



Northwest Manitoba Community Futures Development Corporation

Policies • Guidelines • Procedures

TITLE: FINANCIAL ADMINISTRATION – GOALS AND OBJECTIVES NO. 401

I. Policy

The Board of Directors believes that sound business and financial administration policies and practices are essential for safeguarding the trust for such matters placed in the Board by the committees. The Board views the annual budget and audit of financial transactions and administrative procedures as key elements in the management of their responsibility as to what should be purchased and the manner it was purchased and paid for.

The Board of Directors requires that it be regularly informed of the financial transactions being carried out on behalf of the Corporation and depends on the General Manager to ensure that business and financial policies of the Board are adhered to.



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TITLE: ANNUAL BUDGET

NO. 402

I. Policy

The Board of Directors of the Corporation believes that it has a responsibility to its communities to plan for the efficient and effective financial management of the Corporation's affairs. The Board believes that this responsibility can best be discharged through the appropriate planning, development, adoption and control of an annual budget that predicts not only the revenues of the Corporation but provides for a detailed description of expenditures for the programs, services, staffing, administration, and governance of the Corporation.

II. Guidelines

1. The General Manager, with the assistance of staff, is charged with the responsibility for the development and presentation of a proposed annual budget for the consideration of the Board of Directors.
2. The proposed annual budget will include program and service objectives and improvement plans, as well as expenditure proposals for each of the major categories of programs and services.
3. The General Manager will table the proposed budget with the Board at a regular or special meeting(s) with sufficient time for debate and approval prior to the commencement of the next fiscal period.
4. The fiscal year shall begin on April 1st of each year and end on March 31st of the following year.



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TITLE: AUTHORIZED SIGNATURES

NO. 403

I. Policy

The Board of Directors believes that it is responsible and accountable for the efficient management and control of the Corporation's financial resources. In order to ensure that this responsibility is met in a controlled manner the Board has determined that only specific Board Members and staff be authorized as signing authorities on behalf of the Corporation.

II. Guidelines

1. The Board of Directors has designated the Chairperson and one Board Member, along with the General Manager and Investment Manager to be the authorized signing officer of the Corporation.
2. The General Manager or Investment Manager shall sign all documents, agreements and cheques along with at least one Board Member who is an authorized signing officer of the Board.
3. The General Manager will ensure that the persons designated as authorized signing officers are bonded at all times.



Northwest Manitoba Community Futures Development Corporation

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TITLE: FISCAL ACCOUNTING – REPORTING AND AUDITS NO. 404

I. Policy

The Board of Directors believes that the financial affairs of the Corporation must be carefully controlled and evaluated to ensure that the resources of the Corporation are handled in a professional and ethical manner. The Board further believes that it must receive up-to-date financial statements at each of its meetings to ensure that the Board is cognizant of the financial status of the Corporation at all times and is able to make sound program and policy decisions within the financial means of the Corporation.

II. Guidelines

1. The General Manager is charged with the responsibility of ensuring that the Board is provided with up-to-date financial statements at regular meetings of the board. The financial statement shall also include a forecast of budget year end position for all major components of the budget.

Specifically the Board shall be provided with the following:

- a) Listing of disbursements;
- b) List of accounts receivable;
- c) Balance sheet;
- d) Statement of revenue and expenditures;
- e) Variance analysis of revenue and expenditures;
- f) Such other reports as the Board may require from time to time.

The above reports, once approved by the Board will be attached to the meeting minutes.

2. The Board is charged with the responsibility of providing for an annual audit of the Corporation's books and accounts. The audit shall be conducted by a qualified professional approved by the Board of Directors. The General Manager shall present the annual audited report to the Board at the Annual General Meeting each year. The audit shall contain at a minimum, the following:
 - a) Balance Sheet;
 - b) Statement of Revenue & Expenditures;
 - c) Statement of Charges in Financial Position.
3. The auditors will review, on an annual basis the financial controls and make recommendations as they deem necessary. Their findings will be presented in a written report to the General Manager who will reply to the auditors in writing and will forward copies of this correspondence to the Board within fourteen days or the next Board Meeting/Annual General Meeting.



