

Northern Development Initiative Trust

Bylaw and Policy Manual



Northern Development Initiative Trust
301-1268 Fifth Avenue
Prince George, BC V2L 3L2
Tel: 250-561-2525
Fax: 250-561-2563

(This page left blank intentionally)

TABLE OF CONTENTS

Table of Contents	3
1.0 Bylaws	5
2.0 Governance Policies	11
2.01 Governance and Governance Assessment	11
2.02 Roles of Officers of the Board	14
2.03 Financial Accountability	18
2.04 Conflict of Interest	19
2.05 Confidentiality	21
2.06 Code of Conduct	22
2.07 Risk Management	23
2.08 Planning – Strategic, Annual Operating Plan and Planning Cycle	25
2.09 Respect in the Workplace	26
2.10 Appointment of the Chief Executive Officer	27
2.11 Executive Authority	28
2.12 Chief Executive Officer Performance Evaluation	29
2.13 Appointment of the Chief Financial Officer	30
2.14 Policy for Board Meetings without Management	31
2.15 Policy Development Process	32
2.16 Board Evaluation Processes	33
3.0 Financial Management Policies	38
3.01 Investment Policies	38
3.02 Authorizations	40
3.03 Expense Reimbursement	42
3.04 Expense Claim Guidelines Policy - Regional Advisory Committees	44
3.05 Financial Operations	46
3.06 Monetary Donations in Memory of Deceased Directors and Staff	49
4.0 General Policies	51
4.01 Public Relations and Media Communications	51
4.02 Freedom of Information and Protection of Privacy Act	53
4.03 Collaboration with North Central Local Government Association	55
4.04 Sponsorship Requests – Monetary and Non-Monetary	56

Section 1.0

Bylaws

1.0 BYLAWS

Bylaw No. 6, being a bylaw to regulate the proceedings of the Northern Development Initiative Trust

Bylaw No. 5 dated November 18, 2009 is hereby revoked.

Membership of the Northern Development Initiative Trust (Northern Development)

1. Appointment of Directors

Directors of the Northern Development Initiative Trust must be appointed in accordance with Division 6 of the enabling legislation, and consists of thirteen individuals of whom:

- (a) Eight are to be appointed by the Regional Advisory Committees, with each of the four Regional Advisory Committees appointing two of their number as Directors, and
- (b) Five are to be appointed by the Lieutenant Governor in Council. Recommendations for potential candidates are made by the "Committee of the Whole" with consideration to the Board Competency Matrix and consultation with appropriate Regional Advisory Committee(s).

The term of office of a director of the Northern Development Initiative Trust is:

- (a) Two years from initiation of the Board or two years from the expiry of the term of the retiring director that he or she replaces, if the director is appointed by a Regional Advisory Council, and
- (b) Three years from the date of initiation of the Board, or three years from the expiry of the term of the retiring director whom he or she replaces, if the director is appointed by the Lieutenant Governor in Council.

An individual who is a member of the Legislative Assembly must not be appointed as a director of the Northern Development Initiative Trust.

2. Vacancies among the Directors

A director of the Northern Development Initiative Trust ceases to hold office when:

- (a) the director's term of office expires,
- (b) the director ceases to be a member of the Regional Advisory Committee by which he or she was appointed, or
- (c) the director dies, resigns or is removed from office.

If one of the directors of the Northern Development Initiative Trust ceases to hold office, a replacement for that director must be appointed in the same manner as that director was appointed.

A replacement director appointed under subsection holds office until the end of the term of the director he or she replaces.

A director may be reappointed at the end of their term either by the Regional Advisory Committee or the Lieutenant Governor in Council.

3. How a Director May be Removed from Office

A Regional Advisory Committee may remove and replace, in accordance with any procedures it has established for that purpose, any director it has appointed to the Northern Development Initiative Trust and, in that event, the term of office of the replacement director is the remainder of the term of the director he or she replaces.

The Lieutenant Governor in Council may remove and replace any individual the Lieutenant Governor in Council has appointed as a director of the Northern Development Initiative Trust.

If a director is removed and replaced, the Regional Advisory Committee or the Lieutenant Governor in Council, as the case may be, must promptly notify the directors of the Northern Development Initiative Trust of the replacement appointment, and the term of office of the replacement director is the remainder of the term of the director he or she replaces.

A director of the Northern Development Initiative Trust may also be removed as, and ceases to be, a director of the Northern Development Initiative Trust on the passing of a resolution to that effect by all of the remaining directors.

A motion may be passed if the director misses more than two regular board meetings in any calendar year.

When a director is removed from office, the Board shall evaluate the existing composition of the Board, and recommend any competencies and skill sets that should be considered by the Regional Advisory Committee or the Premier's Office of Board Recruitment in the selection of directors.

4. Remuneration of Directors

A director of the Northern Development Initiative Trust must not accept remuneration from the corporation other than for reasonable travelling and out of pocket expenses necessarily incurred by the director in discharging his or her duties, as outlined in policy.

Proceedings of the Meetings of the Northern Development Initiative Trust

5. Meetings

All meetings of Northern Development shall generally take place in the City of Prince George or at such times and places as the Chair may determine.

Northern Development will generally meet four times per year.

Any seven directors of Northern Development may at any time, by notice in writing directed to the Chair, require a meeting to be called, and the Chair shall within two weeks set a date for a meeting which shall be held no later than thirty days from the date of such notice directed to the Chair.

The meetings shall not be open to the public; but may receive presentations during the day of the meeting.

Meeting procedures will be generally set by policy.

6. Annual Meeting

The Annual Meeting will be held no later than April 30th of each year. The annual meeting will be open to the general public and will be advertised on the Northern Development website. The Chair and the CEO will highlight the previous year's outcomes and the annual financial statements will be presented.

At the annual meeting to be held in each year, the directors of Northern Development shall elect one of their number as Chair and one of their numbers as Vice Chair to hold office until a successor or successors are elected, and for this purpose each director shall have one vote.

Northern Development may establish an Executive Committee of directors, three of which must be the Chair, Vice Chair and Finance Committee Chair. One additional member may be elected by the Board.

Northern Development will also elect a Finance Committee composed of three to four directors.

The Auditor's Report and the Annual Report will be received at the annual meeting.

7. Quorum

A majority of the directors (seven) constitute a quorum for the transaction of the business of Northern Development.

All bylaws and resolutions of Northern Development shall be decided by a majority of the votes of the directors who are at the meeting and entitled to vote thereon.

In all cases where the votes of the directors present are equal for and against the question of a motion, the motion shall be deemed defeated.

8. Minutes

The minutes of the proceedings of all meetings of Northern Development shall be drawn up and entered in a book to be kept for that purpose, and shall be certified as correct by the Chair or another director presiding at the next meeting at which they are adopted. A summary of the minutes shall be available for inspection at all reasonable times.

9. Opening Proceedings

Call to Order: As soon after the hour of the meeting as there shall be a quorum present, the Chair shall call the directors to order.

Non-Attendance of Chair: In the event the Chair or Vice Chair does not attend within fifteen minutes after the time appointed for the meeting, another member of the Executive shall call the directors to order and if a quorum is present, a Chair shall be chosen who shall preside during the meeting or until the arrival of the Chair or Vice Chair.

No quorum after fifteen minutes – adjournment: In the event there shall be no quorum present within fifteen minutes after the time appointed for the meeting, the Secretary shall record the names of the directors present and Northern Development shall then stand adjourned for that meeting.

10. Reading the Minutes

Immediately after the Chair has taken Chair of the meeting, the minutes of the preceding meeting which shall have been previously circularized, shall be considered for adoption as written, and any mistake therein may be corrected in the adoption of the minutes by Northern Development.

11. Duties of the Presiding Chair

The Chair, if present, shall preside at all meetings of Northern Development and shall have voting rights.

12. Duties of the Vice Chair

The Vice Chair shall assume the duties and responsibilities of the Chair during his/her absence.

13. Points of Order

The Chair shall preserve order and decide all points of order which may arise, but subject to appeal from the other directors of Northern Development.

14. Appeal from Decision

If an appeal be taken by a director of Northern Development from a decision of the Chair, the question shall be immediately put to him, and decided without debate; “shall the Chair be sustained?”. The Chair shall be governed by the vote of the majority of the directors of Northern Development (exclusive of the Chair), and the names of the directors voting for or against the question shall be recorded in the minutes. In the event of the votes being equal, the question shall pass in the affirmative.

