



FINANCIAL ADMINISTRATION MANUAL



Revised Date: April 2022	Effective Date: Immediate	Responsible Agency: Office of the Comptroller General	Directive No: 800
Chapter: Control of Expenditures			
Directive Title: CHAPTER INDEX			

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Issue Date: March 2011	Effective Date: Immediate	Responsible Agency: Comptroller General	Directive No: 801
Chapter: Control of Expenditures			
Directive Title: GRANTS AND CONTRIBUTIONS			

1. POLICY

The Government provides assistance to communities, organizations and individuals by transferring funds and other assets under programs that are fair, equitable and accessible.

Assistance and transfers under this Policy must be managed in a manner that:

- is open and transparent to the public;
- provides for government independence and objectivity;
- clearly identifies roles and responsibilities;
- provides adequate administration and documentation; and
- takes into consideration economy, efficiency and effectiveness.

2. DIRECTIVE

To provide authority for funding grants and contributions, Departments must develop grant and contribution policies and payment directives as follows:

- Ongoing grant and contribution transfers must be made in accordance with a grant and contribution policy prepared by a Department and approved by Executive Council.
- Except as noted below, one-time transfer payments, or payments involving new programs for which a policy has not yet been developed, must only be made under the authority of a grant and contribution payment directive that has been approved by the Financial Management Board (FMB).
- One-time transfer payments that do not exceed \$25,000 may be made under the authority of a grant and contribution payment directive that has been approved by the Minister or Deputy Head of the department making the payment.

The approvals required for grants and contributions under this directive also apply to grants and contributions that involve the transfer of assets other than cash. These transfers are covered under FAM Directive 801-1 Grants in Kind.

3. PROVISIONS

3.1 Authorization

- 3.1.1. Grants and contributions requirements, which are authorized annually in the Estimates, are based on the individual Department grant and contribution policies and payment directives which must meet the provisions for such policies and payment directives contained in Appendix A.**
- 3.1.2. Grants and contributions must not be increased or redirected to other uses without approval of the Executive Council or the FMB, except for the transfer of funds among activities for one time payments not requiring FMB approval which may be approved by Ministers or Deputy Ministers of the department making the payment.**
- 3.1.3. The threshold of \$25,000 in this directive for Minister or Deputy Minister approval applies to the total grant or contribution and departments may not stage payment over a period of time to circumvent the requirement of FMB approval.**
- 3.1.4. All grant and contribution recipients must sign an agreement or other authorizing documentation accepting the terms of the grant and contribution arrangement before payment is issued.**
- 3.1.5. Departments must use existing templates in drafting funding agreements. If a template is not used, or extensive changes are made to an existing template or a new template is being developed, the department must consult with the Department of Justice before signing the agreement.**
- 3.1.6. Agreements may only be signed by Department Officials who have been delegated the appropriate level of signing authority.**

- 3.1.7. Grant and contribution policies must apply to all anticipated payments under the program and any payments that deviate from the program requirements must be approved by the FMB.**

3.2 Multi-year agreements

- 3.2.1. Any agreement that requires payments in a subsequent year must comply with the requirements of S.46 of the FAA and state that such payments are conditional upon having available appropriated funds in the subsequent year.**
- 3.2.2. Where a subsequent year payment is required, as allowed in s.44 (2) of the FAA, third party recipients must provide all the required financial information and other accountability requirements for the prior year before receiving the subsequent year contributions, unless an exemption is approved by the Deputy Head.**

3.3 Monitoring

- 3.3.1. The Deputy Head or delegate of the funding department is responsible to monitor the recipient to ensure compliance with the conditions of the agreement, applicable legislation, and FAM directives. If a recipient ceases to be eligible during the term of the agreement, the recipient shall repay any unexpended funds in accordance with the agreement terms. The department shall invoice the recipient within 30 days from the time it is determined that they are no longer eligible.**
- 3.3.2. Procedures must be in place to ensure that payments cease when eligibility ceases and that any funds paid in error are recovered promptly.**
- 3.3.3. Departments must provide a quarterly report listing any payments approved only by a Minister or Deputy Minister to the Expenditure Management Division of the Department of Finance.**

3.4 Accounting

Grants and contributions are transfer payments that will be accounted for on the accrual basis of accounting. There are different types of transfer payments and Departments must be aware of them. See Appendix C for a discussion of the accounting issues affecting grants and contribution.



- 3.4.1. All grant and contribution payments must be charged against an appropriation in the Department providing the assistance and the total of all grants and contributions made by the Department must be identified.**

- 3.4.2. A contribution that may become recoverable at a later date or that remains unspent for the specific purpose for which it was provided must be recorded as an accountable advance and S.54 of the *FAA*, which deals with accountable advances, applies. The provisions of FAM Directive 817-4 also apply**

Appendix A

REQUIRED INFORMATION FOR GRANTS AND CONTRIBUTION POLICY OR PAYMENT DIRECTIVES

The following is the basic information requirements that must be part of any grant and contribution policy or payment directive. The requirements for funding agreements may be found in Appendix B. The information set out below is not intended as an all-inclusive list. Individual circumstances may require other additional, appropriate considerations.

1. Purpose

This section must contain a clear statement of the program's objectives.

Avoid vague wording and answer the following questions:

How does this program relate to the overall goals, objectives, and priorities of the Government?

- How does this program relate to the department's accountabilities?
- Are there economic or social benefits to the public?
- Are there benefits to the Government?
- What other results is the program expected to achieve?
- Is the program an ongoing program or does it have a limited life?

2. Eligibility

An identification of the recipient (legal name and contact information in the case of payment directives, class or group of recipients, in the case of policies) and identification of criteria to be included on the eligibility list.

3. Review

The procedure for review of eligibility must be identified. The level within the department at which this review takes place must be included.

4. Supporting Data

The details of supporting material required in any application from the prospective recipient must be included. This may include annual budgets, financial statements, financial analysis and similar information in addition to a written agreement.

5. Accountable Requirements

The reporting requirements expected of the recipient.

The Government's right to conduct an audit, even though an audit may not always be undertaken, must be stated. If an audit is not required the information necessary to satisfy accountability requirements must be indicated.

The obligations and accountabilities of the parties involved and the financial and/or non-financial conditions, as well as the consequences of failing to adhere to these conditions must be stated.

6. Amount

The method used to determine the maximum amount payable to each recipient, including details of any formulas used.

The maximum amount payable.

Appropriate provisions for the department to terminate the agreement and withdraw from the project if the original objectives are not being met.

Provision for the disposition of any surplus funds i.e. repayment to the Government, carry over to subsequent years activity, outright gift to the recipient, etc.

A provision that the Government's liability is limited to the amount of funding authorized and that the Government will not be responsible for any shortfalls or deficits.

The conditions to be met before a payment is made and the schedule or basis of payment.

Where it is applicable, the allowable costs and the types or classes of expenditures eligible for reimbursement.

7. Method of Payment

The level of funding and method of payment, including lump-sum, installments, holdbacks, expenditure based payments, etc as well as the appropriation to which the payment is to be charged.

8. Term

A policy or payment directive must state the number of years over which it expects the terms and conditions will apply and over which the payments will continue to be made.

9. Anticipated Factors of Change

For multi-year programs, the conditions that will affect the level of funding in subsequent years. If a change is anticipated, then the estimated effect on the total level of funding required in future years must be calculated.

10. Other Requirements (where appropriate)

- A requirement for the recipient to report any amounts owing to the government, under legislation or an agreement, and recognition that amounts due to the recipient may be set-off against amounts owing to the government.
- A requirement for the recipient to repay advances, overpayments, interest on overdue amounts, unexpended balances and disallowed expenses, and a declaration that such amounts constitute debts due to the Government.
- The total program funding requirements and the level of funding required in the current fiscal year.
- If funding increases are required, the source of the additional funds.
- In determining who the recipients of grants and contributions will be, other than entitlement transfers, Departments are to consider the past experience with prospective recipients. Factors to consider are: promptness of meeting reporting requirements; outstanding amounts due under prior agreements, and similar matters.
- Policies should have a provision for how a potential recipient can appeal a decision of the Department to deny a grant or alter the terms of an existing grant or agreement. The appeal authority must be at a high level within the Department, preferably the Deputy Head.
- The submitting department shall determine if a specific grant or contribution is related to any existing Federal or Government program and shall ensure that the possibility of double funding does not exist.



