

## Cowichan Tribes Policy



Policy Title:	Loans and Advances
Responsible Office(s):	Finance
Effective Date:	26 May 2009 (rescinded 24 May 2011)
Revision Date:	8 November 2011
Authority:	Council Motion 8 November 2011

## Loans and Advances Policy

### Policy Statement

- 1) It is the policy of Cowichan Tribes to ensure that funds are used for their intended purposes and that cash is managed responsibly.
- 2) This policy supercedes the sections regarding advances in both the Cowichan Tribes and KDC human resources policy manuals.

### Reason for Policy

- 3) The objective of this policy is to provide clear direction on when, and under what conditions, a request for an advance can be approved.
- 4) The potential consequences of loaning and advancing funds beyond what is set out as permissible in this policy include: breach of funding contracts, increased risk of loss of funds, inappropriate use of cash, inefficiency in finance administration, and inequity among staff members and band members.

### Policy Application

- 5) This policy applies to Chief and Council, staff of Cowichan Tribes and Cowichan Tribes owned companies, and band members of Cowichan Tribes excluding social assistance recipients.
- 6) This policy applies to all sources of funds that the band manages and all types of payments except band-approved travel advances and social assistance payments.
- 7) This policy does not apply in situations where Cowichan Tribes wishes to



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make a loan or advance to one of its companies or joint ventures.

### Definitions

8) The following definitions apply:

- a) A **loan** is defined as a sum of money provided to an individual who may or may not be due to receive pay or some other form of payment from Cowichan Tribes. The amount of the loan would be repaid by or recovered from the individual over a period of time.
- b) An **advance** is defined as a sum of money provided to an individual who is due to receive pay or some other form of payment from Cowichan Tribes at a specified future date, such as payroll, honoraria, lease payments or revenue from the sale of gravel or timber. The full amount of the advance would be recovered at the earliest date that a payment is due to the individual.

### Policy Requirements

- 9) Loans will not be granted in any circumstances.
- 10) Advances will only be granted under the following conditions:
  - a) The request for an advance must be for reason of bereavement of an immediate family member. Immediate family members are those listed in the Bereavement Leave section of the Cowichan Tribes Human Resources Policy Manual.
  - b) The request must be submitted to the Human Resources Manager who will certify that the relationship of the individual requesting the advance is one of immediate family member of the deceased.



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- c) The request for an advance must then be submitted to the General Manager or Assistant General Manager for approval.
- d) The amount of the advance cannot exceed the lesser of the amount of the payment due to the individual and \$800. The most that an individual can have outstanding at any time is \$800.
- e) The full amount of the advance will be recovered from the next payment made to the individual.

### Related Policies

- Cowichan Tribes Human Resources Manual
- KDC Human Resources Manual

### Procedures

- An individual who is due to receive payment from Cowichan Tribes may request an advance of up to \$800 on the payment.
- The Human Resources Manager must certify that the request meets the criterion of bereavement of an immediate family member.
- The request must be approved by the General Manager or Assistant General Manager and forwarded to the Finance Department.
- The Finance Department will issue the advance and make full recovery of the advance on the next payment being made to the individual.