15. Agenda

The Secretary to the Board shall distribute, prior to each meeting, an agenda developed by the Chief Executive Officer outlining the business to be transacted at the meeting.

16. Resolutions

All resolutions shall be regularly moved and seconded, and the Chair shall declare the motion to be passed.

A resolution that is approved in writing or by facsimile, telephone, video conferencing, or electronic mail by a majority of the directors is as valid as if it were passed at a meeting of the directors properly called and constituted;

Every director present when the question is put shall vote, and any director who abstains from voting shall be deemed to have voted in the affirmative.

If a director disagrees with a particular course of action and is not content to have the record imply a consensus on the matter, that director should request that his or her dissent should be shown in the minutes.

17. Review of the Northern Development Initiative Trust Act

Every five years from the establishment of the Northern Development Initiative Trust Act, the directors must appoint a committee of qualified individuals to review the Act and evaluate how it is functioning. The review committee may consult with business, labour, education providers, government and any other person or organization it considers appropriate. The review committee must publish a report of its findings in a public manner.

18. Amendment of the Bylaw

This procedure bylaw shall not be altered or amended except by bylaw passed at a regular meeting of Northern Development pursuant to the notice in writing in the agenda package of the meeting.

Adopted: April 21, 2010

Section 2.0

Governance Policies

2.0 GOVERNANCE POLICIES

2.01 Governance and Governance Assessment

Board Responsibilities and Due Diligence

Board members are expected to exercise due diligence in carrying out their general responsibilities.

Due Diligence is Defined as:

Directors will ensure that practices and decisions are without suspicion and influence, while avoiding any appearance of impropriety, which may raise concerns within the organization or external to the organization. Board members will sign and commit to the Conflict of Interest and Confidentiality Agreement.

Directors will be informed on the incorporating legislation, bylaws, mission, and all policies.

Directors will be informed on board activities and general trends in community economic development.

Directors will attend all board meetings in person, commit to serve on a committee(s) and contribute to the work of the Board.

Directors will exercise care, diligence and skill that a prudent person would show in similar circumstances.

Directors will offer personal perspectives on issues, but not represent any community or business interest, but rather the interests of Northern Development area as a whole.

Directors will remain unified with fellow directors in support of a decision that has been made.

Directors will work with staff on committees and respect and separate roles of board and staff.

Fiduciary Duty

A director's fiduciary duty is the cornerstone of his or her relationship with the Northern Development Corporation. It is the requirement that directors act honestly and in good faith with a view to the best interests of the corporation.

The legal impetus for characterizing the director's relationship with Northern Development as being fiduciary in nature stems from the need for the public to be confident that the members of the Board and management team will not manipulate Northern Development for their own benefit. The fiduciary duty brings with it an obligation to prefer the interests of Northern Development to those of any other person or constituency. It also prevents the director from disclosing confidential information about Northern Development.

Northern Development is prohibited from insuring and indemnifying the director for legal and other costs if a director breached his or her fiduciary duty.

Duty of Care

The 'duty of care' is the standard by which a director's performance will be judged by corporate statutes. Every director shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The duty of care requires directors to spend the time necessary to make an informed business judgement. Directors who are being careful and diligent will ask themselves whether they have the information they need in order to make a decision, will consider that information critically and will question management and outside advisors closely until they are satisfied with the responses they receive. Only then will they apply their judgement to the matter before them.

Director Characteristics and Competencies

Individual directors should possess all of the following personal characteristics:

- Integrity and accountability;
- Informed judgement;
- Financial literacy;
- Mature confidence; and
- High performance standards.

The Board as a whole should possess all of the following core competencies, with each director contributing knowledge and experience in at least one domain;

- Accounting and finance;
- Business judgement;
- Policy governance;
- Local government;
- Management;
- Crisis response;
- Economic development knowledge;
- Leadership; and
- Strategy/Vision.

(Adapted from the Report of the NACD Blue Ribbon Commission on Director Professionalism, 2001)

Governance

The Board will work as a policy governance board where the Board develops policy as a whole and has a Finance and Executive Committee with defined mandates.

Adopted: April 20, 2006

2.0 Governance Policies

2.02 Roles of Officers of the Board

Board Officers

Board officers are considered to be in the service of the board and may only act in place of the Board when acting together as an Executive Committee in accordance with the bylaws and as delegated by the Board through policy.

Board Chair

The role of the Chair is to ensure the integrity of the Board's processes through the following actions:

- Leadership of the Board, ensuring its effectiveness on all aspects of its role and approving the meeting agendas with the Executive Committee. The Chair will ensure that the Board is properly informed about the operations of Northern Development and has the information and opportunity necessary to come to decisions on matters within its purview;
- Providing feedback to the Chief Executive Officer to ensure the provision of accurate, timely and clear information in the board packages to directors, ensuring that they can operate effectively at the board meeting;
- Setting agendas for meetings and the Board collaboratively with the Chief Executive Officer and the Executive Committee. The Chair will plan the timing of board meetings in conjunction with the Chief Executive Officer. The Chair will ensure that the Board follows all the corporations' bylaws and policies and will manage the meetings of the Board through appropriate meeting administration practices. The Chair does not have the authority to make decisions outside the bylaws or the parameters of policies created by resolution of the Board;
- Effectively communicate with the public through representing the Board's decisions at funding announcements and in media interviews. The Chair is the only board member authorized to speak for the Board, unless this duty is specifically delegated to another board member;
- Representing Northern Development to the public, government and other organizations in conjunction with the Chief Executive Officer, and apprising the Board;
- Arranging the regular evaluation of the performance of the Board, its committees and individual directors, and the Chief Executive Officer, as well as feedback on the effectiveness of the Chair;
- Setting a positive tone in the relationship between the Board and staff; and
- Ensuring separation and "perception of separation" in the role as Chair from the Chief Executive Officer who is responsible for the day to day operations and management of the Northern Development Initiative Trust.

The Chair, in collaboration with the Chief Executive Officer, will maintain a relationship with the Provincial Cabinet Minister responsible for Northern Development Initiative Trust through meetings that occur at least annually, and the submission of the Annual Report and Strategic Plan for the Trust.

Vice Chair

The role of the Vice Chair is to assume the duties of the Chair during his/her absence. The Vice Chair shall support the work of the Chair. During the conduct of board meetings, the Vice Chair may assist in noting speakers and the sequence of the same, and assist in the tracking of motions and discussion. In the absence of the Chair, the Vice Chair shall assume the duties and responsibilities of the Chair.

Executive Committee

The Executive Committee consists of the Chair, Vice Chair, Finance Committee Chair and one other director appointed by the Board. Appointments are made and reviewed at the annual meeting and every effort is made to ensure continuity, commitment and competency in the business of the committee.

The mandate of the Executive Committee is to be the Board's primary liaison with the Chief Executive Officer, who is responsible for the execution of board policy and directives, and for determining the means, organizational structure and management processes necessary to achieve Northern Development's objectives.

The Executive Committee has discretion to:

- Review draft meeting agendas and provide operations advice to the Chief Executive Officer when requested;
- Review Trust public communications materials;
- Deal with matters referred from time to time by the Board;
- Monitor and review the Chief Executive Officer's performance annually;
- Authorize increases to the annual operating budget of less than 10% per annum with supporting documentation provided by the Chief Executive Officer, providing the Board is informed at the next meeting;
- Deal with issues referred by the Chief Executive Officer that are of a politically sensitive or time sensitive nature, with resulting actions referred to the Board as appropriate; and
- Approve director and Regional Advisory Committee member expense claims which are not within expense policy of the Board.

Finance Committee

The Finance Committee consists of three to four directors appointed by the Board. Appointments are made and reviewed by the Board at the annual meeting and every effort will be made to ensure continuity, commitment and competency in the business of the committee. The Board will appoint the Chair at the annual meeting. The Chair will report to the Board at each meeting on recommendations

and results of the committee’s deliberations. Requests for organizational resources or staff time will be directed through the Chief Executive Officer.

