque Signing Authority

Cheque signing authority is the authority to sign a cheque, or the electronic equivalent. The Board of Directors delegates cheque signing authority to specific positions by resolution. The commitment and spending approval authorities are usually exercised by the same person but they are separate steps.

Article 5.2 Commitment Approval Authority Limits

A commitment approval authority cannot authorize expenditures in excess of the approved budget, approved budget revision or third-party or other funding sources. A commitment approval authority can only authorize an expenditure up to the dollar amount for their position as set out in the table below.

<i>Position</i>	<i>Expenditure Maximum</i>
<i>Membership by way of Extraordinary Resolution</i>	<i>Above \$6 Million</i>
<i>Board of Directors</i>	<i>\$6 million</i>
<i>Executive Committee</i>	<i>\$2.5 million</i>
<i>President</i>	<i>\$750,000</i>
<i>Executive Director</i>	<i>\$500,000</i>
<i>Assistant Executive Director/CFO</i>	<i>\$150,000</i>
<i>Department Director</i>	<i>\$50,000</i>
<i>Department Assistant Director</i>	<i>\$25,000</i>

Article 5.3 Electronic Payments

QIA may make electronic payments where two duly authorized cheque signing authorities provide written instruction, according to the procedures.

ARTICLE 6 PROCUREMENT

QIA secures goods and services using a competitive contracting process that is clear and fair, in order to:

- Be accountable to Qikiqtani Inuit
- Use Inuit resources wisely
- Get the best value for the money
- Promote Inuit business, including QIA's own related firms, and
- Support the economy of the Qikiqtani region.

Article 6.1 Procurement Methods

All procurement shall be by way of one of the following methods:

Article 6.1.1 Sole Source Contracts

Contracts may be awarded without a competitive procurement process where justified by urgency or where the Board of Directors approves the contract. The Executive Director or designate must approve any contract that is being awarded on the basis that there is only one provider of the required goods or services. The table below sets out the authority to award a contract without a competitive procurement process.

Position	Contract Maximum
Executive Director or Designate	\$75,000
Department Director	\$25,000

Article 6.1.2 Invitational Request for Proposals (up to \$100,000)

For purchases of goods and services up to \$100,000 that do not use a standing offer, invitational Request for Proposals (RFPs) are required. RFPs by invitation may be issued to Qikiqtani-based businesses where sufficient competition exists, being three (3) or more companies located in Qikiqtani that are interested and capable of performing the work. QIA may also invite firms that are not based in Nunavut, with a preference for firms that are included on the NTI Inuit Firms Registry.

Article 6.1.3 Public RFP (more than \$100,000)

For purchases of goods and services over \$100,000, a formal public process shall be required.

Article 6.1.4 Public RFP for Standing Offer Agreement (\$5,000 - \$100,000)

A Standing Offer Agreement RFP generates a list of qualified service providers in each field, and with each one QIA enters into a Standing Offer Agreement ("SOA"). A SOA contains fixed prices, as well as terms and conditions. A SOA supplier may be called on for goods and services

- by a Department Head in amounts up to \$5,000 or
- in amounts between \$5,000 and \$100,000, by Senior Management.

No contract for payment exists with SOA suppliers until their service is requested for a specific purchase or task.

Article 6.2 Bid Adjustment

A potential 15% bid adjustment is available for firms that have specified status. The bid adjustment is applied to quotes on tenders, but only to the scoring of the cost competitiveness or pricing portion of a Request for Proposals. The bid adjustment values are as follows:

- Inuit Firm status, an adjustment of 5%
- Qikiqtani Business status, an adjustment of 5%
- Related Business status, an adjustment of 5%. A Related Business is a business that is directly or indirectly owned by QIA.

Article 6.3 Appeals of Procurement Decisions

An appeal may be made to the Executive Director, and a further appeal may be made to the Executive Committee. The decision of the Executive Committee is final.

ARTICLE 7 LEASES

This policy covers leases where QIA is a tenant. QIA leases space for purposes including but not limited to QIA offices, Community Liaison Officers' offices, staff housing and offsite storage. Office space and staff housing is usually leased from Qikiqtaaluk Corporation. Otherwise, QIA will endeavour to get the best value for the money. Leases are signed by people designated in the bylaws or by resolution of the Board of Directors.

ARTICLE 8 CONTRIBUTIONS

Article 8.1 Contributions to Third Parties

This policy covers contributions and grants made by QIA, and applies to all requests for financial assistance from organizations or individuals. QIA may contribute funds to third parties. Contribution programs can only be authorized by the Board, and are implemented by the Executive Director. Contributions shall only be approved according to spending authorities, in the proper form as set out in the procedures for the contribution program. Contributions shall not exceed the budget account for that contribution. The procedures for contribution programs are set out in the particular documents relating to those programs.

