

DEADMANS CREEK INDIAN BAND
BY-LAW NO. 1985 - 2
FINANCIAL MANAGEMENT BY-LAW

Exhibit 'A'
This is Exhibit 'A' referred to in the
affidavit of Lola Ross
sworn before me at Vancouver
this 8 day of August
A. D. 19 85.

Lynn Koval
A Commissioner for taking Affidavits

WHEREAS:

The Chief and Council of the Deadmans Creek Band of Indians is empowered under Section 83 1(b) of the Indian Act R.S., c. 149, s. 1 to make Bylaws for the purpose of the appropriation and expenditure of monies of the Band to defray Band expenses;

NOW THEREFORE:

the Chief and Council of the Deadmans Creek Band of Indians enacts the following:

1. SHORT TITLE: this bylaw shall be known as the Financial Management Bylaw 1985 - 2.
2. DEFINITIONS:
 - "Act" means the Indian Act, R.S., c. 149, s.1.
 - "Auditor" means a person (or company) who is a Chartered Accountant (or his designate) and who is a member in good standing of a registered accounting association.
 - "Audit Committee" means a committee appointed by Band Council Resolution for the purposes of reviewing expenditures of the Band in accordance with procedures set out in this bylaw.
 - "Band" means the Deadmans Creek Band of Indians as a whole.
 - "Band Administrator" means the employee appointed as Administrator of the Band on terms set out and approved by Band Council Resolution.
 - "Band business enterprises" means business conducted by the Band for the benefit of all members of the Band.
 - "Band Council or Council" means the Chief and Council of the Deadmans Creek Band of Indians duly elected under the Act or by means of the custom of the Band as approved by the Minister of Indian and Northern Affairs.
 - "Band Council Resolution" means a motion of Council that has been approved by a majority of a quorum of the Council Members at a duly convened meeting and is recorded in the minutes of that meeting and includes a written instrument containing any

such motion signed by a quorum of Band Council at such meeting.

- "Band Council Meeting" means a duly convened meeting of a quorum of Band Council in accordance with the practice of the Band or pursuant to procedures adopted by Band Council Resolution.
- "Band Funds" means all monies received and managed by Band Council or its designate and without restricting the generality of the foregoing, includes grants, contributions, loans, earnings from Band business enterprises or any other monies that are managed by Band Council on behalf of the Band Members, but excludes funds from the consolidated revenue fund which is regulated by the Indian Band Revenue Monies regulations.
- "Band Funds" means any person who is registered by the Department of Indian and Northern Affairs as a member of the Deadmans Creek Band of Indians collectively this may be called Band Membership.
- "Chief" means the Chief of the Deadmans Creek Band of Indians as duly elected under the Act or by means of the Custom of the Band as approved by the Minister of Indian and Northern Affairs.
- "Councillor" means a Councillor of the Deadmans Creek Band of Indians as duly elected under the Act or by means of the Custom of the Band as approved by the Minister of Indian and Northern Affairs.
- "Finance Committee" means a committee appointed by Band Council Resolution to plan Band financial programs and procedures not inconsistent with procedures outlined in this Bylaw.
- "Financial Benefit" or "Financial Interest" means monetary, material or any other direct financial benefit received or to be received by an individual beyond the benefits normally provided to the Band or Band Members as a whole.
- "Immediate Family" means a common-law or legally married spouse, natural or adopted children, parent or grandparent, spouse's parent or grandparent, sister, brother, half-brother, half-sister or grandchild. It also includes anyone who has lived with a member of Council within three months of assuming his present term of office

or during his present term of office.

"Minutes"

means the duly certified written record of proceedings at all Band Council meetings.

3. COUNCIL RESPONSIBILITIES

- 3.1 Council shall conduct Band business in a manner which ensures sound financial management by carrying out the following duties and responsibilities:
 - a) Planning and budgeting for monies and other resources for local services and capital works.
 - b) Overseeing the work of the Band employees through the Band Administrator and ensuring that Band employees conduct financial matters in accordance with procedures set out in this Bylaw.
 - c) Ensuring there is full financial accountability to Band members at all times and to funding agencies as required under any agreement with those agencies.
 - d) Ensuring that Band employees responsible for maintaining financial records and management of Band programs are qualified for the position to which they are appointed, or that they receive adequate training on the job in respect to their duties and become qualified within a reasonable period of time.
 - e) Permitting access by all Band members under the supervision of Band Council or its designate at reasonable times during working hours, to the Minutes of Council and General Band meetings, Bylaws, Resolutions of Council, budget, monthly financial statements and audit reports.
 - f) Ensuring that records kept in the Band Office as required under this By-law are kept in a secure safe condition, and not removed from the Band Administration Office without the authority of Band Council.
- 3.2 Every member of Band Council, in exercising his powers and, performing his functions

shall:

- a) act honestly, and in good faith and in the best interests of the Band;
- b) exercise the care, diligence and skill of a reasonably prudent person.