The mandate of the Finance Committee is to be the Board’s primary liaison with the Chief Executive Officer, Chief Financial Officer, Auditors, and Investment Manager(s) for the following duties:

The Finance Committee has discretion to:

- Draft and recommend investment policy to the Board. The Finance Committee will develop Investment Policy Statements in collaboration with staff and the appointed Investment Manager(s);
- Recommend Investment Manager(s) to the Board and advise the Chief Executive Officer on the general terms of a contract. The Finance Committee and Executive Staff will conduct a search for Investment Manager(s) and report to the Board on the results, and any contract that the Chair of the Finance Committee and the Chief Executive Officer enter into with clarity on fee structure, duration, and services provide by the manager(s);
- Be represented and actively involved in selecting the Chief Financial Officer;
- Ensure that “Directors and Officers Liability” and “Omissions Insurance” are kept in good standing by the Corporation;
- The committee will normally not be involved in operational aspects of Northern Development, except through the Chief Executive Officer;
- The committee will not exercise authority over staff, but will advise and be informed by the Chief Executive Officer to collegially accomplish the committee’s mandate;
- The Committee acts only under the authority and direction of the Board;
- Recommend an audit consultant who is authorized to be an auditor of a company under section 205 of the *Business Corporations Act* to audit the accounts, transactions and financial statements of Northern Development, and advise the Chief Executive Officer on the general terms of a contract; review recommendations for the appointment and compensation of the external auditor;
- Receive the auditor’s report and ensure that any recommendations are duly acted on. Review the financial information that will be provided to government and other stakeholders, and ensure that this information accurately represents the business activities of the organization;
- Review the systems of risk management and the internal controls established by management to:
 - ensure the organization’s sound financial performance;
 - ensure that the organization’s internal controls have integrity and will lead to the production of accurate financial statements and performance reports;
 - ensure that management has appropriate systems in place to identify and manage risk;
 - prevent financial mismanagement; and

- Evaluate internal audit functions and make recommendations to the Board on their effectiveness.

A written record of all Finance Committee meetings will be kept in the form of notes and formal motions will generally not be made. The Chair of the Finance Committee will forward a formal report to the Board of Directors and a motion for the acceptance of the same will be made.

The Finance Committee will educate themselves on investment risk, strategic economic trends, new asset classes and investment instruments through periodic meetings with fund and investment managers. The directors of the Finance Committee should be able to read and understand fundamental financial statements, including the corporation's balance sheet, income statement and cash flow statement (or be able to do so within a reasonable period of time after his or her appointment to the Finance Committee).

Adopted: April 20, 2006

2.0 Governance Policies

2.03 Financial Accountability

Northern Development's financial affairs will be conducted in a responsible manner, consistent with the ethical obligations of stewardship and the legal requirements of provincial and federal statutes and regulators.

The annual financial report (Annual Report) will be factual and accurate in all material respects. The Annual Report will be prepared using generally accepted accounting principles (GAAP) and standards established by the Canadian Institute of Chartered Accountants in all material respects.

The Annual Report will disclose:

- A complete set of financial statements including a balance sheet, income & expenses, project disbursements, cash flow and notes to the financial statements;
- Operational expenses as a percentage of the average assets during the operating year; and
- Approved projects and measurable economic benefits.

Adopted: April 20, 2006

2.0 Governance Policies

2.04 Conflict of Interest

It is required that members of the Board, Regional Advisory Committees, staff, and any consultants, be informed and have expertise in Northern Development's field of interest. Therefore, it is anticipated that any one of these people may be associated with organizations that, from time to time, may apply for funding.

It is the policy of Northern Development that board members, Regional Advisory Committee members, staff, and consultants, having a direct or indirect interest in an applicant organization, or who may, directly or indirectly, benefit from a decision of the Board or the Regional Advisory Committee must declare their interest and absent themselves from any discussion concerning the application.

Specifically, if he or she is on the Board or is an employee of an organization that is applying for funding, then that person may not attend the portion of the meeting at which that application is being heard. Further, that person should declare if they are the author of the application form that is submitted, before excusing themselves from the agenda item.

While it is recognized that Board Directors and Regional Advisory Committee members work for or have associations with organizations relevant to the work of Northern Development, it is important that Board Directors and Regional Advisory Committee members understand that they have been invited to serve as individuals who represent the interests of the entire Trust area, and not as representatives of other organizations, or local

Board Directors and Regional Advisory Committee members, staff, and consultants, shall not use information or a record that is obtained in the performance of his or her duties and that is not available to the general public to further his or her pecuniary or personal interest, or for any purpose other than for the performance of their duties.

Any one of these individuals should notify the Chief Executive Officer, in writing, of any pecuniary or personal interest he or she has, in any enterprise which proposes to transact business with Northern Development or of any pecuniary or personal interest that he or she has in any property that will be, or is the subject of, an application to Northern Development.

Board Directors and Regional Advisory Committee members shall avoid any situation which could impair his or her judgement in the performance of his or her duties or which could compromise his or her ability to perform these duties impartially or fairly, or could give this impression to others.

An important additional element to this policy is the "Conflict of Interest Declaration". This declaration should be completed by all Board and Regional Advisory Committee members, staff and consultants as appropriate. It identifies any associations they may have with other organizations that may be related to either the investment or funding activities of the Northern Development.

Definitions

“Pecuniary interest” means any interest in a matter that could monetarily affect the person either directly or indirectly, unless that interest is one that the person has in common with the general public. The pecuniary interest of a spouse or of a parent or child of the employee is, if known to the employee, deemed to be the interest of the employee.

“Personal interest” includes any interest in a matter that could benefit the person in his or her relationships with other persons or organizations or in his or her private activities, unless that interest is one that the person has in common with the general public.

Adopted: April 20, 2006

2.0 Governance Policies

2.05 Confidentiality

Directors will hold in strictest confidence all matters dealt with by the Board during in-camera meetings and matters relating to personnel. They will conduct themselves in a spirit of collegiality and respect for the collective decisions of the Board and subordinate personal interests to the best interests of the corporation. The duty of confidentiality continues indefinitely after a director has left the Board. A confidentiality agreement will be signed off by all directors, staff and consultants of Northern Development. It is strongly recommended that all Regional Advisory Committee members appointed by guidance of the Northern Development Initiative Trust Act also sign this policy

Applications are submitted to the Northern Development for the use of staff, consultants, Regional Advisory Committees and the Board to determine the qualifications of the applicant organization and the project for which funds are requested. It is presumed by the applicant, and expected by Northern Development, that this information will remain confidential and be used with discretion.

Regional Advisory Committee and Board members who receive copies of the applications in advance of the committee or board meetings may make enquiries about the applicant organization through their own contacts. However, under no circumstances can the submitted application materials be shown to a reference, nor should specifics be quoted, without the permission of the applicant.

It is important to note that the role of the Regional Advisory Committee is to make recommendations on funding requests that are subject to the approval of the Board. Discretion and good judgement should be used before disclosure about the committee's deliberations or the recommended outcome prior to the authorization of the Board and Chief Executive Officer after board decision meetings. For continuity, the outcome of the funding application should be communicated by the Chief Executive Officer. The Chief Executive Officer will generally involve the sponsoring local government in the communication.

Adopted: April 20, 2006

2.0 Governance Policies

2.06 Code of Conduct

Specific expectations of board members and staff are that they:

1. Attend all board meetings in person;
 - Should extenuating circumstances arise, they are to communicate the reason to the Chair;
 - Telephone conferencing will generally only be accommodated where the entire Board is meeting by conference call;
2. If a board member does not attend more than three meetings (75%) per year out of the scheduled four meetings, the Chair will have a discussion with the director about their ability to effectively participate on the Board;
3. Know the corporate mandate; its mission, vision and objectives; its operations; and its by-laws;
4. Always act objectively and in the best interest of the corporation;
5. Prepare for all board meetings, and all committee meetings of which the director is a member by reviewing all agenda material including reports;
6. Attend, and participate in, all board meetings, and all committee meetings of which the director is a member;
7. Keep careful notes at meetings, and review the minutes of all meetings;
8. Ensure that there are effective internal systems in all areas of corporate activity, particularly accounting;
9. Act consistently with policy to avoid conflict of interest, and maintain board confidentiality;
10. Value collaboration, consensus building, respect for others, and principle based behaviour;
11. Ensure that the board communicates with one voice on the basis of decisions only; and
12. Ensure that all board discussions are confidential.

