



Expenditure Management Policy

Effective Date: June 12, 2018

Reason for Policy

4. The objectives of this Policy include:
 - i) Providing guidelines and a framework for the establishment of a prudent, efficient and accountable expenditure management and control process for Cowichan Tribes, including clarifying related the roles and responsibilities;
 - ii) Ensuring Cowichan Tribes' expenditures are properly authorized, are for valid operational and strategic reasons, do not exceed authorized funding limits, and provide for a high level of accountability and financial integrity;
 - iii) Ensuring that Cowichan Tribes' expenditures and the related processing of payments are subject to the proper oversight and budgetary controls, and are properly and accurately recorded and supported; and
 - iv) Ensuring Cowichan Tribes' expenditure management practices comply with all applicable requirements.

Consequences of Non-Compliance with Policy

5. Potential consequences of non-compliance with this Policy include:
 - i) Lack of directions and clarity regarding Cowichan Tribes' expenditure management process and the required approvals and applicable expenditure limits;
 - ii) Inappropriate management and control of expenditures (i.e., unauthorized and/or unnecessary expenditures, expenditures exceeding authorized funding limits, etc.);
 - iii) Negative impact on the financial integrity and reputation of Cowichan Tribes; and
 - iv) Breach of applicable legislation, standards, and Cowichan Tribes' laws, policies and procedures.

Policy Application

6. This Policy applies to or affects Cowichan Tribes':
 - i) Chief and Council;
 - ii) Finance and Audit Committee;
 - iii) Finance Department;
 - iv) General Manager, Comptroller, Tax Administrator and all other managers;
 - v) Employees and their supervisors
 - vi) Any other persons and committees conducting activities in connection with the financial administration of Cowichan Tribes.

Policy Requirements

Expenditure Management related Requirements and Limitations

7. All purchases of goods or services by or on behalf of Cowichan Tribes shall be made in compliance with applicable Cowichan Tribes' policies and procedures, and the FAL.



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8. Cowichan Tribes may only incur expenditures, other than those from local revenues, if and as permitted under the budget of Cowichan Tribes in effect at the time of the expenditure (subject to any reasonable exceptions to address unforeseen events provided for in the FAL or in a Cowichan Tribes' policy authorized by the FAL).
9. Expenditures from local revenues shall only be made as authorized in a budget made in a law under the *Act* and approved by the First Nations Tax Commission or as permitted under the *Act*.
10. Money in a local revenue account must not be used for any purpose other than that authorized in a local revenue law or as permitted under the *Act*.
11. An amount that is appropriated in a budget must not be expended for any purpose other than that described in the appropriation.
12. The total amount expended by Cowichan Tribes in relation to an appropriation must not exceed the amount specified in the budget for Cowichan Tribes for that appropriation.
13. Cowichan Tribes' signing authorities shall be delegated in accordance with the FAL and an appropriate division of duties and responsibilities commensurate with good internal financial controls
14. All expenditures, and the related claims and payments must be directly related to authorized activities performed on behalf of Cowichan Tribes.
15. Cowichan Tribes must not enter into an agreement or undertaking that requires Cowichan Tribes to expend money that is not authorized by or that contravenes the FAL, a local revenue law or the *Act*.
16. Money in a tangible capital asset reserve account must not be used for any purpose other than for funding expenditures for capital projects carried out as per the FAL.
17. Money or financial assets in a trust account must not be used for a purpose other than that permitted under the terms of the trust.
18. The General Manager may approve an expenditure for an emergency purpose that was not provided for in an appropriation or budget.
19. Subject to the provisions respecting emergency expenditures, money must not be paid out of any account unless the expenditure is authorized under an appropriation or under the terms of a trust.
20. No money may be paid out of any account without a Requisition for Payment as required under this Policy.



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Requisition for Payment

21. All requests for payments for performance of work or services or supply of goods must be initiated through a Requisition for Payment.
22. No requisition may be made or given for a payment of money unless it is a lawful charge against an appropriation or an authorized use of money in a trust.
23. No requisition may be made or given for payment of money that results in expenditures from a trust account in excess of the unexpended balance of the trust account.
24. No requisition may be made or given for payment of money that reduces the balance available in an appropriation or trust account so that it is not sufficient to meet the commitments chargeable against it.

Approval for Payment

25. All expenditures from Cowichan Tribes' funds require the following approvals:
 - i) Expenditures under \$1,000 require the written approval of the respective department manager and a Finance Manager from the Finance Department; and
 - ii) Expenditures of \$1,000 or more require the written approval of the respective department manager and the General Manager.
26. The General Manager or the Comptroller must authorize payment out of, or sign a Requisition for Payment from, a trust account.
27. The Tax Administrator must authorize payment out of a Local Revenue Account.
28. Excluding any authorized payment out of a Local Revenue Account as per the above section, the General Manager or Comptroller may authorize a payment out of, or sign a Requisition for Payment from, any other appropriation.
29. Subject to sections 26 to 28 above, a person who is responsible for managing an appropriation may authorize payment out of, or sign a Requisition for Payment from, the appropriation.
30. Money appropriated in a budget for a fiscal year must not be expended after the end of the fiscal year except to discharge a liability incurred in that fiscal year.
31. All expenditures must be accurately recorded in the accounts and financial system of Cowichan Tribes.
32. Cowichan Tribes shall ensure that it keeps proper records of all expenditures and payments, and maintain these records and related documentation in compliance with applicable records management requirements.