4. DISCLOSURE

- 4.1 If a decision is to be made by Band Council which may result in a member of Band Council or his immediate family receiving any financial benefit, such member shall make a full and complete disclosure to Band Council of his financial interest at a meeting of Band Council.
- 4.2 It shall be the duty of each and every Councillor to disclose to Band Council any real or apprehended financial interest of any other Councillor.
- 4.3 The disclosure required by subsections 4.1 and 4.2 shall be made:
 - a) at the meeting at which the decision is first considered;
 - b) if the Councillor or his immediate family was not, at the time of the meeting referred to in subsection (a), going to receive a financial benefit from the decision, then at the first meeting after he becomes aware of the financial interest; or
 - c) at the first meeting after the Councillor becomes aware of the financial interest.
- 4.4 Immediately upon the disclosure set out in subsection 4.1 and 4.2 hereof the Councillor having the financial interest shall withdraw from the meeting of Council and shall not return until requested to do so by the remaining Councillors.
- 4.5 The Minutes of the Band Council meeting shall record the details of the disclosure made pursuant to this Section, including the point of departure and re-entrance of the Councillor to the meeting, pursuant to sub-section 4.4.

- 4.6 Every Councillor shall account to the Band for any financial interest made as a result of the decision of Band Council, unless:
 - a) the Councillor has disclosed his financial interest as required by this Section, and has followed the procedures set out in Sub-section 4.3 and 4.4; and
 - b) the Councillor has abstained from voting on the decision.
- 4.7 No vote shall be taken on a matter in which a Councillor or Councillors have disclosed a financial interest and have withdrawn from the meeting unless the number of the remaining Councillors present constitutes a quorum.

5. ADMINISTRATOR'S RESPONSIBILITIES

The Band Administrator, under the direct supervision of Council shall perform the following duties:

- 5.1 Recording of Council minutes, resolutions, decisions and other proceedings of Council and maintaining these records in an orderly and chronological fashion.
- 5.2 Keeping books, records and accounts of Council and Band in accordance with principles and procedures set out in this Bylaw.
- 5.3 Maintaining an orderly filing system in which is kept all minutes of the Band Council meetings, and bylaws, and copies of all vouchers, financial statement, cancelled cheques and correspondence relating to the financial business of the Band.
- 5.4 Receiving, recording and depositing all monies received by the Band and paying out these monies in accordance with principles and procedures set out in this bylaw.
- 5.5 At the end of each month, preparing a month-end financial statement which includes a balance sheet and a statement of receipts and disbursements.
- 5.6 Preparing and presenting to Council by the 20th of each month a financial management report for the previous month, which report

shall include:

- i) yearly budget or revenues and expenditures;
- ii) summary of revenues and expenditures;
- iii) cumulative summary of year-to-date revenues and expenditures;
- iv) balance of remaining budget of expenditures and revenues to year end;
- v) Bank balance;

The report shall include both local services and capital program budgets and expenditures.

6. ACCOUNTING SYSTEMS

6.1 The Band Administrator or his designate shall maintain an adequate bookkeeping system on a daily basis to record all financial transactions of the Band. This system shall include;

- i) a daily journal for receipts and disbursements;
- ii) accounts receivable journal;
- iii) accounts payable journal;
- iv) payroll records;
- v) general ledger.

6.2 The Band Administrator or his designate shall prepare a monthly bank reconciliation upon receipt of the bank statement and cancelled cheques.

6.3 The Band Administrator or his designate shall prepare a month-end listings of accounts receivable and payable and balanced to the general ledger.

7. DEPOSITS, BANKING AND RECEIPTS

7.1 The Band Council, by means of a Band Council Resolution, shall establish all bank accounts in the Band's name in an approved chartered

bank, trust company or credit union.

