

# FINANCIAL MANAGEMENT AND HUMAN RESOURCE MANUALS



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# TOOLBOX CHAPTER SUMMARY

The focus of this First Nations Financial Code Toolbox chapter is on policy and procedure development and its role in helping your First Nation achieve its desired administrative goals. Included are sample policies and procedures for financial management and human resources that your organization may use as a template in the creation of your own.

## WHAT ARE POLICIES?

Policies and procedures help ensure that behaviours in the workplace conform to the expectations of the organization and to legal requirements. Different policies and procedures relate to general governance, function, strategic decisions or the administration of specific programs or activities.

The development of your own effective policies should support the vision, mission and values of your organization. It is important to consider these issues in your development:

- input from all affected stakeholders;
- relevant, complete and understandable content;
- effective communication to all stakeholders;
- all policies documented in a consistent format;
- appropriate authorization and accountability for administering the policy;
- a periodic review process to validate appropriateness and completeness.

Policies should contribute to the growth and development of a high performance organization. Key components of effective policies contain:

- purpose/objective
- scope
- authority
- policy content

They may also contain an effective date and consequences of non-compliance/redress.

## WHAT ARE PROCEDURES?

The development of procedures for your organization is a step-by-step list of activities required to conduct a certain task. Procedures ensure that routine tasks are carried out in an effective and efficient fashion, and in accordance with policy. Procedures should contain the following key components:

- The purpose of the procedure and the policy to which it relates.
- Step-by-step instruction on performing the given task.
- Illustrations of any form involved and specific instructions regarding their use. Any requirements related to review, approvals and signatures.
- Any requirement relates to the communication of information.
- The position or person with primary responsibility.

In conclusion, it is important to remember that this process is irrelevant if all users do not receive and apply your published policy and procedures to their daily practice. Your new manual will be well received by all users if they are easy to understand, develops effective solutions and if there is a communication or training plan in place.

## **WHAT SAMPLES DOES THIS TOOLBOX CONTAIN?**

This toolbox chapter contains a sample Financial Procedures Manual and a sample Human Resource Manual which includes samples of Codes of Conduct. Each sample includes samples of various forms, terms of reference for auditors, performance evaluation charts, grievance steps and oath of confidentiality forms.

### **SAMPLE FINANCIAL PROCEDURES MANUAL**

This sample contains procedures for administration staff and council on the correct and approved methods of financial control from the recording receipts, depositing funds, disbursement procedures to travel, capital assets and annual year-end audits.

#### **Sample excerpt from the Financial Procedures Manual**

##### ***PAYROLL***

*First Nations, on reserve, are subject to federal jurisdiction. Therefore, all employee payroll policies must adhere to the Labour Codes of Canada.*

- 1. Annual salary schedules shall be established for each employment position at the First Nation. These salary schedules will be Chief and Council approved and shall contain:
  - employee name;
  - job title;
  - wage rate or annual salary.\* such a schedule is normally contained in payroll software.*
  
- 2. The First Nation may pay salaries to its employees on a:
  - bi-weekly (26 pay periods per year);
  - or semi-monthly (24 pay periods per year);
  - or a monthly (12 pay periods per year) basis.*
  
- 3. Pay periods shall be established as :
  - every second Friday (bi-weekly);
  - or the first day of the month (monthly);
  - or the fifteenth and thirtieth or last day of the month (semi-monthly).The pay period shall include hours worked up to the previous Friday.*
  
- 4. Each employee is expected to make daily work attendance entries on attendance/leave records (timesheets). Entries made shall cover the period ending on a Friday prior to the next Friday pay days. (\*7)*

## SAMPLE HUMAN RESOURCE MANUAL

This sample contains policies for managing staff. It defines the conditions of employment, benefit entitlement, reporting, performance evaluations and redress. It complies with the Canadian Labour Code and would work in cooperation with an Operations Manual. This is the single important document that would provide your First Nation with a healthy workplace. The First Nation that regularly reviews and amends their Human Resource Manual seldom has recruitment or retention problems.

### Sample excerpt from the Sample Human Resource Manual

#### *PERFORMANCE EVALUATIONS & WARNINGS*

1. **Performance Evaluations** – *The employer conducts a performance evaluation of each employee at least once per year. The evaluation is recorded in writing on the file of subject employee and a copy given to the subject employee. For greater clarity, the Performance Evaluation Chart contained in **Appendix “A”** lists the specific designated employer representative required to evaluate a specific employee. The employee evaluators as shown in **Appendix “A”** can request input from a Committee or select personnel as to any observations or comments such Committee may have on service delivery aspects concerning an employee being evaluated.*
2. **Warnings** – *A warning concerning dissatisfactory service is made by letter, memo, and telephone or at a meeting or combination thereof. A performance evaluation that contains reference to dissatisfactory service constitutes a reprimand and a warning to the employee. A warning requires the employee to remedy the deficient performance within a stated time and if no time is stated then within a reasonable time. A record of the warning is made by the employer, signed by the employee and placed in the personnel file of the employee.*
3. **Dissent** – *an employee, who disagrees with an assessment of dissatisfactory service by the employer, provides a letter to the employer, within fifteen (15) days of being advised of the dissatisfactory service, stating the specific items of objection and factual basis for the same. Otherwise, the employee is deemed to have agreed with basis for the warning.*
4. **Form of Warning** - *There is no specific form of warning or reprimand, other than it shall cover the subject of the job performance of the employee and a statement of dissatisfactory service. The word "reprimand" or "warning" is not required.*