Appendix B

REQUIRED INFORMATION FOR FUNDING AGREEMENTS

As in Appendix A, the following is the basic information requirements that must be part of any funding agreement. The information set out below is not intended as an all-inclusive list. Individual circumstances may require other additional, appropriate considerations.

1. Parties to the Agreement

The Department of the Government and the legal name of the other party.

2. Responsibilities

Who is responsible for managing the program.

The form the contribution will take and restrictions on use of the asset contributed.

3. Payment

The level of funding and method of payment.

Any other assistance that may be provided.

Who is responsible for, and the source, of additional funding if funding requirements increase.

For a payment of significant amounts, a requirement for the recipient to declare any and all sources of proposed funding for the project before or shortly after the commencement of the agreement, as well as upon completion of the project

A provision for repayment where the total government assistance exceeds the amounts spent for a specified purpose.

4. Term

The effective date, the date of signing, and the duration of the agreement.

5. Accounts and Financial Records

The requirement for the recipient to maintain proper records, make them available to the Government and to retain them for audit or review purposes.

A requirement for the recipient to repay advances, overpayments, interest on overdue amounts, unexpended balances and disallowed expenses, and a declaration that such amounts constitute debts due to the Government.

Provision to recover payments should the recipient be in default of the agreement.

The reporting requirements expected of the recipient.

The Government's right to conduct an audit, even though an audit may not always be undertaken must be stated. If an audit is not required the information necessary to satisfy accountability requirements must be indicated.

Provision for cancellation or reduction of transfer payments in the event that Departmental appropriation or funding levels are changed.

A requirement that any payment under the agreement is subject to there being an appropriation for the fiscal year in which the payment is to be made

6. General Terms and Conditions

A provision that the Government may terminate, suspend or reduce the scope of the agreement if the recipient fails to comply with the terms of the agreement.

A clause to limit the liability of the government in the case where the recipient is entering into a loan, a capital lease or other long term obligation in relation to the project for which the transfer payment is provided.

An indemnification clause for the benefit of the Crown and an insurance provision where applicable.

For agreements dealing with grants-in-kind, a provision for how a change of use of the asset granted will be dealt with. (allowed, not allowed, government approval level required, etc)

A clause that requires the recipient not to represent itself, including in any agreement with a third party, as a partner or agent of the Crown, unless this is agreed to by the Government

Provision defining rights (whole or in part) to assets acquired or intangible property created in the process of carrying out the requirements of the agreement or funding program.

Provision for the confidential treatment of all information or material supplied to or obtained by the recipient as a result of the agreement with the Government.

A provision as to how the agreement may be terminated, amended or renewed and the financial considerations that result from the termination or change.

The laws under which the agreement is to be interpreted.

Definition of any unusual terms.

Prohibiting any member of the Legislature from obtaining any share or part of the agreement or from receiving any financial benefit from the agreement.

Requiring the recipient to comply with all laws and regulations that are applicable.

The method of delivering notices that are required under the agreement and the contact person or position to whom the notices are to be delivered.

Appendix C

Definitions

For purposes of this Directive, **Grants and Contributions** are transfers of money or other assets from a government to an individual, an organization or another government for which the government making the transfer does not:

- receive any goods or services directly in return, as would occur in a purchase or sale transaction;
- expect to be repaid in the future, as would be expected in a loan; or
- expect a financial return, as would be expected in an investment.

The terms defined below are those used in determining the different types of grants and contributions identified by PSAB as requiring specific program or period end accounting requirements. It is not necessary to identify these differences in preparing the Estimates or the Appropriation process. Departments, however must be able to identify the different types for proper program or period end accounting purposes.

Grants

Transfers that are made at the discretion of the government. The Government making the transfer has discretion in deciding whether or not to make the transfer, the conditions to be complied with, if any, how much will be transferred and to whom. Grants include such transfers as: cultural grants, scholarships, research grants and regional development grants. In most cases, recipients have to apply for the money or meet some eligibility criteria; however, in contrast to entitlements, applying or meeting eligibility criteria does not guarantee that the recipient will receive the money. The government still has discretion to decide whether or not to make the transfer. There is usually a ceiling on the total amount that may be transferred under a particular grant program and some grant recipients are subject to performance or reporting requirements.

Entitlements

Transfers that a Government must make if the recipient meets specific eligibility criteria. Such transfers are non-discretionary in the sense that both:

- “who” is eligible to receive the transfer; and
- “how much” is transferred; is prescribed in legislation and/or regulations.

The entitlement may be legislated or as a result of long-standing precedence. There are two types of entitlements: those of individuals and those of other governments or institutions.

Entitlements of individuals

Most transfers to individuals are entitlements. Governing legislation or regulations identify specific eligibility criteria that recipients must meet. Once those criteria have been met, the recipient is entitled to receive the transfer. There are no conditions attached to how the recipient spends the money. The amount to be transferred is usually specified in the legislation or regulations. The amount transferred may vary depending on the circumstances of the recipient.

A key characteristic of an entitlement is that the government must make the transfer to all individuals who meet the specified eligibility criteria. The key criterion for recognizing an entitlement of individuals is whether the recipient has met significant eligibility criteria.

Entitlements of other governments or institutions

A number of significant intergovernmental transfers are entitlements. Entitlements of one government from another include established programs financing and per capita or formula based transfers from the government to local governments. Some transfers to institutions are also entitlements. The governing legislation or regulations for these transfers set out the bases for determining the amount of the entitlement. Some are based on complex formulas. Others may be calculated on a per capita or other unit basis.

Transfers under shared cost agreements

These transfers involve reimbursements of eligible expenditures pursuant to an agreement between the transferring government and the recipient. In a sense, transfers under shared cost agreements are similar to entitlements because the recipient is "entitled" to the transfer once it has incurred eligible expenditures. They are different from other entitlements, however, because the recipient must spend money to be entitled to any reimbursement. In addition, the terms of specific shared cost agreements are usually negotiated and agreed upon in a signed contract.

The transferring government may agree to pay for all or only a portion of the eligible expenditures. The specific terms of the agreement may be found in legislation or in signed contracts. There may also be a ceiling on the total amount that will be shared.

These transfers are sometimes referred to as contributions.



Other government transfers

Some transfers may have characteristics of more than one of the major types of transfers discussed above. For example, some provincial transfers to institutions or agencies may have characteristics of both entitlements and grants. A provincial government may have a statutory responsibility, or a perceived obligation due to a well-established practice, to maintain the housing or education facilities in its jurisdiction. However, the government might determine annually the amount that will be transferred and how it will be distributed among the organizations in its jurisdiction. The amount determined at the beginning of the year might even be changed during the year. Thus, the government has some discretion.



Issue Date: September 2009	Effective Date: Immediate	Responsible Agency: Office of the Comptroller General	Directive No: 801-1
Chapter: Control of Expenditures			
Directive Title: TRANSFER PAYMENTS (GRANTS-IN-KIND)			

1. POLICY

The Government may provide assistance to communities, organizations and individuals throughout Nunavut by transferring to them Government non-cash assets under programs that are fair, equitable and accessible. Transparency and objectivity will enhance effectiveness.

2. DEFINITIONS

2.1 Grants-in-kind are transfers of Government assets or services other than cash to another party.

3. DIRECTIVE

A grant-in-kind transfer must be made by a department in accordance with a policy that has been approved by the Executive Council. The policy must follow the form and information requirements of Appendix A in FAM Directive 801.

Each grant-in-kind must be authorized by a grant and contribution payment directive approved by the Financial Management Board. (FMB). In authorizing grant and contribution payment directives, the FMB shall ensure that the grant-in-kind is in the best interests of the Government.

4. PROVISIONS

- 4.1 All grant-in-kind recipients must sign an agreement accepting the terms of the grant-in-kind arrangement before the asset is transferred.
- 4.2 Prior to disposing of any existing government asset as a grant-in-kind, departments must consult with Community and Government Services (CGS) to determine whether another government department requires the asset. Any exception to this requirement must be approved by the FMB.