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Procedures: Expenditure Management

Roles and Responsibilities

33. The responsibilities of individuals listed in Cowichan Tribes' Authorization and Delegation Table, which forms part of the Delegated and Assigned Responsibilities Policy and Procedures, include:
 - i) Before approving an expenditure, ensuring that it is permitted under the current Cowichan Tribes' annual budget and as required in the FAL;
 - ii) Reviewing reimbursable expenditure claims to ensure that the requirements of this Policy and Procedures have been met before approving for payment; and
 - iii) Approving expenditures in accordance with the Delegated and Assigned Responsibilities Policy.
34. The responsibilities of employees assigned to paying accounts include:
 - i) Ensuring that all expenditures have the required approvals as per this Policy and Procedures and the Delegated and Assigned Responsibilities Policy and Procedures before processing for payment; and
 - ii) Ensuring that all required documentation accompanies each payment and is retained in the financial records of Cowichan Tribes.
35. The responsibilities of employees, committees and councillors include:
 - i) Ensuring all reimbursable expenditures prepared or claimed by them comply with this Policy and Procedures, and include all the required documentation; and
 - ii) Seeking approval from the General Manager for items that are not addressed in this Policy and Procedures before proceeding with making an expenditure on such items.
36. The responsibilities of the General Manager include:
 - i) Approving expenditures for emergency purpose that were not anticipated in the budget if the expenditure is not expressly prohibited by or under the FAL or another Cowichan Tribes' law; and
 - ii) Monitoring and reviewing expenditures and payments, and recommending to the Finance and Audit Committee changes to the FAL or this Policy and Procedures that will improve the expenditure management practices, compliance, and accountability of Cowichan Tribes.
37. The responsibilities of the Finance and Audit Committee include periodically reviewing and making recommendations to Council respecting policies, procedures and directions for reimbursable expenses and perquisites of councillors, employees, and other persons working for or on behalf of Cowichan Tribes.



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38. The responsibilities of the Comptroller include:
- i) Actively monitoring Cowichan Tribes' expenditure management practices for compliance with the Cowichan Tribes' laws, policies and procedures;
 - ii) Administering and supervising the maintenance of records of all receipts and expenditures of Cowichan Tribes, including supporting documentation;
 - iii) Administering and maintaining charts of accounts for Cowichan Tribes; and
 - iv) Recommending to the Finance and Audit Committee changes to the FAL or this Policy and Procedures that will improve Cowichan Tribes' expenditure management practices, compliance, and accountability.

General Expenditures

39. All purchases of goods or services by Cowichan Tribes shall be made as per the Procurement Policy and Procedures, Delegated and Assigned Responsibilities Policy and Procedures, the Authorization and Delegation Table, and this Policy and Procedures.
40. All requests for payments for performance of work or services or supply of good must be initiated through a Requisition for Payment that includes a statement certifying that:
- i) The work or services have been performed or the goods supplied, any conditions in an agreement respecting the work, services or goods have been met and the price charged or amount to be paid is in accordance with an agreement or, if not specified by an agreement, is reasonable; or
 - ii) If payment is to be made before completion of the work or services, delivery of the goods or satisfaction of any conditions in an agreement, the payment is in accordance with the agreement.
41. All Requisitions for Payment must identify the appropriate financial coding and the specific budget, appropriation, or trust account out of which payment is to be made, and must include a statement certifying that the expenditure is not prohibited and that it is:
- i) In accordance with the appropriation identified in the certified statement; or
 - ii) Allowed without the authority of an appropriation under the FAL.
42. A requisition may apply to one or more expenditures chargeable against one or more appropriations.
43. Every person who is responsible for managing an appropriation must establish and maintain a current record of commitments chargeable to that appropriation.
44. If the liabilities for an appropriation in a budget for a fiscal year exceed the unexpended balance of the appropriation at the end of the fiscal year, the excess must be:
- i) Charged against a suitable appropriation for the following fiscal year; and
 - ii) Reported in the financial statements for the fiscal year in which the liability was incurred.



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Reimbursable Expenditures

45. Councillors, employees, and other applicable persons shall clearly demonstrate and document that any amounts they are claiming for reimbursement were directly related to authorized activities performed on behalf of Cowichan Tribes.
46. Expenses reimbursed by others (i.e., hosts, third parties, etc.) must not be claimed.
47. Travel expenditures, and related per diems and rates, shall be authorized and paid as per Cowichan Tribes' Travel and Reimbursable Expenses Policy and Procedures.