- 7.2 The Band by Band Council Resolution shall establish one Bank account only for the purposes of to day to day Band financial operations.
- 7.3 The Band may, from time to time, establish a trust or Special Bank Account for special purposes. The Terms of Trust or requirements for establishing the account shall be approved by Band Council Resolution.
- 7.4 All accounting for funds pursuant to Section 7.3 must be included as part of the Band's accounting system as set out in this Bylaw.
- 7.5 A numbered receipt book shall be maintained and all monies which are received by the Band must have a receipt issued in the correct amount to the payee.
- 7.6 Upon receipt of all cheques paid to the Band the cheques must be stamped immediately with a stamp which designates the monies for deposit in the Band's bank account.
- 7.7 The Band Council, upon receipt of Band funds, shall cause said funds to be immediately deposited in the Band's banking account.

8. PURCHASES

- 8.1 Expenditures may be made by Band Council if and only if the following conditions have been met:
 - a) the expenditures are actually required for local services or capital programs for the Band;
 - b) Council has by a duly recorded Band Council Resolution authorized the expenditures;
 - c) necessary funds to pay for such expenditures are budgeted for or have been authorized by Band Council Resolution;
 - d) funds for the expenditures are actually under the control of the Band, or may be reasonably anticipated to be received within the fiscal year.

- 8.2 The Band Council may, by Band Council Resolution, designate an employee to sign purchase orders to a maximum of \$1,0000.00, provided that no employee shall sign a purchase order until the conditions set out in section 8.1 have been met. This amount may be adjusted to a maximum of \$3,000.00 for special purposes by a Band Council Resolution.
- 8.3 Prior to a person being designated as set out in section 8.2, the Band Council shall ensure that the employee is bonded to a minimum of \$75,000.00.

9. CHEQUES AND PROCEDURES

- 9.1 All payments, except petty cash pursuant to section 11, are to be made by prenumbered cheques. These are to be issued only in accordance with payroll and accounts payable procedures as established by this Bylaw or by a Band Council Resolution consistent with this Bylaw. All cheques must be accounted for in the month-end and year-end financial statements.
- 9.2 Band Council shall by Band Council Resolution authorize three people as signing authorities any two of whom shall sign all cheques issued in the name of the Band or drawn on the Band's accounts. Two of the signing authorities must be members of Band Council and the third may be a member of staff as appointed by Band Council Resolution. Each person must be bonded to a minimum of \$75,000.00.
- 9.3 The Band Council Resolution made pursuant to section 9.2 hereof shall be deposited at the Bank of the Band and shall continue to be in force and effect until replaced by Band Council Resolution made pursuant to this Bylaw.
- 9.4 No cheque drawn on any bank account of the Band shall be post-dated nor signed in blank.
- 9.5 All bank records must be kept under security in the Band administration office.
- 9.6 Any cheque not cashed within 75 days of the date of issue, or lost or stolen, shall be cancelled and a stop payment registered with the Bank by the Band Administrator.

10. COMMITTEES

10.1 Finance Committee

The Finance Committee shall consist of one or more members of Band Council, the Band Administrator, and one other person appointed by Band Council Resolution. The Committee shall:

- a) plan and prioritize financial commitments for the ensuing fiscal year. It shall in this process, review any long-term financial planning programs for both local service and capital programs that have previously been approved by Band Council Resolution and set priorities in respect to this plan and/or alternatives suggested by Band Council.
- b) Meet, as required, with Band Council, other Band committees, and Band employees to prepare a provisional budget which is to be submitted to Band Council by March 15 of each year.
- c) Keep minutes of Finance Committee meeting, keep them at the Band Office and make them available to Band Council upon request.
- d) The Finance Committee may be called upon by Council from time to time to review any financial matters of the Band. Terms of reference for this review will be established by Band Council Resolution.

10.2 Audit Committee

- a) The membership of the committee shall include one Councillor and one Band employee who have no financial signing authority for purchases or procedures and any other person Band Council may appoint.
- b) The Audit Committee shall have 2 members present to constitute a quorum.
- c) The Audit Committee must be appointed by Band Council Resolution annually on or before January 20 of each year.
- d) The Committee must pre-audit all accounts payable and must recommend to Band Council payments of monthly accounts.