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TITLE: BONDED EMPLOYEES AND OFFICERS

NO. 405

I. Policy

The Board of Directors believes it is important to safeguard the financial resources of the Corporation by bonding those employees or officers to whom Corporation monies are entrusted. If it is not possible to acquire such bonding, administration staff is charged with the responsibility to institute such other management practices necessary to secure the keeping accounting and depositing of all Corporation monies.

II. Guidelines

1. The adequacy of any bond will be determined by the Board of Directors.
2. The names of those employees to be bonded shall be approved by the Board of Directors annually.
3. The expenses incurred for bonding of employees shall be paid by the Corporation.



Northwest Manitoba Community Futures Development Corporation

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TITLE: PURCHASING AUTHORITY AND PROCEDURES NO. 406

I. Policy

The Board of Directors believes that the purchase of supplies, equipment and services for the Corporation is largely an administrative task and one that must be coordinated and managed properly to ensure the best possible value for the expenditures incurred.

II. Guidelines

1. The Board delegates responsibility to the General Manager for the purchase of supplies, equipment, and services on behalf of the Corporation within the specific allocations defined in the annual budget. The General Manager will have expenditure authority to a limit of \$2,000 on any one item which has been approved in the annual budget.
2. Board Members or staff shall not purchase items for the Corporation without prior approval and in a manner prescribed by the General Manager. Any unauthorized purchases will be paid for directly by personnel making the purchase.
3. Requests to purchase items or services, not included in the annual budget shall be directed to the Board for consideration and approval.
4. Administrative staff shall attempt to consolidate purchases to reduce the number of suppliers and are encouraged to order from Canadian suppliers to reduce exchange and shipping charges.



Northwest Manitoba Community Futures Development Corporation

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TITLE: PAYMENT OF ACCOUNTS

NO. 407

I. Policy

The Board of Directors believes that all individuals or corporations who have supplied services, supplies or equipment to the Corporation should be paid for same in an orderly and timely fashion. The Board recognizes that failure to do so may result in loss of financial reputation and the future withholding of services and supplies necessary for the effective and efficient operation of the Corporation.

II. Guidelines

1. All suppliers should render invoices for materials, supplies, services, and equipment after delivery.
2. Invoices accompanied by a signed copy of the delivery receipt should be supplied to the Corporation.
3. In instances of partial shipment, an invoice for the merchandise that has been delivered and the signed copy of the delivery receipt must be submitted for payment, interest will not be paid on partial shipments.
4. An invoice to be submitted to the General Manager for approval for payment shall qualify when the following conditions are met:
 - a) It bears the description and price of the items specified, less any allowed discounts.
 - b) All extension and totals have been checked for accuracy.
 - c) It has the approval of the General Manager.
5. All disbursements shall be made by pre-numbered cheques and shall only be signed by those authorized to do so.
6. The General Manager shall have expenditures authority to a limit of \$2,000 on any one item which has been approved in the annual budget. All non-budget items require Board approval.
7. The Board shall approve staff payroll at a Board meeting.
8. No cheque shall be post dated or signed in blank.
9. Where a cheque is reported lost, destroyed, stolen or has not been presented for payment within three months of the date of issue, it shall be cancelled and a stop payment notice sent to the bank. Duplicate cheques may be issued in return for the payee indemnifying the Corporation against further loss.
10. Where progress payments are made in connection with any contract, the Corporation shall hold back an amount equivalent to 15% of the contract price until the job has been certified complete to the satisfaction of the Corporation.
11. A statement of accounts paid monthly shall be provided to the Board for their information.



Northwest Manitoba Community Futures Development Corporation

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TITLE: PAYMENT OF SALARIES

NO. 408

I. Policy

The Board of Directors believes that the approval and payment of staff salaries should be decided upon and administered in a timely and consistent manner. The Board recognizes that salaries should reflect levels of responsibility, levels of training and experience, successful completion of required duties and market comparison.