Adopted: April 21st, 2010

2.0 Governance Policies

2.07 Risk Management

Bylaws

Bylaws will be reviewed annually each spring at the Annual General Meeting of the Northern Development Corporation.

Insurance

Northern Development will maintain a \$5 million policy for “Directors and Officers Liabilities” and “Omissions Insurance”.

Northern Development will maintain a \$1 million fidelity bond.

Northern Development will maintain a minimum of \$200,000 property and \$2 million general liability insurance.

Vehicles used by directors or staff for the business of Northern Development will maintain a minimum of \$2 million in general liability insurance.

Criminal Records Check

Northern Development will maintain on file a criminal records check for all staff and all directors with signing authority, which detail whether there have been any investigations for criminal activity or convictions. A conviction on record may represent grounds for dismissal.

Compliance with Statutory and Regulatory Requirements

All annual and strategic plan reporting required by the Northern Development Initiative Trust Act, Canada Revenue Agency, Companies Act, Freedom of Information and Protection of Privacy Act, and Business Corporations Act will be filed by the Chief Executive Officer and reported to the Board.

Corporate Records

The following corporate records will be maintained by the Corporation:

- Charter documents;
- Bylaws;
- Register of addresses, dates of election, appointment/resignation;
- Directors and officers;
- Duplicate filed copies of all government filings;

- Contact list, including addresses for each director, officer, and the auditor;
- Copies of annual meeting calendar or notice of meetings;
- Minutes of the Board organized in date order including:
 - Appointment, resignation and removal of directors and officers;
 - Appointment of the auditor;
 - Approval of all corporate resolutions;
- Policies; and
- Copies of financial statements and tax returns.

Policies

Policies documented in this manual will be reviewed at least annually and will be distributed to all directors with orientation of new board directors.

Contingency Plans

Staff will maintain an adequate contingency plan to protect against computerized or paper records loss, computer hacking, and the event of fire or earthquake.

Adopted: April 20, 2006

2.0 Governance Policies

2.08 Planning – Strategic, Annual Operating Plan and Planning Cycle

Strategic Plan

The Board, with the assistance of staff, will develop a minimum of a rolling three year strategic plan for all accounts. The recommendations of the Regional Advisory Committees will be duly considered by the Board in Regional Development Account strategic planning. The work of beetle action committees will be duly considered by the Board in decisions regarding the Pine Beetle Recovery Account.

In the fall of each year, the Board and staff will start the development of the next year of the strategic plan, to keep it current on a rolling three year basis.

The three year strategic plan will be submitted to the provincial Minister responsible for the Trust and posted on Northern Development's website.

Annual Operating Plan

An annual operating plan will be developed by Northern Development staff based on the strategic plan, board policies, and financial returns to Northern Development investments.

The annual operating plan will contain specific objectives, expected results, operational budget, and a general disbursement plan based on the guidance provided by the strategic plan. Targets set in the operating plan will be used annually to measure the benefits of Northern Development to the economy of Northern Development area.

The annual operating plan will be presented to the Board for review, amendment and approval at the first meeting of the year.

Annual Report

The Annual Report will be developed by April 30th for the previous calendar year and will report on the following:

- Goals set by the annual operating plan for the preceding fiscal year, indicating how those goals have been met and detail how those achievements met the intent of the purposes identified in section 18 of the Northern Development Initiative Trust Act;
- A comparison of actual results for the preceding fiscal year with the expected results for that fiscal year; and
- Audited financial statements.

A copy of the Annual Report will be provided to each of the Regional Advisory Committees, and will also be posted on the website for the public.

Adopted: April 20, 2006

2.0 Governance Policies

2.09 Respect in the Workplace

Each person is responsible for relationship and respectful, professional relationships. Honesty is essential for collaboration and good team relationships. Honesty does not mean being able to say whatever you want - whenever you want, without regard to how this will impact others.

Where there is not respectful dialogue, the Board supports ending a conversation in a clear non-confrontational manner.

Board members and staff will be sensitive to communicating the trusteeship role of the directors and stewardship of Northern Development resources for the public.

Board directors and staff will deport themselves in a professional manner and represent Northern Development with integrity and exemplary behaviour. Discretion will be used when communicating in a public forum or with the public of Northern Development area on board business.

Humour or sarcasm that is in poor taste or insensitive to others feelings will be avoided. Directors and staff will address any concerns with the person immediately involved and not with others until they have made every effort to work to a collaborative solution with the person who has aggrieved them.

Sexual harassment of any kind will not be tolerated.

Board directors will not direct the work of staff, but will refer requests to the Chief Executive Officer who will set priorities for staff. The Chair must represent the Board as a whole when providing direction.

Adopted: April 20, 2006

2.0 Governance Policies

2.10 Appointment of the Chief Executive Officer

Appointment of the Chief Executive Officer

Recruitment, selection, contract negotiation and recommendation of a candidate's appointment as Chief Executive Officer is the responsibility of the Board, but may be delegated to a task group of the Board. The Board should endorse an appointment by resolution.

The Board of Directors contract the Chief Executive Officer for the management and administration of Northern Development. He or she is responsible within the parameters established by the Board for determining the methods by which the Board's directions and policies will be executed and the desired outcomes achieved.

The Chief Executive Officer, with the active involvement of the Board is responsible for leading the Corporation into the future and therefore must ensure that there are long term goals and a strategic planning process in place. The leadership for this process must come from management. The Board should bring objectivity and a breadth of judgement to the strategic planning process because the Board is not involved in the day-to-day management of the Corporation.

The Executive Committee is responsible for annual performance monitoring that will be done in a collaborative manner with the Chief Executive Officer.

The Executive Committee is responsible for negotiating increments to salary.

Termination

The Board as a whole is responsible for terminating the relationship with the Chief Executive Officer. Dismissal requires two-thirds approval of the director positions normally filled, regardless of vacancies, at a meeting duly called to consider such action.

Adopted: April 20, 2006

2.0 Governance Policies

2.11 Executive Authority

Delegation to the Chief Executive Officer

The Board delegates responsibility for execution of board policies to the Chief Executive Officer. The Chief Executive Officer is responsible within the parameters established by the Board for determining the methods by which the Board's directions and policies will be executed and the desired outcomes achieved.

All board responsibilities delegated to staff and consultants will be delegated through the Chief Executive Officer so that the authority and accountability of staff derives from the authority and accountability of the Chief Executive Officer.

The Chief Executive Officer or the Chief Financial Officer generally signs all correspondence in regards to Northern Development programs or projects. The Chair, if available, will be asked to review correspondence to senior politicians from the provincial or federal governments and sign the correspondence via electronic signature. The Chair may choose to delegate the signature block to the Chief Executive Officer, so that enquiries of a technical nature are handled by the Chief Executive Officer.

The Board of Directors as a group rather than individual directors, officers, or committees, are responsible for providing direction to the Chief Executive Officer within the context of board policies.

The Chief Executive Officer is responsible for all recruitment, salary and contract negotiation for staff within the parameters of the annual operating budget. The Chief Executive Officer is responsible for ensuring that annual performance evaluations are completed with all staff.

The Chief Executive Officer is responsible for the achievement of programs within the annual operating budget, but will exercise discretion on sub-accounts. The Board will generally be updated with a financial summary on the operating budget at each meeting.

The Chief Executive Officer will generally respond to all media enquiries that result from press conferences, e-news distribution or program announcements. If there is a media enquiry that appears to be of a controversial nature, the Chief Executive Officer will brief the Chair and seek the advice of the Chair on the response. If the media is insistent on speaking with the Chair, the Chair will be fully briefed on all background by the Chief Executive Officer.

Adopted: April 20, 2006

2.0 Governance Policies

2.12 Chief Executive Officer Performance Evaluation

Implementation

The Chief Executive Officer is the sole official link between the Board of Directors and the organization that it governs. The responsibilities of the Chief Executive Officer lie in the exercise of delegated authority and compliance within parameters established by board policy and directives.

At the beginning of each fiscal year, the Chief Executive Officer will draft the objectives for that year and present them to the Board.

