



Indian and Northern  
Affairs Canada

Affaires indiennes  
et du Nord Canada

Deputy Minister

Sous-ministre

Ottawa Canada  
K1A 0H4

On behalf of the Minister of Indian  
Affairs and Northern Development,  
I HEREBY APPROVE, pursuant to Section 83  
of the Indian Act, the following by-law  
made by the Lax Kw'alaams Indian Band, in  
the Province of British Columbia, at a  
meeting held on the 14th day of August 1989.

- **Financial Administration By-law**  
**No. 1989-1**

Dated at HULL, Québec  
this 27<sup>th</sup> day of June 1990.

ORIGINAL SIGNED BY  
ORIGINAL SIGNÉ PAR  
**Harry Swain**

Harry Swain

Canada

LAX KW'ALAAMS INDIAN BAND

Prepared by:

RATCLIFF & COMPANY,  
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North Vancouver, B.C.  
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DEFINITIONS

3. The following terms, whenever used in this by-law, or in any resolution of the Council dealing with this by-law, shall have the meanings respectively ascribed to them in this section unless the context otherwise requires:

"Act" means the Indian Act, R.S.C., 1985, Chapter I-5, including the regulations established thereunder, and any amendments thereto, all as amended from time to time,

"Annual Budget" means the annual budget required to be prepared under section 20,

"Annual Financial Statement" means the annual comparative consolidated financial statement required to be prepared under section 45,

"Auditor" means a chartered accountant who is a member, or a partnership of chartered accountants whose partners are members, in good standing of the Canadian Institute of Chartered Accountants,

"Band" means the Lax Kw'alaams Band of Indians,

"Band Auditor" means the Auditor appointed from time to time by the Council under section 13,

"Band Business" includes:

- (a) any Subsidiary Corporation, and
- (b) any subsidiary of a Subsidiary Corporation,

in respect of which Band Money or Business Money has at any time in any manner been invested,

"Band Deposit Account" means any type of account that is available at any Canadian chartered bank, trust company, loan company or credit union, including without limiting the generality of the foregoing any type of deposit or form of investment available at any Canadian chartered bank, trust company, loan company or credit union established by the Council in the name of the Band;

"Band Manager" means the Band Manager appointed from time to time by the Council;

"Band Meeting" means a meeting called by the Council of which the Electors have been notified by a written notice posted at at least one conspicuous place in the Village of \_\_\_\_\_;

"Band Money" means all Capital Money, Contribution Money, Local Money, Revenue Money and Heritage Fund Money, but does not include Business Money;

"Bill of Exchange" means a Bill of Exchange within the meaning of the Bills of Exchange Act, R.S.C. 1985, Chapter B-4, and any amendments thereto, all as amended from time to time;

"Business Money" means all money that is received, managed or expended by a Band Business for so long as it is with proper authority under the control of that Band Business;

"Capital Money" means all Capital Money of the Band within the meaning of section 62 of the Act;

"Cheque" means a cheque within the meaning of the Bills of Exchange Act, R.S.C. 1985, Chapter B-4, and any amendments thereto, all as amended from time to time;

"Contribution Agreement" means any written agreement between the Band as represented by the Council and any other party, including without limiting the generality of the foregoing any Minister of Her Majesty the Queen in Right of Canada or in Right of the Province of British Columbia, pursuant to which money is to be paid to the Council on behalf of the Band and is required under such agreement to be administered and expended by the Council in accordance with the terms and conditions thereof;

"Contribution Money" means all money paid to the Council on behalf of the Band under a Contribution Agreement;

"Council" means the Council of the Band;

"Council Member" means any member of the Council, including the chief councillor;

"Elector" means elector within the meaning of the Act;

"Expenditure Commitment" means any of the following instruments, namely:

- (a) a travel warrant,
- (b) a travel expense claim,
- (c) a letter signed by the Band Manager authorizing an expenditure,
- (d) a purchase order,
- (e) a work order, or
- (f) a written agreement whereunder the Band is obligated to make an expenditure;

"Finance Officer" means the finance officer appointed from time to time by the Council;

"Fiscal Year" means the year commencing on the first day of April of a calendar year and ending on the last day of March of the next following calendar year;

"Heritage Fund" means the Lax Kw'alaams Heritage Fund established under part VI;

"Heritage Fund Money" means any money or investment that constitutes the whole or any part of the Heritage Fund;

"Local Money" means all money of the Band that is neither Capital Money, Contribution Money, Revenue Money, Business Money, nor Heritage Fund Money and without limiting the generality of the foregoing includes all money received by the Band from a Band Business that is no longer Business Money;

"Management Employee" means any person, other than the Band Manager, employed by the Band, other than through a Band Business, who is not included as an "employee" within the meaning of the definition given for the term "employee" in:

- (a) sub-section 107(1) of the Canada Labour Code, R.S.C. 1985, Chapter L-2, and any amendments thereto, all as amended from time to time, or
- (b) a collective agreement in effect in respect of Band employees;

"Member" means a member of the Band;

"Mineral" means ore of metal and every natural substance that can be mined and that:

- (a) occurs in fragments or particles lying on or above or adjacent to the bedrock source from which it is derived, and commonly described as talus, or
- (b) is in the place or position in which it was originally formed or deposited, as distinguished from loose, fragmentary or broken rock or float which by decomposition or erosion of rock, is found in wash, loose earth, gravel or sand,

and includes coal, petroleum and all other hydrocarbons, regardless of gravity and howsoever and wheresoever recovered, natural gas, building and construction stone, limestone, dolomite, marble, shale, clay, sand and gravel;