Payroll

48. Employee payroll shall be paid on a bi-weekly basis.
49. Casual, term, and hourly employees shall record their time on a daily basis and submit timesheets on a bi-weekly basis to their immediate supervisor for review.
50. Both the employee and their respective immediate supervisor shall sign and date the time sheet to demonstrate its accuracy and approval for payment prior to submitting the sheet.
51. Respective supervisors of hourly employees shall annotate the appropriate financial coding and budget out of which payment is to be made and submit completed timesheets to the Payroll and Benefits Section of the Finance Department in a timely manner.
52. Respective supervisors of salaried employees shall submit any adjustments for vacation, sick or other types of leave to the Payroll and Benefits Section in a timely manner.

Emergency Expenditures

53. Subject to the section below, the General Manager may approve an expenditure for an emergency purpose that was not anticipated in the budget if the expenditure is not expressly prohibited by or under the FAL or another Cowichan Tribes' law.
54. The above section:
 - i) Does not give the General Manager the authority to borrow for the purpose of making an expenditure for an emergency purpose; and
 - ii) Does not authorize an expenditure of local revenues.
55. The emergency expenditure discussed above must be reported to Council as soon as practicable and Council must amend the budget to include the expenditure.

Expenditure Documentation

56. To process a payment, the following items shall be submitted to the Finance Department:
 - i) Original contract/agreement (if applicable);
 - ii) Original invoice;
 - iii) Purchase order (if applicable);



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- iv) Receiving documents/packing slips (if applicable);
 - v) For payroll: payroll authorization form, timesheets, and salaried employee leave forms and adjustments; and
 - vi) Requisition for payment that has signed approval according to the Delegated and Assigned Authorities Policy and Procedures and the FAL.
57. Reimbursable expense claims must be accurate, complete, sufficiently supported, and recorded on the prescribed expense claim form.
58. Before submitting expenses to the Finance Department for approval and payment, councillors, employees, and other applicable persons shall ensure that they have prepared a complete claim that includes:
- i) Their respective signature and date signed, acknowledging that amounts claimed are accurate and in support of Cowichan Tribes' official business; and
 - ii) Original receipts for all amounts claimed, including:
 - a) Invoices,
 - b) Itineraries for air/train travel,
 - c) Itemized restaurant bills (where per diems do not apply),
 - d) Support for any exchange rates used in the claim (including receipts from exchange bureaus for money exchanged or credit card bills showing exchange rate received. If unavailable, the Bank of Canada official rate shall be used),
 - e) Completed and signed travel authorization, and
 - f) Proof of payment for items claimed, which includes sales slip/invoice and credit card or debit receipts. Credit card or debit receipts alone are not sufficient --- the original itemized receipt or invoice from the supplier must be included in every reimbursement or expense claim.

Payments

59. Payment documents shall be forwarded to authorized signatories accompanied by:
- i) A listing of all payments prepared noting the payee, amount, and payment date; and
 - ii) Supporting documentation for each payment (e.g. cheque, transfer) including approved invoices, expense claims, purchase orders, and receiving documents.
60. The Comptroller shall approve payment only when expenditures have been appropriately processed and approved according to this Policy and Procedures, and the FAL.
61. Payments shall be distributed by the Finance Department upon receipt of the signed payment documents from two (2) authorized signatories.
62. Finance Department employees shall notify the Comptroller promptly of any instances of:
- i) Non-compliance with Cowichan Tribes' laws, policies, or procedures that cannot be resolved; and
 - ii) Actual or suspected fraud.



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Advances

63. The General Manager or the Comptroller may approve an advance to prepay expenses that are chargeable against an appropriation in the current fiscal year or an appropriation in the next fiscal year.

Form of Payment

64. Payments by Cowichan Tribes may be made by cheque, draft, electronic transfer or other similar instrument signed by two (2) authorized signatories.

Records Management

65. Cowichan Tribes shall keep proper records and documentation for every expenditure and payment made by or on behalf of Cowichan Tribes, and shall ensure these records and documents are maintained in a secure and confidential manner, as per Cowichan Tribes' Financial Records Management Policy and Procedures, including records regarding:
- i) The Authorization and Delegation Table, and Council approval of the Table;
 - ii) Supporting documentation for all expenditures incurred and payments made by or on behalf of Cowichan Tribes, including those made from local revenues and the Local Revenue Account;
 - iii) Proof of compliance with the requirement for all expenditures to have two (2) signatures, and the appropriate segregation of duties between the authorization of an expenditure and approval of the related payment;
 - iv) Commitments chargeable to an appropriation; and
 - v) Monitoring of Cowichan Tribes' expenditures and payments for compliance with applicable requirements, and any related corrective actions taken.

Related Cowichan Tribes' Policies

- Delegated and Assigned Responsibilities Policy and Procedures;
- Financial Records Management Policy and Procedures;
- Procurement Policy and Procedures;
- Travel and Reimbursable Expenses Policy and Procedures;