At the end of each fiscal year, the Executive Committee will undertake a formal evaluation of the performance of the Chief Executive Officer. This evaluation may include the following submissions: a written self-evaluation of performance by the Chief Executive Officer summarizing the achievement of annual objectives, as well as feedback on the Chief Executive Officer's performance solicited from staff, board members and stakeholders. The Executive will prepare a written evaluation and will meet with the Chief Executive Officer to discuss the same.

The process of evaluation needs to occur in a manner that is fair and transparent. In this way, the Board of Directors will also demonstrate their commitment to accountability.

Adopted: April 20, 2006

2.0 Governance Policies

2.13 Appointment of the Chief Financial Officer

The recruitment, selection and appointment of the Chief Financial Officer are the responsibility of the Chief Executive Officer and a representative of the Finance Committee. The Board should endorse the appointment by resolution at the next regularly scheduled meeting, but this is not required before the Chief Financial Officer commences employment and the probationary period.

Adopted: April 20, 2006

2.0 Governance Policies

2.14 Policy for Board Meetings without Management

It is a practice for members of a board to have an opportunity to meet without the Chief Executive Officer or other management representatives in attendance.

At the end of each meeting, should the Chair chose to enter into an in-camera board meeting without management, the Chair should provide the Chief Executive Officer with feedback on the content and results of the discussion as it pertains to regular Trust business, other than directors' relationships with each other.

Adopted: November 22, 2006

2.0 Governance Policies

2.15 Policy Development Process

Northern Development sets policy through resolution of the whole Board.

The Chief Executive Officer should be directed by the vision, mandate and legislation, to draft policy that contributes to achieving the Board's vision.

The Board as a whole may also direct the development of specific policies with suggested content to the Chief Executive Officer.

The Chief Executive Officer will work with the staff group, subject matter experts, and individual board members with relevant expertise, in researching and drafting the policy, which will then be circulated in the meeting agenda package. The Board has three choices:

1. Adopt the policy, with or without direction for minor revisions;
2. Refer the policy back to the Chief Executive Officer with guidance that should be considered in further development of the policy; or
3. Defeat the policy draft. In this case, there should be open board discussion that would provide reasons and concerns.

Adopted: November 22, 2006

2.0 Governance Policies

2.16 Board Evaluation Processes

The Board will assess its effectiveness annually. The following assessment tools will be considered as part of the assessment.

Evaluating the Board Chair

	Ineffective Board Chair <i>0 means as bad as it gets</i>	Effective Board Chair <i>10 means as good as it gets</i>	Score 0 to 10
1	Takes the job for the power or financial benefits. Is intoxicated by the visibility with the media and the public. Refuses to share the spotlight with others.	Takes the job in order to serve and make a difference. Is selfless and committed to the organization's mission and the community.	
2	Is used to making unilateral decisions and giving orders to others. Biases debates in favour of certain outcomes. Uses threats and bullying.	Leads the Board in consensus building and making collective decisions. Engages all members as equal partners in the process.	
3	Is possessive of the leadership role, making the organization dependant on him or her. Makes no room for others to succeed. Tries to contain the participation of new members.	Shares the leadership spotlight with others. Serves as a mentor and builds other leaders, thereby ensuring succession and continuity. Empowers members to excel. Recognizes contributions and achievements regularly.	
4	Is timid and hesitant to intervene. Is afraid of confrontation. Tries hard to please and doesn't know how to say no. Likes to be popular.	Intervenes proactively to reduce problems. Addresses dysfunctions with a principle-based approach. Is capable of saying no, gently but firmly, to ensure fairness for all and to facilitate effective decision making.	
5	Is impatient, egotistical, and short-tempered. Treats criticism or disagreements as personal attacks. Is condescending and disrespectful toward those who dare to contradict him or her.	Is mature, patient, calm, reassuring, approachable, respectful, and supportive. Maintains freshness and a light touch. Is used to leaving his or her ego behind.	
6	Is narrow-sighted, reactive, and crisis-driven.	Maintains a broad view of the issues. Is anchored in the Board's mission, vision, and strategy. Is planned and proactive.	
7	Is disorganized and unprepared for meetings.	Is organized, prepared, and knowledgeable. Acts like a role model and inspiration for others to follow.	
8	Is oblivious about and unconcerned with relationship building, both internally and externally.	Builds and maintains relationships with Board members, the CEO and staff, the community, external stakeholders, and suppliers.	
9	Has a poor sense of timing. Does not know when and how to bring closure to discussions and facilitate decision making.	Is intuitive and responsive to moods and needs at a meeting. Balances the need to make progress (time management) with the need for democratic and effective decision making.	
10	Is talkative and verbose. Offers rebuttals to every comment made by others. Is unable to facilitate a logical flow and step-by-step decision making or to summarize progress and initiate closure.	Communicates clearly, briefly, concisely, and logically. Is able to clarify decision making options and divide multifaceted topics or decisions into manageable components.	
	GRAND TOTAL	Add the numbers in the right hand column. (Minimum = 0; Maximum = 100)	

General Evaluation for a Board Member

	Ineffective Board Member <i>0 means as bad as it gets</i>	Effective Board Member <i>10 means as good as it gets</i>	Score 0 to 10
1	Joins the Board mainly to socialize; gain business contacts; advance visibility, stature, and influence; or earn an honorarium.	Joins the Board altruistically to help advance its mandate and serve the community.	
2	Brings a low commitment level. Misses meetings, declines to take on any work, and always has excuses for non-performance.	Is reliable and conscientious. Prepares fully for meetings, attends them regularly, takes on assignments, and always delivers quality results.	
3	Tolerates mediocrity, substandard decisions, and/or flawed processes. Has limited interest in innovation and creativity.	Demands excellence of self and others. Introduces freshness, creativity, and innovation.	
4	Has a need to be popular with others and does not raise valid concerns about potentially risky decisions. Does not complain about dysfunctions, except after a meeting.	Is prepared to raise tough questions, even if they slow things down, in order to help reduce risk. Does not hesitate to complain about meeting problems in a timely fashion.	
5	Is a single-issue advocate. Joins the Board primarily to promote a narrow interest. Has a closed mind and unchangeable views and is not interested in learning from others.	Places broad interests ahead of narrow ones. Keeps an open mind and has a natural curiosity. Is eager to learn from others and thereby make informed and balanced decisions.	
6	Is unprincipled. Creates alliances and makes backroom deals to manipulate decisions. Finds the right words to promote the wrong goals. Will do anything to get re-elected.	Is honest, principled, selfless, and trustworthy. Acts with integrity. Promotes and embodies core principles and values. Sees re-election as <u>much less important than doing the right things.</u>	
7	Is egotistical and functions as a lone operator. Treats others with disrespect. Is irritable and uptight. Takes questions as personal attacks. Is quick to dismiss new ideas.	Is humble and ego-free and functions as a team player. Treats others as valued colleagues and partners. Is mature, calm, patient, light-hearted, and thick-skinned.	
8	Undermines and attacks Board decisions publicly after they are made. Presents personal views as Board positions.	Accepts Board decisions and assists in implementing them. Correctly represents the Board when requested to do so.	
9	Abuses power for personal gain. Denies the existence of blatant conflicts of interest.	Adheres to the Board's code of ethics. Discloses conflicts of interest in a timely manner.	
10	Leaks confidential information from closed meetings, thereby damaging trust and exposing the organization to risk.	Keeps Board confidentiality. Questions the inclusion of items on a closed meeting agenda without valid reasons for it.	
	GRAND TOTAL	Add the numbers in the right hand column. (Minimum = 0; Maximum = 100)	