"Minister" means the Minister of Indian Affairs and Northern Development;

"Person" includes any individual, corporation, partnership, association or society;

"Reserve" includes all reserves of the Band;

"Revenue Money" means all revenue money of the Band within the meaning of Section 62 of the Act;

"Subsidiary Corporation" means a corporation that is controlled by:

- (a) the Band, the Council, a Council Member, Council Members, a Member or Members, on behalf of the Band,

- (b) the Band, the Council, a Council Member, Council Members, a Member or Members, on behalf of the Band, and one or more corporations, each of which is controlled by the Band, the Council, a Council Member, Council Members, a Member or Members, on behalf of the Band, or
- (c) two or more corporations, each of which is controlled by the Band, the Council, a Council Member, Council Members, a Member or Members, on behalf of the Band,

where the word "control" means to hold shares carrying a sufficient number of votes, if exercised, to elect a majority of the directors of the corporation.

SEVERABILITY

- 4. If a Court of competent jurisdiction declares any section or part of a section of this by-law to be invalid, such section or part of a section shall not be construed as having persuaded or influenced the Council to pass the remainder of this by-law and it is hereby declared that the remainder of this by-law shall be valid and shall remain in force.

RECOMMENDATIONS OF BAND AUDITOR

- 5. (1) Schedule "A" to this by-law forms a part hereof.
- (2) Subject to sub-section 6(2), all recommendations of the Band Auditor set out in Schedule "A" to this by-law shall be complied with by the Person or Persons in respect to which such recommendations are made.

CONFLICT WITHIN BY-LAW

- 6. (1) If, and to the extent only that, any provision of part VI of this by-law and any provision elsewhere contained in this by-law are at variance, the provision contained in part VI shall prevail.

- (2) If, and to the extent only that, any provision of Schedule "A" to this by-law and any provision elsewhere contained in this by-law are at variance, the provision elsewhere contained in this by-law shall prevail.

CONFLICT BETWEEN BY-LAW AND CONTRIBUTION AGREEMENT

7. If any term or condition of any Contribution Agreement and any provision of this by-law, including without limiting the generality of the foregoing any provision of Schedule "A" to this by-law, are at variance, the term or condition of the Contribution Agreement shall prevail for the term that the Contribution Agreement remains in effect to the extent necessary to ensure compliance by the Band as represented by the Council with such term or condition.

CONFLICT BETWEEN BY-LAW AND ACT

8. If, and to the extent only that, any provision of the Act and any provision of this by-law are at variance, the provision of the Act shall prevail.

**PART II**  
COMPLIANCE WITH BY-LAW

9. (1) The Council, Council Members and all employees of the Band, and all directors, officers and employees of any Band Business, including without limiting the generality of the foregoing the Band Manager and Finance Officer, shall act for and on behalf of the Band or Band Business, as the case may be, in respect of the appropriation, control, management and expenditure of Band Money or Business Money, as the case may be, in accordance with the requirements of this by-law.
- (2) The Band in appropriating, controlling, managing and expending Band Money and Business Money shall do so in accordance with the requirements of this by-law.



PART III  
BAND MANAGER

VACANCY IN OFFICE

10. In the event of a vacancy in the office of the Band Manager, or inability for any reason of the Band Manager to perform the duties and responsibilities of the Band Manager prescribed in this by-law, the Council shall appoint an employee of the Band as acting Band Manager for the duration of such vacancy or inability, and such employee shall for so long as he fills such office, have the powers and perform the duties of the Band Manager prescribed in this by-law.

SUPERVISION OF FINANCE OFFICER

11. The Band Manager shall, in addition to any specific duties prescribed for the Band Manager elsewhere in this by-law, supervise the Finance Officer in the carrying out of the duties of the Finance Officer prescribed in this by-law.

CONSERVATION OF RECORDS

12. (1) The Band Manager shall, in addition to any specific duties prescribed for the Band Manager elsewhere in this by-law, comply with and cause all procedures specified in this section to be complied with.
- (2) An original copy of every document required to be prepared, and of every record required to be made, under this by-law by the Band or any Band Business, will be kept by the Band for not less than eight years from the date of the preparation or making thereof and may, subject to sub-section (3) and the requirements of good business practice, thereafter be destroyed.
- (3) An original copy of every Annual Financial Statement or financial statement of any Band Business or other permanent photographic or electronic copy thereof shall be kept at all times by the Band as part of the permanent financial records of the Band.

PART IV  
APPOINTMENT AND POWERS OF AUDITOR

13. (1) The Council shall forthwith after the making of this by-law appoint an Auditor to prepare those financial statements required to be prepared by the Band Auditor from time to time under this by-law.
- (2) The Council may as it in its discretion determines terminate the services of any Auditor appointed by the Council pursuant to this section.
- (3) Forthwith upon termination of the services of any Auditor pursuant to sub-section (2), the Council shall appoint another Auditor to replace the Auditor so terminated.
- (4) The Band Auditor shall have access at all times to every record, document, instrument, Deposit Account statement and voucher of the Band and of every Band Business, and is entitled to require from the Council, Council Members and employees of the Band, and the directors, officers and employees of any Band Business, information and explanations necessary, in his opinion, to enable him to report as required by this by-law.
- (5) The Band Auditor is entitled to attend any Band Meeting, any Council meeting and any meeting of a board of directors of any Band Business, and to receive every notice and other communication relating to such meetings that an Elector, Council member or director, is entitled to receive, and is entitled to be heard at any Band Meeting, at any Council meeting and at any board of directors meeting, that he attends on any part of the business of such meeting that concerns him as Band Auditor, or that concerns the financial statements of the Band, the Council or any Band Business.