Article 8.2 Contributions from Third Parties

The Board of Directors is responsible for overseeing QIA's existing programs and for approving initiatives intended to advance the social and economic interests of Qikiqtani Inuit, including environmental, social and economic initiatives that may be funded by government or private organizations.

The Executive Director has overall responsibility for implementing decisions of the Board of Directors, including the responsibility to negotiate and approve third-party funding agreements. The Executive Director's role includes ensuring that funding agreements with third parties advance the goals of QIA and are not inconsistent with the values and objectives of the organization. The Executive Director can withhold approval of funding agreements that impose excessive administrative obligations on QIA.

ARTICLE 9 CORPORATE CREDIT CARDS

Corporate credit cards are used for:

- appropriate travel expenses as defined in Travel Expenses;
- appropriate entertainment expenses as defined in Entertainment and Gifts; and
- appropriate QIA expenses when no other payment mechanisms are available or payment by credit card is required.

The President and Executive Director shall have a QIA credit card. Other credit cards, if required, will be assigned by the Executive Director. The Executive Committee shall set the limit on QIA credit cards. The use of corporate credit cards is a privilege not to be abused. Corporate credit cards are not to be used for personal purposes. Any personal charges are considered a debt to QIA and will be subject to immediate deduction from pay or honoraria. Using a corporate credit card for personal use may also result in disciplinary action. Misuse of a QIA credit card will be treated as if it were a misuse of QIA funds.

ARTICLE 10 PERSONAL SERVICE CONTRACTS

Personal service contracts may be used to fill a temporary need. A personal service contract is not to be used as a means of entering into a short-term employment contract. Generally, QIA does not use personal service contracts, that is, it does not contract with people to do a function an employee should do. Except in extraordinary circumstances, a personal service contract or a series of personal service contracts with the same person will be for less than one year in duration. A personal service contract is a contract, and subject to all the policies and procedures relating to contracts, including Procurement and Expenditures.

ARTICLE 11 TRAVEL EXPENSES

This Policy applies to staff, members of the Board of Directors, contractors or other individuals travelling on QIA business.

Article 11.1 Pre-Authorization

All travel must be pre-authorized. Exceptions must be approved by the Executive Director, or designate. Travellers will be reimbursed for *reasonable* expenses *necessarily* incurred.

Article 11.2 Accommodation

Travellers shall be afforded transportation and accommodation that is comfortable and of good quality. Travellers are encouraged where possible to use billeting in private homes within Nunavut as an alternative to commercial accommodation. It is not a conflict of interest to billet with family members. Billet rates are set by the Board of Directors and set out in Appendix 1.

Article 11.3 Per Diems

A person invited or authorized to travel for QIA purposes may be paid per diem, according to the procedures. Per diem rates are set by the Board of Directors and set out in Appendix 1.

Article 11.4 Child Care

An employee or member of the Board of Directors may be reimbursed for child care expenses that are incurred while traveling, according to the procedures. Contractors are not entitled to reimbursement of child care expenses.

Article 11.5 Charter Aircraft

Charter aircraft are permitted, in necessary situations, under the authority of the Executive Director.

Article 11.6 Renting Cars

Rental cars may be used

- for business trips, with Executive Director approval, or
- for QIA meetings or program activity requiring group transportation.

ARTICLE 12 ENTERTAINMENT AND GIFTS

Article 12.1 Entertainment

Entertainment is not a regular part of QIA's business operations. However, QIA recognizes the occasional need for entertainment. Entertainment expenses may be incurred by the President where it is necessary to show courtesy on behalf of QIA.

Article 12.2 Gifts

Gifts are not a regular part of QIA's operations. However, QIA recognizes the need for gifts. Gifts may be provided where the purpose of the gift is on behalf of QIA. Gifts are either for:

- A dignitary or another organization, which may be authorized by the President or
- an individual related to QIA such as a departing employee or an employee grieving a family loss, which gift may be authorized by the Executive Director.

For the purposes of this section "gifts" does not include promotional items such as hats or mugs.

ARTICLE 13 PAYROLL

Article 13.1 Scope of Payroll Policy

This Policy sets out the financial management of payroll. Honoraria is administered as payroll. Employee relations are governed by QIA's human resources policies. Leave is governed by QIA's human resource policies. Leave shall be tracked in the payroll system. The Finance Department tracks and adjusts payroll for leave. Payroll information is highly confidential information. Human Resources staff give Payroll staff only the information needed to process the payroll, and no more. Staff of the Finance Department do not discuss finances outside of Finance, even with Human Resources staff.