Evaluating the Board Collectively

	Ineffective Board 0 means <i>as bad as it gets</i>	Effective Board 10 means <i>as good as it gets</i>	Score 0 to 10
1	Gets bogged down in small details. Micromanages the CEO and staff. Operates on the ground floor and does not attend to long-term goals.	Acts in a proactive, planned, sophisticated, and creative way. Is strategically focused, making room for staff to excel. Operates from the balcony.	
2	Tolerates low commitment levels. Members are there because they <i>have</i> to be there, out of duty and obligation. They often miss meetings or fail to keep their promises.	Fosters genuine enthusiasm and commitment for the job. Members are there because they truly <i>want</i> to be there. They consistently keep their promises and deliver quality work.	
3	Accepts management's proposals without questioning. Embraces the status quo and blocks change. The opponents overpower the proponents.	Is conscientious and takes the time to carefully examine and scrutinize proposals. Questions the status quo and is open to new ideas. Benefits from both the critics and creators.	
4	Fragmented. Is driven by narrow interests and personal agendas. Has a win-lose culture: It's you against me. Narrow majority decisions are common. Meeting feel like a combat zone.	Cohesive. Works as a team, while celebrating the diversity of talents and views. Has a win-win culture: It's you and me against the problem. Narrow majority decisions are rare. Meetings feel like a construction zone.	
5	Is impatient and shows little interest in learning or making informed decisions. Board members talk more than they listen.	Has an appetite for learning from members, staff, consultants, and the community. Board members listen more than they talk.	
6	Builds dependencies on key leaders. Delegates duties without clear deliverables and deadlines. Works hard, but isn't productive.	Constantly expands its leadership base. Delegates duties, with clear deliverables and deadlines, to officers, staff, and committees. Works smart and hard.	
7	Maintains a slow, monotonous, and boring pace. Performs routine, predictable, and menial work.	Keeps a dynamic and engaging pace, with exciting progress and quality decisions made.	
8	Allows dominant members to control agendas. Quieter members – together with their ideas, knowledge, and skills – are left behind.	Gives members equal opportunities to influence decisions, and provides them with the tools and knowledge to excel. Brings out the best in members and celebrates their successes.	
9	Provides unclear directions and poor leadership to the professional staff and does not demand excellence of them.	Provides thoughtful and credible directions to the professional staff. Fosters a staff culture that promotes and rewards excellence.	
10	Is arrogant and detached from the community and ignores its input, or capitulates to vocal minorities.	Is in touch and in tune with the community and listens to its input. Provides quality leadership and keeps the community informed.	
	GRAND TOTAL	Add the numbers in the right hand column. (Minimum = 0; Maximum = 100)	



Northern Development Initiative Trust - Board of Directors
CORE COMPETENCIES MATRIX

Core Competencies		Director												
		Director	Director	Director	Director	Director	Director	Director	Director	Director	Director	Director	Director	Director
a/	Leadership - Previous Senior Roles													
b/	Accounting and Finance													
c/	Marketing													
d/	Legal													
e/	Technology													
f/	Community Relations													
g/	Previous Board Experience - Corporate Boards													
h/	Previous Board Experience - Not-for-Profit Boards													
i/	Resource Sector Experience													
j/	Local Government Experience													
k/	Board Governance Training													
l/	First Nations Economic Development													
m/	Community Economic Development													

Please rate your core competencies from 1 - 5 (1 being low and 5 being high) for each of the areas listed above. Completed packages are to be returned to Board Chair.

Section 3.0

Financial Management Policies

3.0 FINANCIAL MANAGEMENT POLICIES

3.01 Investment Policies

The goal of the investment policy is to outline Northern Development's investment principles and provide guidelines to maximize return on investment in a prudent and diversified manner that will provide adequate income while ensuring requirements for distribution and investment outlined in the strategic plan have the best opportunity to be achieved.

The investment policy shall also ensure that Northern Development conforms to the requirements of applicable federal and provincial statutes and legislation and the Income Tax Act including the Trustee Act.

As such, the Northern Development Board, in carrying out its duties and responsibilities, agrees to exercise such competence and skill as may be expected of careful and diligent investment management.

Roles and Responsibilities

Board of Directors

The Board of Directors will appoint the Finance Committee and review Investment Policy Statements, Investment Manager Performance, and the results of any new Investment Manager search by the Finance Committee and Executive Staff. The Board will approve the Investment Policy Statements and delegate the negotiation of a contract for investment management to the Finance Committee and executive staff. The Finance Committee will present the proposed contract and an overview of the search process to the Board for ratification.

The Board of Directors will monitor the results of the market investments quarterly and ensure compliance to the Investment Policy Statement bi-annually, based on the report of the Finance Committee.

Role of the Investment Manager(s)

The Investment Manager(s) is required to invest assets of Northern Development according to the Trustee Act and the approved Investment Policy Statements of Northern Development.

The Investment Manager(s) will participate in the development of Investment Policy Statements with the Finance Committee and Executive Staff, and will remain fully aware of amendments to the investment policy.

The Investment Manager(s) will provide a review of fund/account performance as well as the expectations on the economic and financial market outlook and related investment strategies at least four times annually. Reports on income and disbursements from each account will be tracked by the Chief Financial Officer to the nominal sub-account level monthly, and will be available to the Board, and Regional Advisory Committees.

The Investment Manager(s) will be responsible for ensuring that the Finance Committee is knowledgeable about new asset classes or investment instruments and their impact on Northern Development's asset management objectives.

The Investment Manager(s) will be required to provide a letter of compliance detailing any guideline which has been breached and/or confirming compliance.

Oversight of the Investment Manager(s)

On a periodic basis every few years or as required, the Finance Committee may engage the services of an independent investment consultant to review the performance of the Investment Manager(s) relative to appropriate indexes and peer performance. The consultant may also make recommendations on the value in the "fee structure" charged for investment management, and make other recommendations designed to inform the Finance Committee and demonstrate truly independent due diligence and fiduciary responsibility by the Committee and the Board.

Adopted: April 20, 2006

3.0 Financial Management Policies

3.02 Authorizations

Authorities

The signatures of the Chief Executive Officer and the Chief Financial Officer are normally required on all accounts payable cheques. If one of those two signatures is unavailable and time is of the essence, one of the local board directors with signing authority will be requested to sign after reviewing the supporting documentation.

These authorizations remain in place for all values of banking documents, that are consistent with the annual operating budget, or approved project spending that has been ratified by the Board.

Legal and funding contract accountability agreements for approved projects will normally be signed by the Chief Executive Officer for all projects ratified by the Board. If the Chief Executive Officer is unavailable and time is of the essence, the documents may be signed by the Chief Financial Officer after reviewing the supporting documentation.

The Chief Executive Officer and Chief Financial Officer have authority to initiate a transfer of funds from the Investment Manager Investment accounts to the general operating account for administrative and project purposes.

The Executive Coordinator has the authority to book and pay for travel expenses by corporate credit card, providing supporting documentation is reconciled with the credit card statement and available for monthly review by the Chief Financial Officer.

The Executive Coordinator and the Client Services Clerk have the authority to purchase general office supplies on an as-required basis via corporate account or corporate credit card.

The Executive Coordinator and the Financial Coordinator have the authority to establish and maintain a \$250.00 petty cash account providing it is reconciled on a monthly basis and reviewed by the Chief Financial Officer.

The Executive Coordinator has the authority to purchase office equipment and office furniture via corporate account or corporate credit card under the direction of the Chief Executive Officer.

All Finance staff of Northern Development will have electronic access to the Northern Development banking account balances and investment account balances for efficiency of “real time” reconciliation, and monitoring of the transactions and balance.

The Financial Coordinator will have access to electronic funds transfer for remittance of funds to pay company bills. These transactions will be approved by the Chief Executive Officer and Chief Financial Officer, and periodically reviewed by a board member to ensure they are consistent with normal administrative expenses of Northern Development. The Financial Analyst will also have the ability to transfer funds between Northern Development Accounts, including the placement of funds in guaranteed income or other short term investments, provided these transactions are reconciled monthly by the Financial Coordinator, and approved by the Chief Financial Officer. The Financial Analyst will also initiate electronic transactions to receive loan repayments from Northern Development clients, subject to electronic approval by the Chief Financial Officer.

The Chief Financial Officer will present the interim financial statements monthly with reconciliation to budget, and documented confirmation of all required payments to Revenue Canada, to the Chief Executive Officer for approval.

A summary and the most recent quarterly interim financial statements will be available to the Board at each meeting.

Staff Appointments

The Chief Executive Officer has the responsibility for staff recruitment and negotiation of compensation, providing it is consistent with the annual operating plan.

Adopted: April 20, 2006

3.0 Financial Management Policies

3.03 Expense Reimbursement

General Policy

Mileage

Mileage is an allowable expense for directors, staff, consultants and Regional Advisory Committee members. The allowable tax-exempt amount paid by employers to individuals using their personal vehicle for business purposes is .50 cents per kilometre.