PART V  
DEPOSIT ACCOUNTS

14. (1) The Council may as it in its discretion determines, and shall as required to comply with the requirements of this by-law, contract from time to time for, on behalf of, and in the name of the Band for any services offered by any Canadian

chartered bank, trust company, loan company or credit union.

- (2) Without limiting the generality of sub-section (1), the Council shall from time to time establish with one or more Canadian chartered banks, trust companies, loan companies or credit unions one or more Band Deposit Accounts.
- (3) The Council may from time to time as it in its discretion determines terminate any contract entered into pursuant to sub-section (1) or close any Band Deposit Account.
- (4) Notwithstanding anything to the contrary contained in sub-section (3), the Council shall at all times keep at least one Band Deposit Account open.
- (5) For the purposes of sub-sections (6) and (7), the Band Manager shall, in the event the Band Manager is a Council Member, be treated as not being a Council Member.
- (6) The Council:
  - (a) shall from time to time authorize three Council Members and the Band Manager, and
  - (b) may from time to time authorize such other Management Employees as it in its discretion determines,to be a signing officer of the Band to sign Cheques and other Bills of Exchange drawn on any Band Deposit Account or in respect of any Heritage Fund Money.
- (7) The Council may at any time in its discretion and without giving the affected Person prior notice:
  - (a) withdraw any authorization given by it under sub-section (6) to any of the three Council Members, but at the time of such withdrawal shall pursuant to sub-section (6) authorize another Council Member to be a signing officer of the Band, and
  - (b) in the event that the Band Manager fails to comply with any provision of this by-law or is

suspected on reasonable grounds of misappropriation of Band Money or Business Money or of any other criminal wrong doing, withdraw the authorization given by it under sub-section (6) to the Band Manger, but may at any time thereafter pursuant to sub-section (6) in its discretion again authorize the Band Manager to be a signing officer of the Band.

- (8) The authorization of the Council given to a Council Member, the Band Manager or other Management Employee under sub-section (6) shall terminate for all purposes:
  - (a) in the case of the person having received such authorization being one of the three Council Members referred to, immediately upon that person ceasing to be a Council Member, or
  - (b) in the case of the person having received such authorization being the Band Manager or other Management Employee, immediately upon that person ceasing to be the Band Manager or other Management Employee, as the case may be.
- (9) All persons authorized from time to time by the Council to be a signing officer of the Band pursuant to sub-section (6) shall be bonded by a public bonding company in an amount satisfactory to the Council or shall post such alternative indemnity as the Council may deem appropriate.
- (10) Every Cheque or other Bill of Exchange drawn on any Band Deposit Account or, subject to sub-sections 18(4) and 18(5) in respect of any Heritage Fund Money, shall be signed by at least two persons authorized to be a signing officer of the Band pursuant to sub-section (6).

PART VI

ESTABLISHMENT OF FUND

15. (1) The Council shall establish a fund to be known as the "   Heritage Fund", which shall be administered pursuant to the provisions of this part.

- (2) Any approval given by Electors at a Band Meeting as required by paragraph 16(c) or 18(1)(d) or section 19, shall be void and of no effect unless the notice of the Band Meeting at which the approval is given contains, in general terms, a description of the matter for which approval was given.

FUND MONEYS

16. Subject to section 17, the following shall become part of the Heritage Fund, namely:

- (a) all Local Money paid to the Band for or in respect of:
- (i) timber or Minerals originating on the Reserve, or
  - (ii) any claim arising from the taking of Reserve land, Capital Money or Revenue Money,

less all amounts that:

- (iii) are then due and owing, or
- (iv) are projected as probable to become due and owing,

for the purpose of generating such Local Money or any further such Local Money,

- (b) all other Local Money that the Council from time to time determines shall be contributed to the Heritage Fund,
- (c) all Capital Money and Revenue Money that not less than fifty percent of the Electors present at a Band Meeting approve of being contributed to the Heritage Fund, and
- (d) all interest and other returns of any kind accruing to or paid on any Heritage Fund Money.

FUND MAINTENANCE AND GROWTH

17. (1) Subject to section 37, the Council may retain and pay out of any Local Money referred to in para-

graphs 16(a) and 16(b) received by the Band so much thereof as is required to pay all amounts that:

- (a) are then due and owing, or
- (b) are projected by the Band Manager as probable to become due and owing during the next ensuing twelve month period,

by the Band to Persons (including without limiting the generality of the foregoing, accountants, investment councillors, solicitors, foresters and other professionals) for services rendered thereby in assisting the Band in maintaining or increasing existing sources, and attempting to establish new sources, of Local Money payable to the Band.

- (2) Subject to sections 36 and 37, the Council may retain and pay out of any money referred to in paragraphs 16(a) through 16(d) received by the Band so much thereof as is required to pay all amounts that:

- (a) are then due and owing, or
- (b) are projected by the Band Manager as likely to become due and owing during the next ensuing twelve month period,

by the Band to any Person in respect of the purchase by the Band of any investments described in section 18 over and above the face value of the investment itself, including without limiting the generality of the foregoing all brokerage fees.