- 4.3 Should a disagreement arise between the department wishing to make a grant-in-kind involving an existing asset and a department who has a use or expected use for the asset, the matter will be resolved by the FMB.
- 4.4 Provisions 4.2 and 4.3 do not apply to grants-in-kind that involve new assets that are purchased for the purpose of making the grant-in-kind.
- 4.5 Grants-in-kind involving existing Government assets are not considered to be write-offs for the purposes of S.24 of the *FAA* and they must be charged to an appropriation.
- 4.6 If the asset to be transferred is in use by the Department, justification for the proposed grant-in-kind must be provided.
- 4.7 Any grant-in-kind that involves real property, or other property that may be subject to the *Environmental Protection Act*, must undergo an environmental site assessment, as defined in the *Environmental Protection Act*, prior to making the grant. This site assessment must identify any situations where the environment is or may be subject to contamination and must contain a timed action plan to rectify the situation and remove the possibility of contamination.
- 4.8 The cost of any environmental site assessment conducted on assets belonging to the Government must be charged to an appropriation of the department controlling the asset, unless the terms of any agreement covering the grant-in-kind provide otherwise.
- 4.9 Capital Assets transferred as a grant-in-kind between Government departments, to another level of Government or to a not-for-profit organization will be transferred at the carrying value of the asset in the Government of Nunavut's accounting records.

Capital assets transferred to any other organization or individual must be transferred at fair market value. Departments controlling the asset prior to its transfer as a grant-in-kind are responsible for determining the fair market value. An objective appraisal of the asset must be conducted and all calculations, comparables, and assumptions used in arriving at the fair market value must be retained and provided to the Comptroller General, who must approve the valuation prior to concluding the grant-in-kind.



Issue Date: Feb 2008	Effective Date: Feb 5, 2008	Responsible Agency: Comptroller General	Directive No: 802
Chapter: Control of Expenditures			
Directive Title: DELEGATION OF POWERS AND DUTIES			

1. POLICY

Ministerial delegation of authority for the control and spending of public money within government is an essential element to optimize the use of available resources and maintain a system of sound financial management. Such delegation ensures financial transactions of government will be undertaken by authorized government personnel in a controlled framework. Delegation to the lowest practical level is warranted.

2. DIRECTIVE

S. 13(1) of the *Financial Administration Act (FAA)* permits the Financial Management Board (FMB) to delegate 'to a public officer any power or duty of the Board, under this Act, that is prescribed as being capable of delegation.'

S. 13(2) of the *FAA* states that 'a Minister and the Comptroller General may delegate any of their powers and duties to a public officer.' All delegations and sub-delegations of authority must adhere to the *FAA*, the Financial Administration Manual (FAM) and the Provisions of this directive.

3. PROVISIONS

3.1. General

3.1.1. S. 13(3) of the *FAA* indicates that a public officer with powers delegated under this section cannot sub-delegate them unless the original delegation to the public officer allows for it. A public officer may not delegate a power or duty not possessed by that public officer.

3.1.2. On delegating power and duty, the delegator retains responsibility and is accountable for the appropriate exercise or performance of that power and duty. The delegator must exercise these powers and duties, when necessary, to ensure proper execution.

- 3.1.3. Acceptance of a delegation requires the delegate to exercise the delegated power or duty in accordance with the *FAA*, all other applicable Acts, all applicable regulations, policies and directives, and the specified terms of the delegation, i.e., the delegate shall understand, acknowledge and comply with all terms and conditions of the delegation.
 - 3.1.4. Where a delegated power or duty is not exercised in compliance with the terms and conditions in the delegation instrument, the delegator shall take corrective action, including restricting or terminating the delegation if appropriate.
 - 3.1.5. Departments must develop and implement systems of review and control to ensure compliance with this directive.
 - 3.1.6. If this or any other directive in this manual delegates a particular power or duty to a specific position or class of positions, no other delegation is required. (See Directive 802-1, Financial Signing Authorities.)
 - 3.1.7. The delegator shall ensure that appropriate new documentation is prepared and issued promptly to all affected personnel for every new, changed, or terminated delegation.
- 3.2. Methods of Delegation
- 3.2.1. Appendix A of this directive and other directives in this manual grant certain powers and duties to specific positions. However, any delegated power and/or duty may be withdrawn at the discretion of the delegator.
 - 3.2.2. All directives of the FAM must be adhered to when delegating powers and duties.
 - 3.2.3. Unless otherwise provided, all delegations of powers and duties must be made using the Instrument of Delegation (IOD) form (See Appendix B). Delegations of signing authorities must be made as provided in Directive 802-1.
- 3.3. Instrument of Delegation
- 3.3.1. Any power or duty granted by the *FAA* to the FMB may be delegated by the FMB if it is delegated by way of a Regulation, therefore a Regulation must be created in order for the FMB to delegate any of

its own powers and duties. *Regulation 9918, Delegation of Authority Regulations*, delegates specific powers and duties to Ministers and Deputy Heads. Any sub-delegation permitted must be done using an IOD, unless delegated as part of a directive.

- 3.3.2. An IOD must be issued by one delegator and must apply to one delegate. It may record the delegation of any number of powers and duties. The original of all IODs must be kept on file in the head office of the delegator's department. A copy must also be provided to the Comptroller General.
- 3.3.3. Where appropriate, IODs must provide for limits on delegated power and duty commensurate with the fulfillment of required accountabilities.

APPENDIX A

FAA Section	Description	Delegator	Delegate	Restrictions *
24(2)	Write off an asset of the GN, or a debt or obligation owed to the GN	Financial Management Board	Ministers Deputy Heads	Max \$20,000 (own department) Max \$10,000 (own department) No sub-delegation
40	Designation of accounting and expenditure officers	Ministers	Deputy Heads	Sub-delegation permitted only to EFOs for designation of accounting officers
19	Repayment of Money	Comptroller General	EFOs, Regional Directors – Dept of Finance	Maximum \$50,000 per event No sub-delegation
54	Accountable Advances – Contributions	Comptroller General	EFOs, Regional Directors – Dept. of Finance	Per contribution agreement No sub-delegation below Finance Manager/Supervisor level
54	Accountable Advances - Contracts	Comptroller General	EFOs, Regional Directors – Dept. of Finance	Per procurement contract No sub-delegation below Finance Manager/Supervisor level
54	Accountable Advances - Travel	Comptroller General	EFOs, Reg. Dirs. – Dept. of Finance	See directive 820-1 No sub-delegation below Finance Manager/Supervisor level

* All delegations above are subject to signing authority limits set in Directive 802-1, Appendix A.



APPENDIX B
INSTRUMENT OF DELEGATION

Effective Dates:

This Instrument of Delegation is valid from _____ to _____

Name of Delegator		Name of Delegate	
Position		Position	
Department		Department	
Which Power or Duty? (FAA Section and Subsection)	FAM Directive	Description of Power or Duty being Delegated	
<u>Exceptions/Restrictions/Limitations</u>			
<p>The delegated powers and duties are to be exercised in accordance with all governing legislation, policies and procedures of the Government of Nunavut that exist or come into effect during the term of this delegation.</p> <p>This delegation is effective only for the period above and may be revoked at any time by the delegator.</p> <p>The delegator will provide written notice of any revocation.</p> <p>Sub-delegation if permitted requires the issuing of a new Instrument of Delegation, by the Delegate.</p>			

<p>I, named as the Delegator, in the capacity as stated, and having the authority to sub-delegate the above powers and duties in the Government of Nunavut, hereby delegate the above powers and duties to the person named as the Delegate.</p> <p>_____</p> <p>SIGNATURE OF DELEGATOR DATE</p>	<p>I understand the terms of this delegation and hereby accept responsibility to exercise the above powers and duties in accordance with the stated requirements.</p> <p>_____</p> <p>SIGNATURE OF DELEGATE DATE</p>
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INTERPRETATION BULLETIN NUMBER IB 802/01

Effective Date: October 23, 2019

Applicable FAM Directive: FAM Directive 802 Delegation of Powers and Duties, provision 3.1.3.

Applicability: All government departments.

3.1.3. Acceptance of a delegation requires the delegate to exercise the delegated power or duty in accordance with the *FAA*, all other applicable Acts, all applicable regulations, policies and directives, and the specified terms of the delegation, i.e., the delegate shall understand, acknowledge and comply with all terms and conditions of the delegation.

INTERPRETATION

Where a Deputy Minister (delegate) has delegated full signing authority to an acting Deputy Minister, the acting Deputy Minister may sign the IOD on behalf of the delegate. A new IOD is not required.