- e) On or before the 24th of each month Band Council shall hear recommendations of the Audit Committee as to the payment of monthly accounts which recommendations shall be made at a duly convened Band Council meeting.
- f) Minutes of the Audit Committee shall be kept at the Band Office and shall be submitted monthly to Band Council.
- g) The Audit Committee shall attend at the request of Council to examine or audit various accounts. The Terms of References for this examination or audit function shall be established by Band Council Resolution.

11. PETTY CASH

The Band Council may by Band Council Resolution establish and maintain a petty cash fund to a maximum of \$100.00 under the following conditions:

- a) An employee designated by Band Council Resolution shall be responsible for the fund.
- b) The employee designed in Section 11(a) shall complete a voucher for each disbursement made, and ensure that the total of such vouchers, plus the cash on hand, equals the amount of the fund.
- c) Reimbursement of the fund supported by vouchers shall be made as required and each expense must be charged to the appropriate activity account.

12. CONTRACTS AND TENDERS

Contracts and tenders may be undertaken only by a Band Council Resolution. All terms of any contracts and tenders are to be determined by Band Council Resolution.

13. TRAVEL

Rates of travel expenses and conditions of reimbursement shall be determined annually by the Band Council upon recommendation by the Finance Committee. Travel expenses shall be approved by Band Council Resolution in advance of payment.

14. PAY ADVANCES

No advances of wages shall be paid to an employee or contractor except in the amount of wages earned to date or as determined by a contract.

15. INVENTORIES

The Band Council shall maintain an updated inventory for all equipment, buildings, vehicles and other real assets.

16. PROCEDURES FOR LOANS, BORROWING POWERS AND DEBTS

- 16.1 The Band Council is prohibited from making loans to any member of Council, or any individual or group of individuals from monies designated for the use and benefit of the Band without using the procedures as set out in sections 16.3(b) i), ii) and iii).
- 16.2 The Band Council shall not co-sign any loan or provide any form of security for any loan made for the benefit of any individual or group of individuals other than for the Band as a whole without following the procedures as set out in sections 16.3(b) i), ii) and iii).
- 16.3 For the purposes of conducting the Band's business, Council may on behalf of the Band, borrow monies from a Chartered Bank, Trust Company, Credit Union or any other lending source under the following conditions:
 - a) by Band Council Resolution, Council may obtain credit not exceeding \$50,000.00 to maintain local services and capital programs only. Prior to using this credit, repayment funds must be confirmed by the revenue source;
 - b) capital loans made by the Band must have the approval of the Band membership at a duly convened Band Meeting, approval shall be obtained by the Band Council in the following manner:
 - i) Notice shall be given by Council to all households on the Reserve that the Band wishes to engage in a loan and details of the loan and repayment shall be made part of the notice. A similar notice shall be posted at the Band Administration Office and one conspicuous place on the Reserve.

- ii) Council shall hold three duly convened General Band Meetings at which the loan shall be discussed. Council shall provide notice 10 days prior to each meeting as outlined in 16.3 (b) i). At each meeting Band Council shall announce their intention to make the loan on behalf of the Band. If there is no approval of motion to reject the loan, the Band Council after three General Band Meetings shall assume the loan has been accepted by the membership. A majority of 51% of members present (over the age of 19 years) voting in form of rejecting the loan is required for the loan to not be approved.
 - iii) Votes shall be taken by show of hands or secret ballot.
- 16.4 Band Members owing monies to the Band must make monthly payments on their debt in accordance with a schedule of terms of repayment agreed upon in writing with Band Council.

17. AUDIT

- 17.1 The Band Council shall have all Band finances audited annually by an independent auditor, in the following manner:
- a) an auditor shall be appointed by Band Council Resolution on or before the 15th of February of each year;
 - b) the audit shall be completed by June 30th of each year.
- 17.2 The Terms of Reference for the auditor must be in accordance with accepted auditing practices, and must include a review of accounting procedures, and such tests of accounting records considered necessary by the auditor.
- 17.3 The Band Council and staff shall provide the Auditor with all required accounting records, minutes of Council meetings, vouchers and documents supportive of the financial records.
- 17.4 The audit shall report all Band financial activities and shall include:

- a) statements or revenue and expenditures for each program, service or activity;
 - b) details of surplus or deficits for each local service;
 - c) a consolidated balance sheet and statement of revenues and expenses.
- 17.5 The Auditor shall express an opinion on the financial statements as a reflection of the financial position of the Band in accordance with generally accepted accounting principles. He may also state recommendations for consideration of Band Council.
- 17.6 The audit financial statement shall be signed by the Chief, a quorum of Band Council and by the Band Administrator.
- 17.7 A copy of the audit is to be delivered to each household on Deadmans Creek Reserve by July 30th of each year and to any other Band member who requests a copy.
- 17.8 A copy of the audit must be permanently kept in the Band Administration Office.