II. Guidelines

- a) The Board shall by October 15th of each year review present salary schedules for all employees and shall approve, revised salary scheduled for the upcoming fiscal year.
- b) Approved salary schedules shall be provided to all employees as part of the Terms and Conditions of Employment approved by the Board.
- c) The Board shall approve all staff payrolls at a legally constituted meeting of the Board.

Payment of Salaries

- a) Salaries shall be paid in twenty-four (24) bi-monthly payments to be made on the 15th and the last working day for the month which payment is being made.
- b) In the event of the employee terminating his/her services from the Corporation or the Corporation terminating the services of the employee, the final salary payment shall be adjusted so that the employee is paid for the number of days worked.



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TITLE: EMPLOYEE PENSION PLAN

NO. 409

I. Policy

The Board of Directors believe that is important to have an Employee Pension Plan in place. Effective March 1, 2000 an Employee Pension Plan takes effective.

Any permanent full-time employee of Northwest CFDC (core positions) shall contribute to the pension plan. The Board agrees to pay 4% of annual salary, providing the employee submits the same 4% towards RRSP's.

Any new employee is entitled to the pension plan when work commences.

II. Guidelines & Procedures

1. The Board's 4% of the plan is submitted by the Investment Fund dollars quarterly.
2. The employee submits the same 4% off of each pay period cheque.
3. The new employee begins with a Pension Plan after the 3 month probationary period retroactive to their 1st day of employment.



Northwest Manitoba Community Futures Development Corporation

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TITLE: DEPOSIT OF CORPORATION FUNDS

NO. 410

I. Policy

The Board of Directors believes it is important to safeguard revenues received by the Corporation or agents of the Corporation and directs that all revenues received by the Corporation be deposited in a financial institution(s) approved by resolution of the Board.

II. Guidelines

1. The Board of Directors shall annually approve a financial institution(s) which revenues or monies of the Corporation are to be deposited.
2. All deposits shall be recorded and verified in accordance with generally accepted accounting practices.



Northwest Manitoba Community Futures Development Corporation

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TITLE: AUTHORIZED TRAVEL AND EXPENSES

NO. 411

I. Policy

The Board of Directors recognizes that Board Members and staff may be required to travel outside the community as part of the job/role responsibility. The Board further recognizes that such travel is expensive due to the isolated location of the community and therefore care must be taken to control travel costs.

II. Guidelines

1. All requests for travel requirements shall be submitted in writing (requisition) to the General Manager for approval two weeks prior to the required trip.
2. Travel expenses for employees and the Board Members shall be paid on a per diem basis and shall be at the same ratio paid by the Federal Government as is in effect from time to time.
3. Mileage rates payable for use of private vehicles shall be established by the Board and reviewed annually.
4. Should an employee make private arrangements for lodging instead of staying in a commercial lodging establishment, the employee may claim up to \$25.00 per night without receipts. In all other cases receipts must be provided if the cost of accommodation is higher than the allocated per diem allowance.
5. Frequent flyer points accumulated by Board Members or staff travelling on Corporation business are the property of the Corporation.



Northwest Manitoba Community Futures Development Corporation

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TITLE: PETTY CASH ACCOUNTS

NO. 412

I. Policy

The Board of Directors recognizes that a system of petty cash accounts are a useful and expedient manner to handle the purchase of minor supplies that are needed on a short notice. The Board believes that purchases made through petty cash accounts must be accounted for like any other purchases.

II. Guidelines

1. The General Manager may authorize the establishment of a petty cash account for the Corporation.
2. The value of the petty cash account may not exceed \$250.00 without Board approval.
3. Expenditures against the fund must be authorized by the General manager and must be accurately itemized and supported by receipts for reconciliation at the end of each month.
4. All petty cash accounts must be reconciled at the end of the fiscal year.



Northwest Manitoba Community Futures Development Corporation

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TITLE: BANK BORROWING

NO. 413

I. Policy

The Board of Directors recognizes that it may be necessary to borrow money from time to time to meet current operating expenses due to delays in Federal Funding or to complete projects in a timely manner. The Board wishes its public to know that borrowing of funds will only be done on the best interests of the Corporation and will not jeopardize the reputation of the Corporation.