Issue Date: Feb 2008	Effective Date: Feb 5, 2008	Responsible Agency: Comptroller General	Directive No: 802-1
Chapter: Control of Expenditures			
Directive Title: FINANCIAL SIGNING AUTHORITIES			

1. POLICY

The *Financial Administration Act (FAA)* gives primary financial authority to the Financial Management Board, the Minister of Finance, other Ministers, the Comptroller General, and Deputy Heads. Various aspects of this primary authority may be delegated to other public officers or service contractors attached to government departments. Sound financial management supports delegation of signing authority within an organization to the levels best able to exercise it in a financially prudent manner.

2. DIRECTIVE

Financial signing authority permits approval of government expenditures, commitments, disbursements, billings, General Ledger entries, and similar transactions. This authority is delegated to expenditure officers, accounting officers, and other signing authorities according to the provisions of this directive, and subject to the *Financial Administration Act*, Regulation 9918 and Directive 802, and describes the most common types of signing authorities delegated. Signing authorities at variance with this directive such as single authority disbursements may be provided for by other legislation.

3. PROVISIONS

3.1. Powers and Duties of Expenditure Officers and Accounting Officers

S. 44(1) and 49(2) of the *FAA* require an expenditure officer and an accounting officer to certify that the conditions of these sections of the *FAA* have been met before an expenditure can be incurred, or a disbursement can be made.

3.2. Designation of Expenditure Officers and Accounting Officers

- 3.2.1. The *FAA S.40* requires Ministers to designate expenditure officers and accounting officers for their departments by reference to their names or positions. This authority has been delegated to Deputy Heads by way of Appendix A of Directive 802.
- 3.2.2. The *FAA S.43* gives the Board authority to fix monetary limits for expenditure and accounting officers. This authority is delegated to Ministers and Deputy Heads by Regulation 9918(5)(1). Appendix A of this directive sets up maximum monetary limits for the expenditure and accounting authorities.
- 3.2.3. The Comptroller General is required to approve the designation of every accounting officer as set out in *FAA S.42(1)*, but the authority may be delegated. In accordance with *FAA S.13(2)* and this directive, the Comptroller General delegates this authority to Deputy Heads. This authority may be sub-delegated by Deputy Heads to CFOs. Only public officers in financial positions shall be designated as accounting officers.
- 3.2.4. Public officers, including casual, temporary or seconded employees, and individuals doing business as service contractors attached to Government departments may be designated as accounting officers and expenditure officers (*FAA S.40(1)*). A corporation is not eligible to be so designated (*FAA S.41(4)*).
- 3.2.5. A person may be designated as both expenditure officer and accounting officer, but no person shall act as both expenditure officer and accounting officer in the same transaction (*FAA S.41(3)*), unless required to by other legislation (e.g. the requirement for social workers to issue emergency cheques).
- 3.2.6. The Deputy Head of each department must approve all expenditure and payment authorities by position for his/her department by signing the Financial Signing Authorities Spreadsheet – See Appendix B attached.
- 3.2.7. A designated expenditure officer or accounting officer must be identified by name (with any limitations or restrictions noted) on a Specimen Signature Record (SSR) - See Appendix C attached. The supervisor must approve the SSR form. A copy of all new, changed, or terminated documents must be provided to the Office of the Comptroller General, Department of Finance.

3.3. Delegation of Financial Signing Authority

- 3.3.1. Delegation of financial signing authority is the means by which designated individuals are empowered to exercise specific authorities for financial transactions on behalf of the government. The most common categories of financial signing authority include:
- a) expenditure authority (spending authority): the authority for an expenditure officer to enter into agreements to incur expenditures and commit funds against appropriations, within delegated limits. This includes initiation authority, commitment verification and approval authority. See *S.44(1)(a) and S.49(2)(a)* of the *FAA*.
 - b) contract authority: a Minister, Deputy Head or public officer delegated the powers and duties of a contract authority in accordance with the Government Contract Regulations 9904 under the *FAA*. No person other than a contract authority or the Executive Council may initiate expenditures by entering into a contract on behalf of the Government. Thus a contract authority must also be an expenditure officer as required by *S.38* of the *FAA*.
 - c) accounting authority (payment authority): the authority for an accounting officer to certify that the requirements of *S.44(1)(b) and S.49(2)(b)* of the *FAA* have been met, in order that a disbursement may be made. This includes commitment confirmation and document verification.
 - d) revenue authority: the authority to bill and receive revenue, account for it and record it.
- 3.3.2. Delegation of financial signing authority must be in accordance with the *FAA*, its Regulations and this directive.
- 3.3.3. A public officer shall not sub-delegate any of his or her financial signing authority unless authorized to do so by the original delegation.
- 3.3.4. An annual review of signing authority suitability must be done by each Department.
- 3.3.5. The authority level delegated may be different for different types of expenditures or activities.

3.4. Exercising Financial Signing Authority

- 3.4.1. Expenditures and disbursements require the certification of both an expenditure officer and an accounting officer, in accordance with *S.44(1)* and *S.49(2)* of the *FAA*.
- 3.4.2. No disbursement shall be made from the Consolidated Revenue Fund unless it is in respect of an expenditure incurred under an appropriation, with the exception of a disbursement under *S.31 (2)* and *S.49 of the FAA*.
- 3.4.3. No person shall exercise any signing authority in relation to a transaction, or claim for payment or reimbursement from which:
 - a) that person or that person's relative; or
 - b) anyone who resides in the same household; or
 - c) a corporation or business in which that person has significant ownership;can benefit.
- 3.4.4. A person exercising financial signing authority shall sign and date the document.

3.5. Acting Appointments

- 3.5.1. An acting appointment occurs when the supervisor of the position for which the appointee will act, for a specified period of time, approves the appointment on an SSR. The supervisor may impose lowered monetary limits, restrictions, conditions and exceptions that would not normally apply to the signing authority of the position, but may not increase the monetary limits.
- 3.5.2. A standing acting appointment occurs when a public officer is appointed for an indefinite period to act while the person normally holding the position, for which the appointee will act, is absent. The SSR approved by the supervisor of the position will have no end date.
- 3.5.3. Written notification of the invoking of the standing acting appointment must be given by the position incumbent to the supervisor of the position for which the appointee will act, to the appointee, and to the Office of the Comptroller General, Department of Finance.



- 3.5.4. For audit purposes, each department must maintain a permanent file of originals of each SSR and documentation of each invocation of acting signing authority.
- 3.6. Signing Authority in Departments Acting as Agents for Other Departments
- 3.6.1. A Deputy Head may appoint another department to act as agent for his/her department, exercising expenditure authority, accounting authority, or contract authority on behalf of his/her department, per *S.41(1),(2) of the FAA* and Regulation 9904.3(1). This acting appointment must be approved on an SSR by the Deputy Head of the department for which the officer will act.
- 3.6.2. The Comptroller General (or delegate) may exercise payment authority on behalf of all departments in all regions.
- 3.7. Monetary limits to Signing Authority
- Financial signing authority limits may vary by department and position, but should be in accordance with business needs and should take into consideration the experience of the appointee (e.g., persons who are acting or being trained may have lower limits, restrictions and conditions). Any deviation from the maximum monetary limits set by Appendix A must be approved by the FMB. Analysis and documentation of need should be provided to justify these deviations.
- 3.8. Eligibility for Acting Pay
- Acting financial signing authority does not necessarily imply eligibility for acting pay (refer to Human Resource Manual).
- 3.9. Expenditure Review
- Delegation of expenditure authority is intended only to facilitate operational efficiency and does not relieve the delegator of budget control responsibilities or accountability.

The [Financial Signing Authorities Spreadsheet](#) and [Specimen Signature Record \(SSR\)](#) are available in an electronic version and should be downloaded from the FAM website at www.finance.gov.nu.ca/apps/authoring/dspPage.aspx?page=fam.

Appendix A**Signing Authority Levels****(Maximum)**

Position	Expenditure Authority	Accounting Authority
DM	Full	Full (Finance DM only)
ADM/CG	Up to \$500,000	Full (CG only)
Director	Up to \$250,000	Full (CFO in each Dept, including Dept of Finance)
		Up to \$500,000 (Other Directors in Dept of Finance only)
Managerial	Up to \$100,000	Up to \$250,000 (Manager of Finance in all Departments)
Supervisory	Up to \$50,000	Up to \$100,000
Senior Support Staff	Up to \$ 25,000	Up to \$ 50,000
Support Staff	Up to \$5,000	Up to \$5,000

In accordance with clause 3.2.3 of this directive, only public officers in financial positions shall be designated as accounting officers.