Expense Claims

Directors:

Directors are paid \$100.00 per diem for incidental expenses. Directors will be reimbursed for travel expenses to attend meetings when those travel claims are accompanied by receipts. Expense claims must be received by Northern Development office a maximum of thirty days following the meeting date.

Directors are entitled to claim \$75.00 per diem for preparation and attendance at Northern Development Board meetings that are held via teleconference.

Staff

Northern Development staff will be reimbursed for travel expenses when travelling on corporate business on behalf of Northern Development. Meals and incidental expenses (meal/incidental receipts not required) will be reimbursed at the following rates:

- Breakfast \$14.05, Lunch \$13.50 and Dinner \$38.40, Incidentals - \$17.30
- Hotels within Canada will be reimbursed at the provincial/municipal government rate or by prior authorization of the Chief Executive Officer in the event that the government rate is unavailable.
- Coach class air travel, etc. will be reimbursed with receipts.
- Expense claims must be received by Northern Development office a maximum of thirty days following the travel date.
- Vehicle rentals with receipts for rental and refuelling. (Note: if employee has five year Roadstar discount with ICBC – insurance at the rental counter should be declined)

Consultants

Consultants working behalf of Northern Development will be reimbursed for travel expenses when travelling on corporate business. Meals and incidental expenses (meal/incidental receipts not required) will be reimbursed at the following rates:

- Breakfast - \$14.05, lunch - \$13.50, Dinner - \$38.40
- Hotels within Canada will be reimbursed at the provincial/municipal government rate or by prior authorization of the Chief Executive Officer in the event that the government rate is unavailable.
- Coach class air travel, etc. will be reimbursed with receipts.
- Expense claims must be received by Northern Development office a maximum of thirty days following the travel date.

Revised: January 2010

3.0 Financial Management Policies

3.04 Expense Claim Guidelines Policy - Regional Advisory Committees

Guidelines for Regional Advisory Committee Members in preparing expense claim forms for submission to Northern Development.

Meals:

For efficiency, many Regional Advisory Committees may prefer to provide a lunch for the meeting attendees. Costs for providing a light lunch will be accepted for reimbursement by Northern Development.

Hotel:

Due to lengthy travel distances in some regions, a hotel stay may be required in order to facilitate members' attendance at regular Regional Advisory Committee meetings. Please note that as Regional Advisory Committee members are elected local government officials, they are eligible for the municipal rate when booking rooms and that rate should be requested at the time of booking. Please note that miscellaneous charges for mini-bar, movies, or alcoholic beverages, etc. will not be reimbursed. In the event of extenuating circumstances while traveling, please provide a brief explanation for any costs in excess of the normal charges.

Airfare:

Return airfare costs may be incurred in order to attend Regional Advisory Committee meetings. These expenses should be the most direct flight option available and will be paid upon receipt of the paid invoice.

Mileage:

This expense is for use of a personal vehicle to attend meetings. Return mileage from the member's home location to the Regional Advisory Committee meeting location is chargeable to Northern Development at a rate of \$0.50 per kilometre.

Per Diem:

The per diem allowance is designed cover all meal and gratuity costs for the member to attend the meeting. Members of the Regional Advisory Committees are entitled to claim \$100.00 per diem for each meeting day in lieu of out of pocket expenses. Where travel is required, if the member leaves prior to 12:00 noon to travel to the meeting, he/she is entitled to claim \$100.00 full day per diem. If the member leaves after 12:00 noon, he/she is entitled to claim a ½ day per Diem of \$50.00. Members who attend meetings via conference call are not entitled to claim the \$100.00 per diem for out of pocket expenses. In the event of extenuating circumstances while traveling, please provide a brief explanation for any costs in excess of the normal charges.

Members of the Regional Advisory Committees are entitled to claim \$75.00 for preparation and attendance at Regional Advisory Committee meetings that are held via teleconference.

Miscellaneous Expenses:

A Regional Advisory Committee member may incur incidental expenses in the normal course of attending a meeting. Examples may include: taxi, parking, and/or telephone charges. Please attach all receipts. Please note Northern Development will not accept claims for fines or dues.

Other General Guidelines:

1. GST charged on expenses will be reimbursed
2. Staff Expenses - municipal or regional district
 - a. In the event that elected officials choose to have their municipal staff attend Regional Advisory Committee meetings or planning sessions, expenses will not be reimbursed by Northern Development, but should be covered by that local government
3. Administrative Support
 - b. Northern Development administrative staff will attend all Regional Advisory Committee meetings for the purposes of providing project information, new policy information and for recording meeting minutes.
 - c. If a hosting municipality incurs “out of pocket” expenses for holding a meeting on their site, these arrangements and costs must be communicated to the Chief Executive Officer or Executive Coordinator prior to the commencement of the meeting.

Where Regional Advisory Committee meetings are held in conjunction with other municipal or regional district business meetings, travel costs should be apportioned, including mileage between the meetings.

Expense claims should be submitted to Northern Development within thirty days following the meeting date. All expense claims must be submitted to Northern Development by December 31st of each year for payment.

Where an alternate attendee is sent in place of a Regional Advisory Committee member, expenses will be reimbursed for that alternate or the Regional Advisory Committee member, but not for both.

Submit all expenses on the appropriate Expense Claim form titled Northern Development Initiative Trust - “Expense Claim Form – Northern Development Regional Advisory Committee Members”

Adopted: November 22, 2006

3.0 Financial Management Policies

3.05 Financial Operations

Accounts Payable

Two signatures will be required on all cheques. Where possible, the signatures will be that of the Chief Executive Officer and Chief Financial Officer. Where either of the two signatures is unavailable, one of the local board directors with signing authority will be asked to provide the second signature.

All cheques will have supporting invoices, claim cover sheets, or other information attached for review before signing.

All blank cheques will be secured in a locked fire safe cabinet when not in use.

Payroll Cheques

Payroll will be outsourced to a payroll service with direct deposit capability. Information with regard to payroll will be provided to the payroll service by the Finance staff in the timeframe designated by the payroll service provider.

The Finance staff in turn will print all pay stubs and reports to ensure that the payroll service provider has accurately entered the payroll and source deduction amounts, and will enter this information into Northern Development's accounting program.

Payroll, source deductions and service fees will be withdrawn by the payroll service provider from Northern Development's chequing account two business days prior to the pay date. The payroll service provider will distribute all funds to the appropriate banking institutions for the payees.

Payroll will be deposited biweekly, on each alternate Friday.

Monthly Accounting

Monthly accounting reconciliation of the bank statements will be completed within five working days of receiving the bank statements.

The monthly financial reports will be prepared by the Finance staff and given to the Chief Financial Officer for review.

All transactions will be entered into the accounting program as of their invoice date. Journal entry or batch numbers will be recorded on all accounts payable documentation for cross referencing purposes in the accounting program.

All accounts payable documentation will be filed alphabetically by vendor or in an appropriate manner and easily accessible to staff.

Cheques will be processed no less than weekly for signature and distribution.

All credit card transactions will be cross referenced with the credit card invoice. Transactions will be allocated to the appropriate general ledger account and the credit card invoice paid in full monthly.

Financial Statements

Year to date financial statements (unaudited) will be presented to the Board at each meeting.

The statements will reflect year to date activity (actual to budget) to the period one quarter previous to the current month. Material variances from budget will be explained.

Government Remittances

The payroll service provider will submit all payroll source deductions to Revenue Canada on Northern Development's behalf. These funds will be withdrawn from the chequing account two business days prior to the actual payroll date. These amounts will be cross referenced against the actual amount deducted from the chequing account during the monthly bank reconciliation.

Finance staff will confirm that government payroll remittances for the previous month have been remitted.

Banking

Cheques will be deposited to Northern Development's account within five business days of receipt. All deposits will be itemized and allocated to the relevant general ledger account. On receipt, all cheques will be stamped "For Deposit only to the Account of the Northern Development Initiative Trust".

Petty Cash

Receipts will be required for all reimbursement of petty cash, except occasional parking meter change for board directors which will be noted.

All receipts will be itemized and allocated to the relevant general ledger account.

Authorization Limit

The Chief Executive Officer has the authorization to purchase or order items within Northern Development's approved annual operating budget.

This authorization may be delegated to staff, but the Chief Executive Officer will additionally sign receipts for major purchases after review.