II. Guidelines & Procedures

1. All monies to be borrowed from a bank or other financial institution on behalf of the Corporation will be by resolution of the Board at a regular or special meeting of the Board.
2. The General Manager shall recommend the institution the money should be borrowed from in recognition of interest rates and repayment terms.
3. The signing authority for all bank loans shall be as approved Board policy.



Northwest Manitoba Community Futures Development Corporation

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TITLE: LOAN APPLICATIONS

NO. 414

I. Policy

The Board of Directors of the Corporation believes that all applications for financial assistance should be administered in a timely fashion and according to the following guidelines so that the interest of the client and Corporation can be dealt with in a mutually satisfactory manner.

II. Guidelines

The following steps in application procedures have been established by the Board and delegated to the administration of the Corporation to implement:

1. Loan application form completion and submission – Client responsibility.
2. Staff screening to determine eligibility. All applicants will be advised by letter of the screening outcome – two (2) weeks.
3. If the client meets the criteria, a credit check will be made – two (2) weeks.
4. A business plan will be requested – client responsibility.
5. A viability assessment of the project is conducted – four (4) weeks.
6. Under the Lender of Last Resort requirements, the business plan may be submitted to a recognized lending institution – two (2) weeks.
7. Submission to the Board of Directors – depending upon the next scheduled Board of Directors Meeting.
8. Notice of Board of Directors decision – one (1) week.
9. Preparation of legal contracts and disbursements – three (3) weeks.



Northwest Manitoba Community Futures Development Corporation

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TITLE: INVESTMENT FUND PURPOSES

NO. 415

I. Policy

The Board of Directors believes that a primary purpose of the Corporation is to assist small business to access Capital through its investment fund. The Investment Fund has been divided into the following categories:

- Regular investments
- Youth investments
- Disabled entrepreneur investments

I. Guidelines

1. Description of Regular Investment Fund Activities

- 1.1 The Investment Fund will be used for the purpose of local investment in the community and must demonstrate that the funds will be used to develop and diversify the regional economy or to create or maintain employment by assisting existing local business to expand or to help entrepreneurs to create new regional businesses.
- 1.2 Assistance to businesses will be provided from the investment fund in the form of loans, loan guarantees or equity participation.
- 1.3 Assistance in the form of equity participation will only be provided from the investment fund to incorporated businesses and the Corporation must enter into a written agreement with the business which sets out the terms and conditions of the transaction. For example, the price paid for the shares and any buy back requirement or any restriction on the subsequent sale of the shares by the Corporation to a third party.
- 1.4 The total amount of financial assistance that may be provided in respect of any business at any time shall not exceed \$75,000.

2. Forms of Financial Assistance

- 2.1 The Board of Directors is authorized to make loans to individuals, groups of individuals, companies or societies of which the activities are deemed to contribute positively to business and employment development within the region.
- 2.2 Guarantees: The Board of Directors is authorized to guarantee loans made by individuals, groups of individuals, companies or societies of which the activities contribute positively to business and employment development within the region.
- 2.3 Equity Investment: The Board of Directors is authorized to invest the share capital of any limited liability corporation, or participate in the equity of a project undertaken by a limited partnership and employment development within the region.

3. Description of Other Access to Capital Activities

- 1.1 The Northwest Manitoba CFDC will continue to partner with local funding agencies such as banks, CEDF and aboriginal funding programs to increase the availability of capital.



Northwest Manitoba Community Futures Development Corporation

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TITLE: INVESTMENT FUND ADMINISTRATION

NO. 416

I. Policy

The Board of Directors of the Corporation shall be the sole authority to disburse monies or sanction corporation guarantees in support of regional business development and employment creation. The staff of the Corporation has administrative approval to accept or reject loans for up to a minimum of \$5,000 per application.