Article 13.2 Salary Scale

QIA shall have a salary scale, including the President's salary scale, approved by the Executive Committee.

Article 13.3 Payroll Processing

QIA will pay salaries and honoraria when due, without delay. QIA will comply with all relevant law, including requirements from the Canada Revenue Agency.

Article 13.4 Deductions

QIA will make deductions as required by law, including but not limited to Canada Pension Plan and Employment Insurance. Where appropriate, QIA will make deductions for QIA employment benefits, including but not limited to pension plan, group health benefits, staff housing. The Finance Department will ensure the deductions are accurate and appropriate. QIA will comply with properly issued garnishing orders and Requirements to Pay.

Any change in pay or deduction from pay must be authorized by the Executive Director, or designate. QIA may make the following deductions from payroll where a person has been overpaid from payroll, or owes QIA for another reason, including but not limited to the following circumstances:

- Repayment of advance,
- Accidental overpayment,
- Recovery of travel advances for travel that did not occur,
- Recovery of unsubstantiated claims for reimbursement or credit card charges, or
- Excessive absenteeism or lateness by an employee may result in disciplinary actions being taken that includes loss of pay equal to the amount of work missed.

At the end of employment or term of office, QIA shall ensure departing employees and Board members are properly compensated, subject to monies owed to QIA. A final pay calculation shall be completed by the Finance Department.

ARTICLE 14 HONORARIA

QIA may pay reasonable fees, by way of honoraria, for attendance at meetings. Honoraria is administered as payroll and subject to applicable policies.

Article 14.1 Board Honoraria

Members of the Board of Directors and members of Committees of the Board of Directors, except the President, may receive honoraria for attendance at meetings. Rates for those honoraria are determined from time to time, at an Annual General Meeting by extraordinary resolution, pursuant to By-law #5 Article 8.07.01 and are set out in Appendix 1. The President is paid a salary and is subject to the authority of the Executive Committee in this regard.

Article 14.2 Other Honoraria

The Executive Director may establish honoraria for people attending other meetings, including but not limited to QIA consultations with Inuit, which honoraria may not be higher than set out in Appendix 1. Honoraria should not duplicate other compensation provided for attending meetings.

Article 14.3 Excess Payments

Where a person does not attend a meeting for the number of days for which they have been paid, the excess amount will be deducted from future payments.

ARTICLE 15 LOANS AND ADVANCES

There shall be no loans or advances except for

- Travel advances, or
- Emergency advances to employees and members of the Board of Directors, in the case of a death in the family, medical necessity, or events of a similar serious nature.

An application for an emergency advance must be made to the Executive Director in writing. Granting an emergency advance is in the discretion of the Executive Director.

ARTICLE 16 FORGIVENESS OF BAD DEBT

The forgiving of bad debt means that Inuit resources have been lost. Prior to any bad debt being forgiven, all necessary and reasonable steps to collect the bad debt must have been undertaken. The forgiveness of bad debt shall require the approval of the Board of Directors.

ARTICLE 17 BONDING

The Executive Director may, in close consultation with the Director of Finance, determine that a position or positions should be occupied by a bonded person.

Appendix 1 MONETARY RATES FOR FINANCIAL POLICIES

A. Remuneration of Board of Directors

1. Meeting Honoraria

Members of the Board of Directors will be provided with a daily payment for attending QIA board meetings, whether in person or through phone or virtual participation. Additionally, they will receive a daily payment when travelling for QIA-related business. The payment will be made in full for a full day or a portion of a day. Daily payment amounts are set out here:

Position	Daily Honoraria
Community Director	\$600.00
Executive Committee Member	\$650.00
Vice-President, Secretary Treasurer	\$650.00

2. Monthly Honoria

Members of the Board of Directors will receive monthly honoraria for their work with QIA in their communities and across the Qikiqtani Region. Payments are for full or partial months. Monthly payment rates are set out here:

Position	Monthly Rate
Community Director	\$1200.00
Executive Committee Member	\$1400.00
Secretary Treasurer	\$2200.00
Vice-President	\$2700.00

Remuneration for the President is governed by the *Executive Compensation Policy* (Approved: Board Resolution RSB-22-03-06).

B. Per Diems

1. The per diem rate for employees and Directors are as follows:

Breakfast	\$30.00
Lunch	\$40.00
Dinner	\$85.00
Incidentals	<u>\$20.00</u>

TOTAL \$175.00

2. The nightly billet rate for private accommodations is \$225.00.