#### PERMITTED INVESTMENTS

- 18. (1) Subject to sub-sections (2) and (5), all moneys that become part of the Heritage Fund shall forthwith thereupon be invested by the Band Manager in the name of the Band in such of the following investments as the Band Manager in his discretion determines, namely:
  - (a) term deposits available at any Canadian chartered bank, trust company, loan company or credit union, PROVIDED however that no greater amount shall be kept invested at any single financial institution than is guaranteed by

Canada or a Province to be repaid in the event of the inability of such institution to meet its financial obligations,

- (b) any securities of Canada or of a Province,
  - (c) any securities the payment of the principal and interest of which is guaranteed by Canada or a Province, and
  - (d) any other investment approved of in advance by no less than 75 percent of the Electors present at a Band Meeting.
- (2) Any of the investments described in paragraphs (1)(a) through (1)(c) may at any time and from time to time, at the discretion of the Band Manager, be varied for others of a like nature.
  - (3) Pending investment of Heritage Fund Money as required by sub-section (1), and when such investments are being varied as permitted by sub-section (2), Heritage Fund Money may be deposited during a time that is reasonable in the circumstances in a Deposit Account.
  - (4) Subject to sub-section 14(10), the Band Manager may do all such things, including without limiting the generality of the foregoing, sign Cheques, other Bills of Exchange and all other necessary documentation, required to permit Heritage Fund Money to be invested pursuant to sub-section (1) and investments to be varied pursuant to sub-section (2).
  - (5) The Band Manager may from time to time direct such Management Employee as he in his discretion determines to be responsible in substitution of the Band Manager to carry out the responsibilities of the Band Manager under this section and may at any time withdraw such directive by giving either written or oral notice thereof to the Management Employee.

EXPENDITURE OF FUNDS

- 19. No Heritage Fund Money shall be expended for any purpose except as approved in advance by the Electors at a Band Meeting pursuant to section 36.

**PART VII**  
**ANNUAL BUDGET**

**PREPARATION**

20. (1) By January 15th during each Fiscal Year the Council shall cause to be prepared and shall review and approve a budget showing the estimated receipt and expenditures of Band Money for the next ensuing Fiscal Year.
- (2) Any portion of such budget dealing with Revenue Money, Capital Money or Heritage Fund Money, together with a management plan, shall be referred by the Council to a Band Meeting for approval by the Electors thereat on or before March 31st of the same Fiscal Year as such budget is required to be prepared during pursuant to sub-section (1).

**INSPECTION**

21. A true copy of the Annual Budget shall be:
- (a) available during reasonable business hours of any business day at the Band office to the inspection of any Member upon a request for such inspection being made to the Band Manager, and
- (b) provided to any Member upon a written request being made to the Band Manager.

**PART VIII**  
**BOOKKEEPING**

**GENERALLY**

22. The Band Manager shall be responsible to ensure that the Finance Officer does, and the Finance Officer shall, at all times cause to be maintained an adequate bookkeeping system in respect of all Band Money, and to be kept as a part of such bookkeeping system, records of all financial transactions involving all Band Money affecting assets, liabilities and equity of the Band.



DAILY RECORDS

23. The records required to be kept under section 22 shall include:
- (a) a record of revenues, wherein shall be recorded on a daily basis all revenues and receivables of the Band,
  - (b) a record of expenditures, wherein shall be recorded on a daily basis all expenditures made by the Band and the matters in respect of which each expenditure has been made,
  - (c) a record of purchases, wherein shall be recorded on a daily basis all liabilities incurred for services or benefits received by the Band but not yet paid for, and
  - (d) a general journal, wherein shall be recorded on a daily basis full details of all financial transactions of the Band which are not required pursuant to paragraph (a), (b) or (c) to be recorded elsewhere.

PAYROLL RECORDS

24. The records required to be kept under section 22 shall include a record of payroll, wherein shall be recorded by pay period in respect of each employee of the Band full details of gross earnings, payroll deductions and liability for net wages payable.

GENERAL LEDGER

25. The records required to be kept under section 22 shall include a general ledger updated at least monthly, wherein shall be recorded, in individual ledger accounts, details of all assets, liabilities and equity of the Band, but excluding such details in respect of Band Businesses, calculated on the basis of all information accumulated in the daily records required to be kept pursuant to paragraphs 23(a) through 23(d) and section 24.

MONTHLY RECONCILIATIONS

26. (1) Bank reconciliations in respect of all Band Deposit Accounts shall be prepared at least monthly

petty cash fund, and at all times the total of such invoices and the balance in cash shall balance to the fund total, and

- (c) responsibility for the custody of the petty cash fund shall be vested in such employee of the Band as the Band Manager may from time to time designate.

**PART XII**  
**ANNUAL FINANCIAL STATEMENT**

**PREPARATION**

- 45. The Council shall cause to be prepared and approve on or before the 30th day of June in each calendar year an Annual Financial Statement for the last Fiscal Year in respect of Band Money and Business Money, which statement shall be prepared in accordance with the provisions of this part.

**STATEMENT COMPARATIVE**

- 46. The Annual Financial Statement shall be a:
  - (a) consolidated financial statement, and
  - (b) comparative financial statement, relating separately to the latest completed financial year and the period that was the financial year next preceding the latest completed financial year.