I. Guidelines

1. Conditions and Restrictions of Financial Assistance

- 1.1 Financial assistance will only be provided by the Corporation to businesses:
 - In which the principals have or will have a financial involvement to a degree that the Corporation deems reasonable in relation to the principals' wealth and to the funding requirements of the venture with a minimum of 10% equity;
 - That will predominantly employ regional people in respect of the jobs created;
 - That in the judgement of the Corporation, will have a reasonable expectation of the economic viability.
- 1.2 The minimum rate of interest charged on loan guarantees shall not be less than prime plus 1.5% with a variable rate depending upon the level of risk.
- 1.3 Financial assistance in the form of grants or forgivable loan shall not be granted.
- 1.4 No financial assistance will be provided to any applicant unless the applicant has explored all other avenues reasonably available for obtaining financial assistance and has provided evidence confirming that the applicant has been unable to obtain such assistance.

2. Security

- 2.1 It is essential that adequate security be obtained by the Board of Directors to protect loans and investments;
- 2.2 The Investment Manager is responsible for establishing and registering security and shall present these to the Board of Directors. (e.g. chattel mortgages, mortgages on land and buildings, general assignment of accounts receivable, life insurance, personal guarantee, etc.)
- 2.3 Upon review of the security recommended, the Board of Directors shall determine the requirements for the loan and the Investment Manager shall draft the offer accordingly.

- 2.4 Acceptance of the offer of financing by an applicant must be signed and witnessed.
- 2.5 No loan or monies shall be advanced without a duly executed promissory note on hand. The wording of the note shall include the amount, terms, and interest rate and repayment schedule of the loan
- 2.6 All documents shall be duly registered where appropriate. These registered documents will be monitored on an ongoing basis to ensure that they are always current.
- 2.7 All physical assets pledged, as security shall be personally examined periodically by the Investment Manager who will report to the Board of Directors as to condition and value.
- 2.8 All insurance policies shall be regularly reviewed to ensure that they remain in force and provide adequate coverage.
- 2.9 Where a general assignment of accounts receivable has been taken regular reviews of the accounts so pledged shall be undertaken.
- 2.10 Conditions listed in the Offer of Finance shall be reviewed periodically.

3. Administration of Loan/Equity Accounts

- 3.1 Concurrent with the advance of the funds to the client/applicant, certain internal procedures shall be initiated to ensure the loan or investment remains in "good" investment. A comprehensive system of collections, delinquent loan procedures and post-loan investment counseling shall be instituted.

4. Collections

- 4.1 Monthly notices shall be sent to the borrower. Indication shall be given as to the date of the next payment and the amount owing at that time. As well, a year end statement of balance will be sent out for income tax purposes.
- 4.2 Payments received by the Corporation shall be immediately recorded noting the date of receipt and then posted to each individual loan account and the investment ledger.
- 4.3 No security shall be released until the loan is fully repaid. However, certain circumstances might require early release. In such cases, the approval of the Board of Directors shall be required before any such release is made.
- 4.4 When a loan is in arrears, the Investment Manager will determine the nature of the problem and subsequently recommend possible solutions.
- 4.5 A formal demand for payment, which is a prerequisite to legal action, shall only be done on the authority of the Board of Directors.
- 4.6 If it is clear that under existing circumstances, the borrower cannot meet the original terms of the loan, it shall be possible to revise the repayment schedule within reason.
- 4.7 Revision of terms shall be made only on the approval of the Board of Directors.



Northwest Manitoba Community Futures Development Corporation

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TITLE: DONATIONS

NO. 417

I. Policy

The Board of Directors believes that providing donations to member communities may assist in the planning and hosting of community functions and events. Member communities may approach the Corporation for donations according to the following manner:

II. Guidelines

The following guidelines have been established by the Board of Directors and delegated to the administration of the Corporation to implement:

1. All requests must be sanctioned by the leadership of the member community as a community function and/or event.
2. The maximum allowable donation(s) to each community will not exceed \$200.00 per year.
3. All requests for donations from a member community will be treated on a "first come – first serve" basis.