The Chief Executive Officer or the Chief Financial Officer are authorized to approve the transfer of funds from the Operating Endowment investment account to Northern Development's general operating account as per approved budget requirements.

The Executive Committee is authorized to approve director and Regional Advisory Committee member expense claims which are not within the expense policy of the Board, but must provide a rationale for records.

Contract Authorization

The Chief Executive Officer is authorized to enter into contracts for services within Northern Development's approved annual operating budget. This authorization may be delegated to the Chief Financial Officer.

The Chief Executive Officer and the Chief Financial Officer are authorized to enter into contracts consistent with board resolutions and project approvals. If the Chief Executive Officer and Chief Financial Officer are unavailable and time is of the essence, the Chair may sign the contract.

Project funding contracts will not include administrative overhead cost allowances or excessive contingency funds for local governments, societies or other organizations. Examples of administrative cost allowances would be bookkeeping services, administrative fees, or inspection fees. Contingency funds above 5% would generally be considered excessive.

Project funding will include costs for advertising, signage, plaques and other project recognition, in addition to consulting or legal costs required for specific projects. These funds will be withdrawn from the respective account and recorded as a project expense within the relevant allocation and account.

Year End Audit

Northern Development's year end is December 31st.

All materials, adjustments and reconciliations required for the yearend audit need to be completed forty-five days following the year end for presentation to Northern Development's auditor.

Annual Meeting

The audited financial statements will be presented to the directors as soon as possible following the annual audit. This will generally occur at the spring annual meeting of Northern Development.

Submission of Audited Financial Statements to the Auditor General

The audited financial statements will be presented to the Auditor General of BC within four months of the previous year end.

Adopted: April 20, 2006

3.0 Financial Management Policies

3.06 Monetary Donations in Memory of Deceased Directors and Staff

In the unfortunate event that an active director on the Northern Development Board or an employee of Northern Development should pass away, a donation from the Northern Development Board in memory of that person in the amount of \$1,000 will be made to the Trust Fund, Scholarship Fund or other fund as directed by the family of the deceased.

Section 4.0

General Policies

4.0 GENERAL POLICIES

4.01 Public Relations and Media Communications

Implementation

The authority to speak on behalf of the Board rests with the Chair. The authority to speak on behalf of Northern Development rests with the Chief Executive Officer. Both will represent Northern Development on matters of board policy.

This authority can be delegated by the Chair to other directors or by the Chief Executive Officer to staff of Northern Development.

The Chief Executive Officer will generally respond to all media enquiries that result from press conferences, e-news distribution or program announcements. If there is a media enquiry that appears to be of a controversial nature, the Chief Executive Officer will brief the Chair and seek the advice of the Chair on the response. If the media is insistent on speaking with the Chair, the Chair will be fully briefed on all background by the Chief Executive Officer.

The Board is responsible to represent Northern Development positively to the communities of Northern Development area and fairly represent community perspectives to Northern Development.

Strategic Communications Plan

The primary communication tools will be:

- Visual branding provided by the logo and consistent visual style of communications products;
- A website that is current and has a depth of information about Northern Development;
- Mass electronic distribution of Northern Development newsletters;
- Distribution and electronic posting of the Strategic Plan and Annual Report;
- Strategic scheduling of local government, Chamber of Commerce and public speaking engagements and other events in communities;
- Strategic commitments to some invitations to speak at conferences and seminars where there is a focused opportunity for Northern Development to reach a large audience and improve the perception of Northern Development;
- Participation in major project announcements with accompanying media releases, where Northern Development is a funder;
- Website exposure for key strategic projects which most closely align with the intent and vision for Northern Development;
- Board director and Chief Executive Officer presence at the North Central Municipal Association annual convention and UBCM; and

- Strategic meetings with government leaders, MLA's, senior bureaucrats, and organizations of influence and direct relevance to Northern Development.

Project funding announcements will be made with the following considerations as a guide:

- Availability of the Board Chair and Chief Executive Officer and others;
- Announce multiple project funding decisions when appropriate;
- Announcement of project funding decisions will be made using Northern Development Newsletters immediately following a board meeting unless there is a strategic reason to delay the announcement and participate in a media event hosted by the proponent;
- All approved projects will be posted on the Northern Development website; and
- Timing of project funding decisions will support strategic communications objectives of Northern Development.

Guidelines for communication of project funding approvals include:

- All approved projects will be considered confidential, until announced in the Northern Development Newsletter or a proponent is otherwise advised;
- The Chief Executive Officer will act as the principal contact for the Northern Development when the communicating the status of projects to key stakeholders; and
- The Chair or a local board member will generally represent the Board at grand openings and events of projects Northern Development has funded. The Chair may delegate attendance to the Chief Executive Officer if a board member is unable to attend.

Adopted: September 27, 2006

4.0 General Policies

4.02 Freedom of Information and Protection of Privacy Act

The Board and staff of the Northern Development are required to comply with the provincial *Freedom of Information and Protection of Privacy Act*. All requests for information from the public should be directed to the Executive Coordinator. She will work with the Chief Executive Officer to ensure that informal requests are complied within a timely manner (within 30 days), and in accordance with the Act and regulations and this policy. Care will be taken in the handling of public information requests to ensure that staff is responsive, and more formal written requests including the Freedom of Information Commissioner and legal processes are not the norm. Where information cannot be released in keeping with the Act and generally for one of the reasons below, the Chief Executive Officer will communicate in writing with the party requesting the information.

The Board is considered a 'local public body' and may meet in-camera if they are dealing with matters related to:

- Personal information about an identifiable individual who holds or is being considered for a position as a director or employee;
- Labour relations or other employee relations;
- The acquisition or disposition of land or improvements by an applicant or the Northern Development Initiative Trust Corporation;
- Litigation or potential litigation affecting the Northern Development Initiative Trust;
- The receipt of advice that is subject to solicitor-client privilege;
- Information that is prohibited, or information that if it were presented in a document would be prohibited, from disclosure under section 21 of the Freedom of Information and Protection of Privacy Act;
- Discussions with executive and employees regarding Trust objectives, measures and progress reports for the purposes of preparing an annual report;
- The consideration of applications for funding and information received and held in confidence relating to negotiations between Northern Development and an applicant or any level of government, or between a level of government and a third party; and
- Any material which may present potential harm to Northern Development or an applicant if the substance of deliberations is revealed before, or too soon after, the issues were considered or revealed prior to being ready for public review. The Chair under Section 12(3) of the Act, has the discretion to refuse to disclose information that would reveal draft resolutions, the substance of deliberations of an in-camera meeting, staff recommendations to the Board, or records that would be an unreasonable invasion of a third parties privacy or business interests. The Chair may also refuse to disclose information that is subject to solicitor client privilege.

Board meeting minutes other than those from “in-camera” meetings would be released on request after the Board has approved the draft minutes by resolution. This is generally done at the next scheduled board meeting and after the meeting decisions are made public by the Northern Development newsletter.

Regional Advisory Committees are considered as part of Northern Development Initiative Trust structure by legislation, and their minutes are also subject to release if a request is received after the Regional Advisory Committee has approved them. All Board and Regional Advisory Committee minutes should reflect decisions only, and not discussion.

The cost of information requests that require more than minimal staff time for data assembly will be billed to the requestor, consistent with Provincial legislation.

Adopted: January 17, 2007

4.0 General Policies

4.03 Collaboration with North Central Local Government Association

Where a strategic and regional economic or policy issue is deemed to be of interest to North Central Local Government Association members, or there is a strength in collaborating with co-authorship of a letter between Northern Development and the North Central Local Government Association, the Chief Executive Officer will advise the Chair and communication will generally ensue with the North Central Local Government Association that may include a draft letter and background on the issue. Joint communication will be determined by the Chair of Northern Development and the President of the North Central Local Government Association.

Adopted: April 21st, 2010

4.0 General Policies

4.04 Sponsorship Requests – Monetary and Non-Monetary

The Northern Development Board does not approve any requests, both monetary and non-monetary for the purpose of conference or event sponsorship unless they are in the interest of Northern Development promoting a specific program.

The demand for sponsorship would be at odds with its intent to have very low overhead. The Board will deal with funding requests in a proposal format where it aligns with Northern Development programs.

Adopted: April 21st, 2010