**CONTENTS**

- 47. (1) Annual financial statements shall be made up of a consolidated:
  - (a) statement of revenues, expenditures, deficits and surpluses for each period, and
  - (b) balance sheet as at the end of each period.
- (2) The consolidated balance sheet referred to in paragraph (1)(b) shall include and distinguish, together with such other data as is normally included in such a balance sheet:

- (a) cash and deposits,
- (b) debts owing to the Band from any source, clearly distinguishing each source by type,
- (c) shares, bonds, debentures and other investments owned by the Band with a notation of their market value,
- (d) the aggregate amount of any guarantees given by the Band that are in effect, with a notation identifying each Person whose indebtedness is guaranteed, the amount of such guarantee and whom the guarantee is in favour of,
- (e) bank loans and overdrafts,
- (f) debts owing by the Band to any Members, either individually or collectively,
- (g) by way of a schedule to the balance sheet, a separate balance sheet dealing only with the Heritage Fund.

EXPLANATORY NOTES

48. Annual Financial Statements shall include details by way of explanatory note of the Band Auditor of:
- (a) contractual obligations that will require abnormal expenditures, requirements or financial positions or that are likely to involve expenditures not provided for in the accounts,
  - (b) material contractual obligations in respect of long-term leases either granted or taken, including, in the year in which the transaction was effected, the principal details of any lease transaction,
  - (c) contingent liabilities stating their nature, and where practicable the approximate amounts involved,

- (d) any liability secured otherwise than by operation of law on any asset stating the liability so secured,
- (e) any default in principal or interest with respect to any debt obligations or credit arrangements,
- (f) the aggregate direct remuneration paid or payable by the Band to any Council member and, as a separate amount, the aggregate direct remuneration paid or payable by any Band Business to any Council member,
- (g) any event or transaction, other than one in the ordinary course of activities of the Band or Band Business, between the date to which the financial statement is made up and the date of the Auditor's report thereof, that materially affects the financial statement.

BAND BUSINESSES

49. (1) Notwithstanding anything to the contrary elsewhere contained in this by-law, where a financial statement is prepared annually by an Auditor in accordance with sound accounting principles for any Band Business, such financial statement and the information contained therein is not required to be included in the Annual Financial Statement except to the extent specifically provided in this section.
- (2) There may be included in the Annual Financial Statement the assets and liabilities and income and expense of any one or more Band Businesses, making due provisions for minority interests, and indicating in it that it is presented in consolidated form.
- (3) Where the assets and liabilities and income and expense of any one or more Band Businesses are not included in the Annual Financial Statement:
- (a) the Annual Financial Statement shall include:
    - (i) the reason why the assets and liabilities and income and expense of the Band

Business or Band Businesses are not included,

(ii) if there is only one Band Business, the amount of the Band's proportion of the profit or loss of the Band Business for the financial period coinciding with or ending in the relevant Fiscal Year of the Band, or, where there is more than one Band Business, the amount of the Band's proportion of the aggregate profits less losses, or losses less profits, of every Band Business for the respective financial periods coinciding with or ending in the relevant Fiscal Year of the Band,

(iii) the amount included as income from the Band Business or Band Businesses in the statement of revenues, expenditures, deficits and surplus of the Band and the amount included as a provision for the loss or losses of the Band Business or Band Businesses,

(iv) where there is only one Band Business, the amount of the Band's proportion of the undistributed profits of the Band Business earned since Band Money or Business Money was invested in the Band Business by the Band to the extent that that amount has not been taken into the accounts of the Band, or, where there is more than one Band Business, the amount of the Band's proportion of the aggregate undistributed profits of the Band Businesses earned since Band Money was invested in the Band Businesses less the Band's proportion of the losses, if any, suffered by any Band Business since Band Money or Business Moneys were invested in the Band Businesses, to the extent that the amount has not been taken into the accounts of the Band, and

(v) any qualifications contained in the report of the Auditor of any Band Business on its financial statement for the financial period to which the report

upon receipt of bank statements and cancelled Cheques relating thereto.

- (2) Monthly statements of revenues and expenditures of Band Money shall be prepared from the information contained in the general ledger required to be kept under section 25 following the completion of posting for each month.

MONTHLY FINANCIAL STATEMENT

27. (1) The Finance Officer shall no later than the 15th day of each month prepare and deliver to the Band Manager a Financial Statement in respect of all Band Money showing:
  - (a) an itemization of all revenues received and expenditures made during the preceding month,
  - (b) standing of the general ledger balances required to be kept under section 25 as at the last day of the preceding month, and
  - (c) any other information that may from time to time be required or requested by the Band Manager.
- (2) Each monthly financial statement prepared and delivered by the Finance Officer to the Band Manager under sub-section (1) shall be read and presented by the Band Manager for examination at the next regular meeting of the Council held after such financial statement is delivered to the Band Manager.

PART IX  
INCOME

GENERALLY

28. The Band Manager shall in respect of all Band Money cause all records specified in this part to be kept, and shall comply with and cause all procedures specified in this part to be complied with.

RECEIPT OF BAND MONEY

29. (1) All Band Money forthwith upon receipt thereof shall, regardless of who first receives it:
- (a) if received in the form of a Cheque, be stamped with the words "For Deposit Only into an Account of the \_\_\_\_\_ Band", and
  - (b) subject to paragraph (a), be provided to the Finance Officer.
- (2) The Finance Officer shall:
- (a) receive and safely keep all Band Money,
  - (b) except as is otherwise provided in this by-law, deposit into, and keep all Band Money received in, a Band Deposit Account or Band Deposit Accounts,
  - (c) make bank deposits on a regular basis and in any event no less frequently than twice per month.