Issue Date: March 2009	Effective Date:	Responsible Agency: Office of the Comptroller General	Directive No: 803
Chapter: Control of Expenditures			
Directive Title: VERIFICATION AND APPROVAL OF EXPENDITURES AND DISBURSEMENTS			

1. POLICY

All expenditures and disbursements from the Consolidated Revenue Fund must be certified by an Expenditure Officer and an Accounting Officer and comply with s.44 and s.49 of the *Financial Administration Act (FAA)* as well as this and other directives in this manual.

2. DEFINITIONS

Expenditure means the act of spending money for goods or services. S.44 of the *FAA* requires expenditure officers and accounting officers to certify, among other things, that all expenditures are incurred pursuant to an appropriation. Expenditures are reported on the Statement of Operations in the Public Accounts or on the Statement of Financial Position as tangible capital assets.

Disbursement means the act of paying out money. S.49 of the *FAA*, which deals with disbursements that are not made with respect of an expenditure, requires expenditure officers and accounting officers to certify, among other things, that there is money available and that the disbursement is in accordance with a contract or other authorization. These disbursements are for such things as loan payments, advances, payments from revolving funds and the like. They are not pursuant to an appropriation and tend to be items that affect the Statement of Financial Position rather than the Statement of Operations.

Expenditure officers and accounting officers are public officers who have been designated as such in accordance with s.40 (1) of the *FAA*. They have the responsibility of providing the certifications required for expenditures and disbursements under s.44 and s.49 of the *FAA*.

3. DIRECTIVE

The Comptroller General has overall responsibility for ensuring that all disbursements are properly authorized and Executive Finance Officers (EFO) have a functional responsibility to that office.

Deputy Heads are responsible for ensuring that the proper controls are in place within their departments to ensure that expenditures and disbursements comply with *s.44 and s.49* of the *FAA*.

The primary functional responsibility for the system of controls in each department rests with the EFO as designated by the Deputy Head.

4. PROVISIONS

- 4.1. Segregation of duties is a key element of internal controls. A person cannot act as an expenditure officer and accounting officer on the same transaction.
- 4.2. An expenditure officer or accounting officer shall not act in that capacity involving any transaction in which they have, or can obtain, a direct or indirect personal benefit. This includes benefits to immediate family or organizations from which they receive a benefit.
- 4.3. Deputy Heads must ensure that the responsibilities and duties of accounting officers and expenditure officers are clearly communicated and understood.
- 4.4. All procedures developed and employed by departments covering the approval of expenditures and disbursements shall be made available to the Comptroller General upon request. In addition to the requirements of *s.44* and *s.49* of the *FAA*, departmental procedures must provide assurance that disbursements are only made after qualified officers have certified that the goods or services being paid for have been received and are what was ordered or required.
- 4.5. The expenditure officer or accounting officer who provides certification at the payment stage does not have to be the same expenditure or accounting officer who provides the certifications at the purchase order or contract stage.
- 4.6. Expenditure officers and accounting officers may only certify expenditures or disbursements that relate to activities over which they have been



delegated authority. S.41 of the *FAA* allows accounting officers to act in that capacity for another department with the consent of the Comptroller General and the Deputy Head of the other department. Expenditure officers may act for another department with the consent of the Deputy Head of the other department.

- 4.7. Disbursements for goods or services not yet received (accountable advances) may be made by the Comptroller General (or delegate) under s.54 of the *FAA*. Under FAM Directive 802, the Comptroller General has delegated this authority to various public officers depending on the type of accountable advance involved. Accountable advances are dealt with in FAM Directives in the 817 series.

Since accountable advances are made before goods or services are received, s.54 (2) of the *FAA* exempts them from the certification required under s.49 (2) (a) (iv) of the *FAA*.



Issue Date: May 2008	Effective Date: April 25, 2008	Responsible Agency: Office of Comptroller General	Directive No: 803-3
Chapter: Control of Expenditures			
Directive Title: ACCOUNT VERIFICATION-TIMING OF PAYMENTS			

1. POLICY

The standard payment term for suppliers listed on the Inuit Firms Registry or the Nunavut Business Registry is 20 calendar days, whereas, it is 30 calendar days for other suppliers. This is calculated from the later of the date of service rendered or receipt of goods or, the date of receipt of invoice and sufficient appropriate supporting documents, except as permitted in the following provisions or specified in pre-agreed payment terms and conditions.

2. DIRECTIVE

All timing of payments made by departments under the authority of the *Financial Administration Act* must be made in accordance with this policy.

3. PROVISIONS

3.1 Payment due dates

Except as permitted or stipulated elsewhere in this directive,

- 3.1.1 Payments to suppliers listed on the Inuit Firms Registry or the Nunavut Business Registry will be prepared within 20 calendar days from the later of the date of service rendered or receipt of goods or, the date of receipt of invoice and sufficient appropriate supporting documents.
- 3.1.2 Payments to all other suppliers will be prepared within 30 calendar days from the later of the date of service rendered or receipt of goods or, the date of receipt of invoice and sufficient appropriate supporting documents.

- 3.1.3 For further clarity, the 20 and 30 day payment terms represent the date by which the cheque or direct deposit are to be processed for payment by the Government's financial information system. Actual date for receipt of payment is subject to the delivery or transmission period for the mail or electronic banking services used.
- 3.1.4 Goods delivered under Free on Board (F.O.B.) terms are deemed to have been received when they are received in good order and accepted by the shipping company or delivery agency at the established F.O.B. point.

3.2 Exceptions

- 3.2.1 No payment shall be made before the due date as stipulated in 3.1 unless:
- a) this directive stipulates or permits otherwise;
 - b) an early payment discount is deducted from the payment and is deemed worthwhile considering all the circumstances; or,
 - c) written approval has been received from the Comptroller General or delegate.
- 3.2.2 All contractual arrangements entered into by the Government will comply with the policy statement. Any payment terms other than 20 and 30 days by contractual agreements including, but not limited to, building and equipment leases, grant and contribution agreements, professional services and loans, are to be approved by the Deputy Head.
- 3.2.3 Payments which by their nature are reimbursements to individuals and/or businesses, are due on the next cheque cycle date after approval of invoice.
- 3.2.4 The timing of payments for investments will be governed by contractual arrangements between the Government and its agents.
- 3.2.5 Salaries and wages of employees and members of the Legislative Assembly of Nunavut must be paid in accordance with applicable contractual or Collective Agreement terms.
- 3.2.6 Notwithstanding subsections 3.1.1 and 3.1.2 above, the following payments are excluded from the standard 20 and 30 day due dates and shall be made in accordance with the terms of the contract or as soon as practical from the latter of the date of service rendered or receipt of goods or, the date of receipt of invoice.

- a) Language translators/interpreters, Justices of the Peace, Jurors, Court Monitors, Elders in court sessions, Coroners, Commissioner fees or Sheriffs' Bailiffs services;
- b) Grant and contribution agreements
- c) Cash advances and reimbursements for duty travel and medical travel expenses;
- d) Customs brokers services;
- e) Social Program Payments;
- f) Fees for licenses, permits, etc.;
- g) Fur auction payments;
- h) Telephone, photocopy, printer, fax and communication services or leases;
- i) Group homes and foster care;
- j) Loan agreements;
- k) Canada Post payments and postage meters;
- l) Conference fees, course registrations, tuitions and professional fees/dues.
- m) Elders providing ceremonial or culture expertise in such areas as courtroom monitor, storyteller, drum dancer, throat singer, qulliq lighter and classroom demonstrator, etc.

3.2.7 Travel and Corporate Purchase Credit Card purchases are to be paid to the credit card provider on or before the statement due date to avoid interest payments.

3.2.8 Notwithstanding subsections 3.1.1 and 3.1.2 above, under unusual circumstances a partial payment in the form of a temporary advance in accordance with FAM Directive 817-3, Accountable Advances – Temporary Travel Advances, may be made by the Comptroller General before contracted goods or services are received in full.

3.2.9 The standard payment policy for goods or services that have already been received and invoiced may be bypassed for emergencies or other one-time reasons deemed appropriate by the responsible Minister or Deputy Head by making a written request to the Comptroller General and upon receiving written approval from the Comptroller General.