18. FISCAL YEAR

The fiscal year begins on April 1 and ends on March 31 of the following year.

19. PENALTIES

Any person interfering with the provisions of this bylaw or not complying with the provisions of this Bylaw shall be deemed to have committed an offence under the Act for each offence and is subject to the punishment contained therein.

20. SEVERABILITY

If any provision of this Bylaw is found invalid, such provision is severable.

21. AMENDMENTS

- 2.1 Portions of this Bylaw may be added to or amended from time to time by Band Council Resolution provided tht the portion to be amended is repealed and that the new wording

is added to this Bylaw. The amendment shall be forwarded to the Minister of Indian Affairs in the usual manner of Bylaw approval as set out in Section 82 of the Indian Act. Notices of any additions and amendments must be posted for 30 days at the Band Administration Office.

- 21.2 Notwithstanding Section 21.1, Sections 2, 4, 8, 16 and 17 may not be changed by Band Council without the approval of the Band obtained in the following manner:
- a) the proposed amendment shall receive the approval of 60% of eligible voters, as determined by the voters list from the previous elections for Chief and Council, who are present at a meeting duly called for the purpose of considering the amendment.
 - b) that notice of the proposed amendments containing actual wording shall be provided 30 days prior to the General Band Meeting and a notice of such changes, including the proposed wording, shall be delivered to each residence on the Reserve and shall be posted at the Band Administration Office and one other public facility on the Reserve.
 - c) that minutes of the General Band Meeting and results of the vote be included in the amendment forwarded to the Minister.
 - d) voting may be either by secret ballot or by a show of hands.

22. GENDER AND PLURALITY

In this Bylaw any words in the singular include the plural and words in the plural include the singular and the masculine includes the feminine and neuter where the context requires.

Passed by a motion of Council at a duly convened Meeting on 29th day of August, 1985.

July 5th

Chief

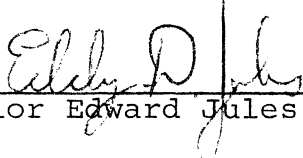
William O. Grace
Councillor

Evelyn D. Jones
Councillor


Witness

[Signature]

I Edward Jules, Councillor of the Deadmans Creek Indian Band, do hereby certify that a true copy of the foregoing Bylaw called the Financial Management Bylaw was forwarded to the Minister of Indian and Northern Affairs pursuant to Section 82 of the Indian Act, this 1st day of August 1985.


Councillor Edward Jules

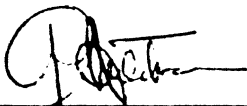
Sworn before me at Deadmans Creek Indian Reserve British Columbia this 1st day of August 1985.


~~Commissioner for the Taking of Oaths~~
G. J. HUTCHISON
Commissioner for taking Affidavits for the Province of British Columbia

I Wilbur Ignace, Councillor of the Deadmans Creek Indian Band, do hereby certify that a true copy of the foregoing Bylaw called the Financial Management Bylaw was forwarded to the Minister of Indian and Northern Affairs pursuant to Section 82 of the Indian Act, this 1st day of August 1985.


Councillor Wilbur Ignace

Sworn before me at Deadmans Creek Indian Reserve British Columbia this 1st day of August 1985.

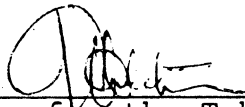

~~Commissioner for the Taking of Oaths~~

G.J. HUTCHISON
Commissioner for taking Affidavits for the Province of British Columbia

I Edward Jules, Councillor of the Deadmans Creek Indian Band, do hereby certify that a true copy of the foregoing Bylaw called the Financial Management Bylaw was forwarded to the Minister of Indian and Northern Affairs pursuant to Section 82 of the Indian Act, this 1st day of August 1985.


Councillor Edward Jules

Sworn before me at Deadmans Creek Indian Reserve British Columbia this 1st day of August 1985.


~~Commissioner for the Taking of Oaths~~
G. J. HUTCHISON
Commissioner for taking Affidavits for the Province of British Columbia