RECEIPTS

30. In respect of all Band Money received:
- (a) a receipt, completed in duplicate on pre-numbered forms, shall be issued specifying the amount received, date of receipt and source and reason for payment thereof,
  - (b) the original of each such receipt shall be given to the payor and the duplicate of each such receipt shall be retained as a permanent record, and
  - (c) a monthly accounting shall be made of all pre-numbered receipts.

SAFEKEEPING OF MONEYS

31. All precautions reasonably required to ensure the safekeeping of all Band Money from the time of receipt thereof until deposit, shall be taken.

PART X  
INVOICING

AUTHORITY TO CHARGE

32. No Person shall be charged by the Council for the performance of work, supply of goods or rendering of services provided by or through the Council on behalf of the Band or any other Person unless the Council is permitted or required to charge in respect of such work, goods or services by:

- (a) a Band by-law, or
- (b) a Band Council resolution, and
- (c) an agreement with the Person receiving such work, goods or services,

that establishes the amount, or a method of calculating the amount, to be charged for such work, goods or services.

PROCEDURE

33. (1) Where work, goods or services are provided by or through the Council on behalf of the Band or any other Person for a fee or other charge, an invoice for payment for the work, goods or services shall be rendered pursuant to this section.
- (2) Subject to sub-sections (3) and (4), the Band Manager shall be responsible to ensure invoices are rendered pursuant to this section.
- (3) The Band Manager may from time to time direct such Management Employee as he in his discretion determines to be responsible to ensure invoices in respect of particular work, goods or services are rendered pursuant to this section, and any Management Employee so directed shall, within the Band administration and for the purposes of this section, for so long as such directive remains in effect, be designated an "Accounts Receivable Manager".
- (4) A directive given by the Band Manager pursuant to sub-section (3):



- (a) shall be in writing and specify:
    - (i) the Management Employee who is to be an Accounts Receivable Manager,
    - (ii) the type or types of work, goods or services that such Accounts Receivable Manager is to be responsible to ensure invoices are rendered for pursuant to this section, and
  - (b) may be withdrawn at any time by the Band Manager giving either written or oral notice of such withdrawal to the Accounts Receivable Manager.
- (5) All Invoices shall:
- (a) have the words \_\_\_\_\_ Indian Band, Invoice" or " \_\_\_\_\_ Band Council Invoice" printed on them,
  - (b) be rendered forthwith upon provision of the work, goods or services, or at such later time as is provided for in a Band by-law or Band Council resolution and an agreement in effect in respect of the work, goods or services at the time they are provided,
  - (c) show as being payable for the work, goods or services being invoiced for, the amount established by, or calculated pursuant to, the Band by-law, Band Council resolution or an agreement referred to in sub-section 32(2) that is then in effect in respect of the work, goods or services,
  - (d) before issuance, be signed on behalf of the Band by the Band Manager or an Accounts Receivable Manager, and
  - (e) prior to being signed pursuant to paragraph (d), be reviewed by the person signing to ensure that it complies with the provisions of this section.

PART XI  
EXPENDITURES

GENERALLY

34. The Band Manager shall in respect of all Band Money cause all records specified in this part to be kept, and shall comply with and cause all procedures specified in this part to be complied with.

PAYMENTS GENERALLY

35. Subject to the provisions of this by-law, the Band Manager shall cause to be paid out of all Band Money such amounts to such party or parties and in such manner as the Council by by-law or Band Council resolution from time to time directs.

CAPITAL MONEY, REVENUE MONEY  
AND HERITAGE FUND MONEYS

36. No Capital Money, Revenue Money or Heritage Fund Money shall be expended or committed for any purpose unless such expenditure or commitment is provided for in a budget and a management plan referred by the Council to a Band Meeting pursuant to sub-section 20(2) and approved by the Electors present thereat.

CONTRIBUTION MONEY AND LOCAL MONEY

37. No Contribution Money or Local Money shall be expended or committed for any purpose unless such expenditure or commitment is either:
- (a) provided for in a budget approved by the Council, or
  - (b) in the event of the necessity to make an expenditure not provided for in such a budget, specifically approved by the Council.

GUARANTEES

38. Without limiting the generality of sections 36 and 37, the Council shall not grant on behalf of the Band any guarantee or guarantees of the payment of the indebtedness of any Person, Persons or the Band from Capital Money, Revenue Money or Heritage Fund Money unless the granting of any such guarantee or guarantees is approved in advance by the Electors at a Band Meeting.

PAYMENTS TO PERSONS

39. (1) Full details of any payment from Band Money to any Person shall be recorded in the record of expenditures required to be kept pursuant to paragraph 23(b).
- (2) Cheques shall not be released to any Person other than the payee unless written proof of authority to receive the Cheque is provided to the Person releasing the Cheque prior to such release.

EXPENDITURE APPROVAL

40. No expenditure shall be made from Band Money without there having first been received by each Person signing the Cheque in respect of the expenditure or, in the event that the expenditure is being made from petty cash, by the Person making the expenditure, the following documents, namely:
- (a) an Expenditure Commitment issued and signed by the Band Manager or by a Accounts Payable Manager authorized by the Band Manager pursuant to section 41 to issue and sign such an Expenditure Commitment, and
- (b) an invoice in respect of the expenditure approved in writing by the Band Manager or a Accounts Payable Manager authorized by the Band Manager pursuant to section 41 to approve such an invoice.