3.3 Recovery of Overpayments

Overpayments of vendor invoices must be recovered immediately by way of deduction from subsequent payments and comply with collection procedures.



3.4 Responsibility for timing of payments and related notices

- 3.4.1 When an individual terminates employment with the Government, the former employee's payment timing must be reset to the standard payment terms.
- 3.4.2 Every public officer who initiates a payment is responsible to ensure, before initiating payment, that payment will be timed in accordance with this directive.



Issue Date: June 2007	Revised Date: April 2022	Responsible Agency: Office of the Comptroller General	Directive No: 803-4
Chapter: Control of Expenditures			
Directive Title: PAYMENT OF INTEREST			

1. POLICY

Payment of interest by the Government may be allowed in particular circumstances. All interest payments must be properly recorded. Unnecessary interest payments on overdue payables should be avoided by an appropriate timing of payments.

2. DIRECTIVE

The Government shall pay interest only when legally required to do so by contractual agreement, legislation, judicial requirement, or with written approval from the Comptroller General or delegate.

This directive applies to all government departments and public agencies that make payments on behalf of the Government.

3. PROVISIONS

3.1. Payment of Interest

Unless stipulated otherwise in this directive, interest must not be paid on monies owing by the Government:

- a) where the Government holds money in the capacity of an agent or trustee;
- b) under a judgment without awarding interest;
- c) from one department to another department;
- d) to public agencies of the Government;
- e) on salaries, wages, employment benefits or expense reimbursements owed to employees of government departments or public agencies;
- f) on contract security deposits and holdbacks;

- g) where a valid agreement or an enactment specifically prohibits the payment of interest by the Government;
 - h) to any party that refuses to pay interest to the Government; or
 - i) if late payment results from improperly prepared or addressed invoices.
- 3.2. A government department or public agency may pay interest on final payments for completed construction contracts following satisfactory completion, providing contracts include a clause approved by the Department of Justice setting forth the terms and conditions under which interest will be paid.
- 3.3. Interest on overdue credit card balances may be paid. This interest will be paid in accordance with the interest rates stated in the signed agreement between the Government and the credit card provider.
- 3.4. Interest must be charged as expenditure against the budget appropriation of the responsible government department or public agency and identified with the applicable program.
- 3.5. Unless legally required to do so otherwise, interest on money owed by the Government must be calculated on a simple interest basis regardless of how long the payable has been outstanding.
- 3.6. In the absence of a pre-approved interest rate on an overdue payment, as stipulated in a contract, the interest is paid at the payment on due date (PODD) interest rate used by the Receiver General for Canada and quoted on the Government of Canada website. The interest rate shall be reviewed semi-annually on April 1 and October 1. The current interest rate is indicated in Appendix A to this directive.
- 3.7. Unnecessary interest payments on overdue accounts payable should be avoided by complying with Financial Administration Manual Directive 803-3 Account Verification – Timing of Payments.
- 3.8. Government departments and public agencies must record all interest payments and enter them in their electronic accounting system.
- 3.9. The Office of the Comptroller General shall be consulted for resolution of any issues that arise in determining whether interest must be paid.

APPENDIX A

The interest rate to be paid on amounts payable by the Government is reviewed semi-annually on April 1 and October 1 of each year. The Comptroller General will periodically review the interest rates Appendix A.

<u>Effective date</u>	<u>Rate</u>
April 1, 2022	3.73%

Prior period rates:

The rates below are provided for calculation of interest for payables that have been outstanding from prior periods. The applicable interest rate should be used for calculation of interest for the period during which that interest rate was effective.

Effective Date	PODD Rate
October 1, 2021	3.50%
April 1, 2021	3.50%
October 1, 2020	3.50%
April 1, 2020	4.21%
October 1, 2019	5.00%
April 1, 2019	5.00%
October 1, 2018	4.75 %
April 1, 2018	4.50 %
October 1, 2017	4.21 %
April 1, 2017	3.75 %
October 1, 2016	3.75 %
April 1, 2016	3.75 %

Government of Canada website:

<http://www.tpsgc-pwgsc.gc.ca/recgen/txt/tipp-ppir-eng.html>



Issue Date: May 2008	Effective Date: April 25, 2008	Responsible Agency: Office of the Comptroller General	Directive No: 804
Chapter: Control of Expenditures			
Directive Title: IMPREST BANK ACCOUNTS			

1. POLICY

The Comptroller General (CG) or delegate may establish an imprest bank account or increase an imprest balance. Departments are responsible to implement adequate controls to minimize loss or inappropriate use and to ensure that all expenses incurred through an imprest bank account meet all payment requirements of the *Financial Administration Act*.

2. DEFINITION

Imprest bank account is a bank account that is periodically replenished from the Consolidated Revenue Fund (CRF) bank account as expenditures are made. Generally, imprest bank accounts are used for making payments where the government's central payment system cannot be used in an effective or efficient manner.

3. DIRECTIVE

Wherever possible, payments shall be issued using the Government's central payment system and the CRF bank account established for that purpose as per FAM Directive 502 Banking Arrangements. Payments may be made from other bank accounts where they have been put in place for use with other cheque issue systems established under the authority of the Comptroller General as per FAM Directive 860 Departmental Cheque Issue Systems.

4. PROVISIONS

4.1 Controls are required to ensure:

- 1) the establishment of an imprest bank account is properly approved;



- 2) no money is deposited to an imprest bank account other than the initial money approved, any approved increases, and reimbursements; and
 - 3) that imprest bank accounts are not overdrawn.
- 4.2 Disbursements must be accurately recorded on a timely basis with adequate supporting documentation and proper authorization. Cash on hand must be properly safeguarded and controlled.
 - 4.3 When an imprest bank account is no longer needed, any remaining balance must be returned to the Consolidated Revenue Fund
 - 4.4 Requests for funds to establish imprest bank accounts or increase the balance of imprest bank accounts must be submitted in writing to the Comptroller General or delegate for approval. Requests must identify the types of payments and procedures to be used to ensure adequate internal control over the receipt and disbursement of funds.
 - 4.5 Payments from an imprest bank account are limited to the type of payments approved by the Comptroller General or delegate as in 4.4 above. Payments are subject to the same requirements as payments made directly from the Government's CRF.
 - 4.6 The custodian shall reconcile each imprest bank account on a monthly basis and provide a copy of the reconciliation to Financial Reporting and Controls of the Department of Finance.
 - 4.7 The following should be considered when setting the amount of an imprest bank account:
 - a) the size and location of the operation to be served;
 - b) how frequently the account will be used;
 - c) the practical maximum value of single transactions;
 - d) frequency of replenishment (not more frequently than bi-weekly); and
 - e) the balance should be adequate to support business needs.



Issue Date: June 2007	Effective Date: May 24, 2007	Responsible Agency: Office of the Comptroller General	Directive No: 805
Chapter: Control of Expenditures			
Directive Title: ISSUANCE OF GN CHEQUES TO DEPARTMENTS, DIRECT DEPOSIT AND WIRE/ELECTRONIC FUND TRANSFER			

1. POLICY

Adequate internal control and financial procedures must be in place for the issuance of cheques, direct deposits and wire/electronic fund transfers. The Office of the Comptroller General acknowledges that cheques, under certain specific circumstances, must be returned to the originating departments rather than being delivered to payees.

2. DEFINITION

2.1. Direct Deposit

Government payments electronically deposited to a specific Canadian bank account in Canada.

2.2. Wire/Electronic Fund Transfer

Government funds transferred electronically to a specific foreign or Canadian bank account. This is normally a one time transfer.

3. DIRECTIVE

The Comptroller General or delegate(s) may authorize the issuance of government cheques, direct deposit services and wire/electronic fund transfers in accordance with the following provisions.

CHEQUES RETURNED TO DEPARTMENTS

- 3.1. With the exception of the eligible list in 3.4 below, Deputy Ministers or designates shall approve all other cheques to be returned to departments.