DELEGATION OF EXPENDITURE APPROVAL

41. (1) The Band Manager may from time to time authorize such Management Employee or Management Employees as he in his discretion determines, to:

- (a) issue and sign Expenditure Commitments, and
- (b) approve in writing payment of invoices in respect of expenditures made pursuant to Expenditure Commitments that have been issued and signed by the Band Manager or, pursuant to paragraph (a), by a Management Employee,

and any Management Employee so authorized shall, within the Band administration and for the purposes of this part, for so long as such authorization remains in effect be designated a "Accounts Payable Manager".

- (2) Any authorization given by the Band Manager pursuant to paragraph (1)(a):
  - (a) shall be in writing and specify:
    - (i) the Management Employee who is to be a Accounts Payable Manager for the purpose of issuing and signing an Expenditure Commitment,
    - (ii) the type or types of Expenditure Commitments that such Accounts Payable Manager may issue and sign, and
    - (iii) the dollar limit to the amount of each type of Expenditure Commitment that the Accounts Payable Manager may issue and sign,and
  - (b) may be withdrawn at any time by the Band Manager giving either written or oral notice of such withdrawal to the Accounts Payable Manager from whom such authorization is being withdrawn.
- (3) Any authorization given by the Band Manager pursuant to paragraph (1)(b):
  - (a) shall be in writing and specify:
    - (i) the Management Employee who is to be a Accounts Payable Manager for the purpose of approving payment of an invoice,

- (ii) the type or types of invoices that such Accounts Payable Manager may approve,
  - (iii) the dollar limit to the amount of each type of invoice that the Accounts Payable Manager may approve,
- and

(b) may be withdrawn at any time by the Band Manager giving either written or oral notice of such withdrawal to the Accounts Payable Manager from whom such authorization is being withdrawn.

PAYMENT FORM

42. (1) Except for payments made from petty cash, all expenditures from Band Money shall be by Cheque.
- (2) Without limiting the generality of section 40, backup documents shall be attached to any Cheque to be signed and shall be reviewed by each Person signing the Cheque before the Cheque is signed.

CHEQUE FORM

43. (1) All Cheques drawn on any Band Deposit Account shall be pre-numbered with an accounting of all numbers and shall otherwise be in such form as is from time to time approved by the Council.
- (2) No Cheque or Bill of Exchange drawn on any Band Deposit Account shall be signed in blank.

PETTY CASH

44. In respect of petty cash:
- (a) a petty cash fund may be established to reflect realistic daily operating requirements of the Band in respect of the payment from Band Money of small incidental expenses but such fund shall not at any time exceed \$200.00, or such lesser amount as the Council may from time to time approve,
  - (b) without limiting the generality of section 39, a petty cash receipted invoice shall be completed for each expenditure made from the

APPROVED AND PASSED at a duly convened meeting of the Council of the Lax Kw'alaams Band of Indians this 14<sup>th</sup> day of AUGUST, 1989.

Reginald Sampson  
CHIEF COUNCILLOR

Mervin Wesley  
COUNCILLOR

Bernie Hughes  
COUNCILLOR

Gary Reece  
COUNCILLOR

George Thomas  
COUNCILLOR

Heley Glasser  
COUNCILLOR

Noona Sampson  
COUNCILLOR

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COUNCILLOR

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COUNCILLOR

\_\_\_\_\_  
COUNCILLOR

I, REGINALD SAMPSON, Chief Councillor of the Lax Kw'alaams Band of Indians, do hereby certify that a true copy of the foregoing by-law was forwarded to the Minister of Indian Affairs and Northern Development pursuant to sub-section 82(1) of the Indian Act this 14<sup>th</sup> day of AUGUST, 1989.

Ranky  
WITNESS

Reginald Sampson  
CHIEF COUNCILLOR

relates, and any note or reference contained in that financial statement to call attention to a matter that, apart from the note or reference, would properly have been referred to in the qualification, insofar as the matter that is the subject of the qualification or note is not provided for by the Annual Financial Statement of the Band and is material,

- (b) where, in the opinion of the Band Auditor adequate provision has not been made in the financial statement of a Band Business or Band Businesses for the Band's proportion where:
  - (i) there is only one Band Business, of the loss of the Band Business suffered since Band Money or Business Moneys were invested in the Band Business by the Band, or
  - (ii) there is more than one Band Business, of the aggregate losses suffered by the Band Businesses since Band Money or Business Moneys were invested in the Band Business by the Band in excess of the Band's proportion of the undistributed profits, if any, earned by any of the Band Businesses since Band Money was invested in the Band Business by the Band,

the Band Auditor shall state in his report the additional amount that in his opinion is necessary to make full provision therefor.

- (4) Every Annual Financial Statement shall include:
  - (a) the name of each Band Business, designating in a distinctive manner those whose accounts are consolidated in the Financial Statement, and
  - (b) where the financial year of a Band Business does not coincide with the Fiscal Year of the Band, the date of the financial year end of that Band Business and the reason the financial year does not so coincide.

NON-SIGNIFICANT MATTERS

50. Notwithstanding anything to the contrary contained in sections 46 through 49, it is not necessary to state in a Annual Financial Statement any matter that in all the circumstances is, in the opinion of the Band Auditor, not material or is of relative insignificance.

ACCOUNTING PRINCIPLES

51. All Annual Financial Statements shall be prepared in accordance with generally accepted accounting principles and shall include by way of note of the Band Auditor:
- (a) a statement that the Annual Financial Statement has been audited pursuant to the ethics of the Canadian Institute of Chartered Accountants,
  - (b) a brief summary of the significant accounting principles applied,
  - (c) particulars of any change in accounting principle or practice from the principles and practice used in preparing the last Annual Financial Statement prepared, together with the effect of such change on the Annual Financial Statement for the Fiscal Year reported on and its comparability with that for the preceding period,
  - (d) where financial statements are presented in accordance with section 49, a statement whether, in his opinion, the information given pursuant to paragraph 49(3)(a) is satisfactory,
  - (e) a report as to whether, in his opinion, the Annual Financial Statement presents fairly the financial position of the Band and Band Businesses and the results of their activities for the period under review, and
  - (f) where the Annual Financial Statement contains a statement of source and application of funds, a statement whether, in his opinion,



the statement of source and application of funds presents fairly that information.

REPORT OF THE COUNCIL

52. (1) There shall be attached to each Annual Financial Statement a report of the Council which shall, so far as such information is material for the understanding of the state of the affairs of the Band and Band Businesses by Members and is not, in the reasonable opinion of the Council, harmful to the activities of the Band or any Band Business, detail in respect of Band Money and Business Money:
- (a) any change during the last Fiscal Year in the nature of the activities carried on by the Band and Band Businesses,
  - (b) a review of any relevant conditions, including business conditions, as they affected the Band and Band Businesses and the financial results for the last Fiscal Year,
  - (c) the total of the capital expenditures and dispositions by the Band and Band Businesses, without set-off for the last Fiscal Year, and capital expenditures to which the Band and Band Businesses are currently committed,
  - (d) major changes in long or short term financing arrangements of the Band and Band Businesses which have occurred during the last Fiscal Year or which are contemplated,
  - (e) the gross revenues of the Band and Band Businesses for the last Fiscal Year,
  - (f) all material acquisitions of any nature made by the Band and Band Businesses during the last Fiscal Year,
  - (g) a short description of all new projects begun or brought into operation during the last Fiscal Year by the Band and Band Businesses and of the effect thereof on the financial statements of the Band and Band Businesses, and

- (h) a statement of the total number of employees of the Band and Band Businesses at the end of the last Fiscal year and the total wages, salaries and benefits paid to each employee of the Band and Band Businesses for each of the last two Fiscal years.
- (2) There shall be attached to the report of the Council the written opinion of any Council member who disagrees with any portion of the report, in respect of that portion of the report such Council member disagrees with.

INSPECTION

53. A true copy of the Annual Financial Statement shall be:
- (a) available during reasonable business hours of any business day at the Band office to the inspection of any Member upon a request for such inspection being made to the Band Manager, and
  - (b) provided to any Member upon a written request being made to the Band Manager.

SCHEDULE "A"

RECOMMENDATIONS OF BAND AUDITOR

1. A manual of accounting procedures and of job descriptions shall be established and maintained.
2. All accounts receivable shall be maintained within the limits of the Band's credit policy in place from time to time.
3. Office duties shall be defined in such a way that the clerk maintaining the accounts receivable sub-ledgers does not also receive payments on account.
4. A follow-up on overdue accounts receivable shall be carried out on a regular basis and in any event no less frequently than once per month.
5. A personnel file shall be kept in respect of each Band employee and shall be kept complete and up to date at all times.
6. The pay rate of each Band employee that is in effect shall be confirmed by the Band Manager by initialling the employee's payroll card.
7. No pay rate in effect shall be changed without the Band Manager first approving such change by changing the pay rate shown on the employee's payroll card and initialling the new pay rate.
8. Employee time sheets shall be reviewed and approved by the Band Manager before any employee receives salary in respect of time recorded on a time sheet.
9. All leaves of absence, other than such leaves as are necessitated by unforeseen grave circumstances, must be applied for a reasonable period in advance of commencement of the leave.
10. Payroll personnel shall be notified in writing of all leaves of absence and a copy of such notification shall be put on the personnel file of the relevant employee.

11. No employees shall be paid in respect of any time that they are absent from work on an unauthorized leave of absence.

12. Leave on Band business must be approved in advance by the Band Manager or his designate.

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FINANCIAL ADMINISTRATION BY-LAW

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BAND OF INDIANS: BY-LAW NO. 1989-1)

A by-law to regulate the appropriation, control, management and expenditure of all moneys of the \_\_\_\_\_ Band of Indians.

WHEREAS the Indian Act provides that the Council of a Band may, subject to the approval of the Minister of Indian Affairs and Northern Development, make by-laws, inter alia, for the following purposes, namely:

the appropriation and expenditure of moneys of the band to defray band expenses (paragraph 83(1)(b)),

with respect to any matter arising out of or ancillary to the exercise of the aforementioned power (paragraph 83(1)(g));

NOW THEREFORE the Council of the \_\_\_\_\_; Band of Indians at a duly convened meeting enacts as a by-law the following:

PART I  
INTERPRETATION

SHORT TITLE

1. This by-law may be cited for all purposes as the Financial Administration By-law.

HEADINGS

2. The headings of parts and sections in this by-law have been inserted as a matter of convenience and for reference only and in no way define, limit or enlarge the scope or meaning of this by-law or any of its provisions.