- 3.2. Under no circumstances will cheques be returned to the originator of the transaction to ensure segregation of duties. The returned cheques shall be delivered to a finance officer, other than the originator of the transaction. Return to department cheques must be signed for when picked up by designated employees.
- 3.3. Departments shall maintain a register which clearly states the details of the returned cheques and their disposition.
- 3.4. Cheques eligible for return to departments include the following:
 - 3.4.1 Payments involving legal and contractual obligations which are:
 - a) Real estate transactions;
 - b) Contract releases and construction or service progress payments;
 - c) Damage claim releases (this class does not include payments against Crown debts which have been assigned or are subject to a power of attorney).
 - 3.4.2 Payments requiring formal presentation in a ceremony which are:
 - a) Grants or other payments presented personally by Ministers, Deputy Ministers or Regional Directors; or,
 - b) Honoraria and reimbursement of expenses paid to elders, visiting lecturers or seminar speakers.
 - 3.4.3 Payments which are required for immediate service for:
 - a) Postage meter charging and other postal charges;
 - b) Customs clearance;
 - c) Vehicle licenses;
 - d) Sheriffs' fees;
 - e) Petty cash advances and replenishments.
 - f) Travel advances or claims
 - 3.4.4 Payments which are delivered by diplomatic courier.
 - 3.4.5 Fur Auction Payments

The Department responsible for issuing fur payments must ensure adequate compensating internal controls are established in accordance with Directive 860, Departmental Cheque Issue Systems.



- 3.5 The Comptroller General may exempt departments from the provisions of this directive and authorize cheques to be returned to departments in other circumstances where warranted.

DIRECT DEPOSIT

- 3.6 To obtain this service, individuals or organizations on the vendors list must complete the Direct Deposit Request Form and return via the line department or directly to the Financial Operations of the Department of Finance. All payments due by GN within Canada may be eligible for direct deposit. Examples of eligible payments for direct deposit include, but not limited to:

- a) Grants
- b) Bursaries and student financial assistance
- c) Contributions
- d) Accountable Advances (e.g. travel advance)
- e) Travel Claims for employees and non-employees
- f) Reimbursements of eligible expenses
- g) Professional dues, fees and tuition
- h) Invoice payments

- 3.7 The information required for direct deposit must include the payee bank account details.

- 3.8 A remittance advice will be provided to the payee with each direct deposit advising of payments credited to their Canadian bank accounts. A payee may choose to receive the remittance advice by ordinary mail, facsimile, or e-mail.

- 3.9 GN will not charge the payee for direct deposit service.

WIRE/ELECTRONIC FUND TRANSFERS

- 3.10 Wire/electronic payments and transfers shall be made only by the Department of Finance.

- 3.11 A written request must be completed in accordance with FAM Directive 803 on Account Verification and Payment Requisition and submitted to the Department of Finance.



3.12 Payments and inter-bank transfers that are eligible to be made through wire/electronic transmissions include:

- a) Installment payments to the RCMP for police services;
- b) Income payments to GN Investment Pool participants;
- c) Inter-bank transfers between GN bank accounts; or,
- d) Any other payment upon specific written approval from the Comptroller General.



Issue Date: August 2007	Effective Date: August 29, 2007	Responsible Agency: Office of the Comptroller General	Directive No: 806
Chapter: Control of Expenditures			
Directive Title: REVOLVING FUNDS			

1. Policy

A revolving fund is used to finance a continuous cycle of operations for specific purposes within specified limits and is provided with continuous and non-lapsing authority to retain revenues and to make disbursements from the Consolidated Revenue Fund. A revolving fund may include money, accounts receivable, inventories, liabilities, or any combination thereof.

2. Directive

All revolving funds, which must be established by an Act in accordance with *Section 59* of the *Financial Administration Act (FAA)*, shall be administered according to the *FAA* and this directive.

3. Provisions

- 3.1 The Comptroller General shall maintain a separate account for each revolving fund to which shall be charged such assets on hand at the time the revolving fund was established and disbursements from the Consolidated Revenue Fund.
- 3.2 All money received from the operations of the revolving fund shall be shown as credits to the revolving fund.
- 3.3 The balance of a revolving fund shall not exceed the amount of the revolving fund established by Act.
- 3.4 At the end of each fiscal year the Deputy Head whose department administers a revolving fund shall ensure departmental compliance with *Sections 60* and *61* of the *FAA*.
- 3.5 The Minister of Finance may establish Boards of Survey to make inquiries into revolving funds, and at least once every four (4) years such inquiries must be made for each revolving fund as per *Sections 62* and *63* of the *FAA*.



FINANCIAL ADMINISTRATION MANUAL



- 3.6 Recommended deletions from the inventory of a revolving fund may be made by a Board of Survey or a public officer and shall be dealt with according to *Sections 64 and 65* of the *FAA*.
- 3.7 All disposals of public property must be handled as indicated in Directives 704 through 704-4.

Issue Date: March 1995	Amended Date: March 24, 2022	Responsible Agency: Office of the Comptroller General/Department of Community and Government Services	Directive No: 808
Chapter: Control of Expenditures			
Directive Title: GOVERNMENT CONTRACTS – GENERAL			

1. POLICY

The Government's contracting processes for the procurement of goods and services are based on the principles of transparency, fair competition and risk mitigation to ensure that the Government obtains the best value for resources expended.

2. DIRECTIVE

Government contracts must comply with the *Financial Administration Act (FAA)*, the Government Contract Regulations (Regulations), the Nunavummi Nangminiqagtunik Ikajuuti Regulations (NNI Regulations) and the provisions of this and other directives in this manual, and in or made pursuant to the GN Contracting Procedures Manual. All contract amounts are excluding GST.

Public Officers authorized to contract on behalf of the Government must comply with the requirements of s.44 to 49 of the *FAA*, the Regulations pursuant to the Act and Financial Administration Manual (FAM) Directives 808 Government Contracts series when entering into contracts and incurring expenditures or making payments related to contracts.

No person other than a public officer authorized as a Contract Authority by the Regulations may enter into a contract on behalf of the Government. This authority may only be exercised for the type of contract and within the limits permitted under the Regulations.

Contract Authority may be delegated in accordance with s.13 of the *FAA*, s.4 of the Regulations and FAM directives 802 Delegation of Powers and Duties, and 802-1 Financial Signing Authorities.

The *Nunavummi Nangminiqaqtunik Ikajuuti Implementation Act* and the NNI Regulations apply to all to all contracts except: liability insurance contracts, employment contracts, sole-source contracts as defined in section 8 of the Regulations, emergency services contracts, contracts between the Government and another government or government agency, most contracts between the Government and municipal corporations, and contracts that have been exempted from the application of the NNI Regulations by the Executive Council. The NNI Regulations do not apply to procurement by public agencies listed in *Schedules A and C* of the *FAA*.

The NNI Regulations prevail in the event of any conflict with this directive or the Regulations. The Regulations and the provisions of this directive do not apply to employment contracts.

The assistance of the Procurement section of CGS should be obtained to ensure compliance with the Government's procurement policies, procedures and directives; and Risk Management section of the Department of Finance must be consulted with respect to the security and insurance provisions needed to ensure the Government's interests are protected in that regard.

The definitions of terms used in FAM Directives 808 Government Contracts series can be found in Appendix E.

This directive applies to all government departments and public agencies.

3. PROVISIONS

3.1. Trade Agreements

- 3.1.1. The Government is subject to the Canada-European Union Comprehensive Economic and Trade Agreement (CETA). Article 19 of the CETA applies to all procurement processes which are not subject to the NNI Regulations.
- 3.1.2. The Government is subject to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CTPP). Article 15 of the CTPP applies to all procurement processes which are not subject to the NNI Regulations or Article 24 of the Nunavut Agreement.
- 3.1.3. The Government is a signatory to the Canadian Free Trade Agreement (CFTA). Chapter 5 of the CFTA applies to all procurement processes which are not subject to the NNI Regulations.
- 3.1.4. Government and public agency contracts exempt from the application of the NNI Regulations must comply with the provisions of the CFTA, CETA, and the CTPP.

3.2. Competitive Tender and Proposal Requirements

- 3.2.1. Government contracts must comply with the competitive tender or proposal requirements of the Regulations and FAM Directive 808-1 Government Contracts – Tenders and Proposals. All contracts for goods and services in excess of \$5,000, and all contracts for architectural and engineering services in excess of \$25,000 must result from a competitive Request for Tender (RFT) or Request for Proposal (RFP) process unless an exception, as set out in provision 4.3, applies.

3.3. Exceptions to Competitive Tender and Proposal Requirements

3.3.1. Negotiated Contracts (Executive Council Prerogative)

The Regulations permit the Executive Council to enter into or direct a Contract Authority to enter into a contract with any person or organization, subject to the NNI Regulations. The power to enter into a contract includes the power to renegotiate the terms of the contract or terminate it.

The contract resulting from this exercise of Executive Council prerogative is referred to as a negotiated contract.

The Financial Management Board (FMB) may recommend that a contract be entered into by the Executive Council with someone other than the person who would otherwise be awarded a contract if the FMB believes it to be in the public interest.

Contracting authorities seeking an exemption from all or part of the NNI Regulations must demonstrate compliance with the consultation requirements in section 3 of the NNI Regulations.

3.3.2. Sole Sourcing

According to the Regulations, a Contract Authority may enter into a contract without issuing a request for tenders or a request for proposals if the Contract Authority reasonably believes that any of the following conditions are met:

- a) the goods, services, real property or construction at issue in the contract are urgently required and delay would be injurious to the public interest;
- b) only one party is available and capable of performing the contract;
or
- c) the value of the contract will not exceed:

- \$25,000, in the case of a contract for architectural or engineering services, or
- \$5,000, in the case of any other type of contract.

3.3.3. Existing Standing Agreements

If a competitive process has already been conducted by CGS Procurement to establish a Standing Offer Agreement (SOA), Standing Supply Agreement (SSA) or Master Supply Service Agreement (MSSA) in accordance with the provisions of FAM Directive 808-4 Government Contracts – Standing Agreements, a Contract Authority may choose to enter into a contract under a SOA, SSA or MSSA consistent with the provisions of that directive and any additional requirements set out in the GN Contracting Procedures Manual, and subject to the terms and conditions of the SOA, SSA or MSSA so long as expenditure authority and accounting authority certifications have been provided on a requisition prior to the contract award.

If a Contract Authority chooses not to contract under an established SOA, SSA or MSSA, and the provisions of 3.3.1 or 3.3.2 are not applicable, the Contract Authority must award the contract through a competitive RFT or RFP process pursuant to FAM Directive 808-1 Government Contracts – Tenders and Proposals.

3.4. Indemnification and Insurance Requirements (see Appendix C)

- 3.4.1. All contracts must contain an indemnity clause in which the contractor indemnifies the Government against any third-party claim arising out of the contractor's performance of the contract. Appendix C provides the standard wording to be used. Where circumstances warrant, the standard indemnity provision may be modified or removed following consultation with Risk Management section of the Department of Finance and the Department of Justice.
- 3.4.2. When a proposal contains a clause whereby the Government must indemnify the proponent or the contractor offering the proposal, the clause must be forwarded to the Departments of Justice and Finance for review and approval or rejection. Any guarantee or indemnity on behalf of the Government must be authorized by Regulations.
- 3.4.3. All contracts must contain terms and conditions that ensure adequate insurance coverage by the contractor. Appendix C provides the standard wording. Any amendments to the standard wording must be approved by Risk Management.
- 3.4.4. The requirement for insurance coverage by a contractor may be modified or waived by the Department of Finance in consultation with the Department of Justice where appropriate.

- 3.4.5. The Contract Authority may consult with the Manager, Risk Management, on appropriate or alternative insurance provisions prior to the issuing of a RFP or RFT, and upon receipt of proposals and tenders, prior to awarding a contract.
- 3.5. Legal Review of Proposed Contracts
- 3.5.1. Before entering into a Non-Standardized Contract or accepting a High Risk Proposal, the Contract Authority shall submit the proposed contract to the Department of Justice for review and formal approval.
- 3.5.2. Before entering into a contract that is an altered or amended version of a Standardized Contract, the Contract Authority shall submit proposed alterations or amendments to CGS to coordinate with the Department of Justice for review and formal approval.
- See Appendix B for legal review requirements.
- 3.6. Financial Review of Proposed Contracts
- 3.6.1. Proposed contracts that include terms and conditions for the purchase or lease of goods or services that may add to or otherwise change the Government's costs or required payments based on the future change in or value of a defined index or other measure must be referred to the Office of the Comptroller General for review prior to signing to determine whether they contain an embedded financial instrument that under the public sector accounting standards (PSAS) will need to be recognized and measured separately for accounting purposes.
- 3.7. Conflict of Interest
- 3.7.1. A public officer shall not permit to arise any influence, interest or relationship with a contractor that might conflict with the interests of the Government or that might endanger or prejudice the Government's reputation for open, fair open and transparent dealings.
- 3.7.2. A public officer shall not use the Government's contracting relationship with a contractor for personal gain or benefit.
- 3.7.3. Refer to the Nunavut Public Service Code of Values and Ethics, as well as Human Resources Manual (HRM) Directive 203: Outside Activity, for additional information on conflict of interest.

- 3.7.4. Generally, former public officers who have served in senior management positions are not permitted to enter into contracts with the Government for a term of one year after the date their employment with the Government ceases. In some cases an exception can be made. Refer to the HRM Directive 205: Post-Employment Restrictions, for additional information on contracting with former senior managers.
- 3.8. Standards for Goods and Construction
- 3.8.1. CGS shall develop and set minimum quality standards for architectural and engineering capital infrastructure design services and construction procured by the Government.
- 3.8.2. CGS shall develop and set minimum quality standards for goods purchased or equipment leased for government use. The development of these standards may be delegated to other departments. In the interest of the Government receiving the highest possible value for its expenditures, and the legal requirements for performance over brands specifications, CGS may question the specifications for goods requisitioned by other departments.
- 3.9. Standards for Office and Communications Equipment
- 3.9.1. CGS maintains standards for most types of office and communications equipment such as photocopiers, fax machines, printers, computers, and peripherals. The authority to procure office or communications equipment by any means such as purchase, lease, rental, rent-to-buy or lease-to-buy rests with CGS. If office or communications equipment is needed, a Requisition for Services form must be submitted to CGS. This section does not apply to public agencies.
- 3.9.2. Requisitions for computer hardware and software not consistent with approved standards will not be installed on the government network or supported by Helpdesk.
- 3.10. Restrictions on Contract Authority for Certain Types of Contracts
- The Regulations restrict the exercise of Contract Authority for specific categories of contracts.
- 3.10.1. Architectural and Engineering Services
- Architectural/engineering services are engaged through a competitive RFP process. Contract authorities, before entering into a contract, shall take into account the following criteria for the provision of architectural and engineering services:

- a) the qualifications and experience of the architect, engineer, or firm;
- b) the past performance of the architect, engineer, or firm on similar projects;
- c) the number, qualifications and experience of the personnel who will assist in the performance of the contract; and
- d) the size, complexity and time constraints of the contract.

In considering qualifications as per (a) above, the Contract Authority shall ensure that the successful firm complies with applicable legislation governing the architectural and engineering professions and that proof of professional liability and errors and omission insurance coverage is obtained before entering into the contract.

CGS has the required expertise to assist contract authorities in complying with this requirement and with conducting the competitive procurement process (including requesting proposals using a Standardized Request for Proposals and Architectural/Engineering Services Contract template). Competitive procurement processes are mandatory for architectural or engineering services contracts over \$25,000.

Architectural and engineering services are normally required and acquired in the planning of construction or renovation projects. CGS sets standards and has Contract Authority for construction on behalf of the Government.

Contract authorities should consult with CGS prior to procuring these services to ensure that their procurement and contracting is coordinated with the procurement and contracting for the rest of the construction or renovation project and is in compliance with the Regulations and other applicable legislation, standards, codes and requirements.

The procurement of architectural and engineering services must be publicly advertised if the value of the contract will exceed \$25,000.

This section does not apply to public agencies. However, public agencies are encouraged to consult with CGS with respect to these types of contracts.

3.10.2. Goods, Transportation, Construction, Real Property, Leases, Communications and Office Equipment

Contracts for the following values must be entered into and administered by CGS:

- goods with a value exceeding \$5,000;
- transportation services (excluding air ambulance and scheduled medical travel) with a value exceeding \$5,000;
- computer services with a value exceeding \$5,000;
- communication services with a value exceeding \$5,000;
- real property including leases; and
- construction, with the exception of a construction contract in respect of a transportation facility.

In order to maintain uniform standards of compatibility, interoperability and network connectivity of office and communications equipment, departmental contract authorities are required to procure computers, phones, fax machines, photocopiers, computer services and communications services through CGS.

This section does not apply to public agencies.

3.10.3. Construction in Respect of a Transportation Facility

The Minister or Deputy Minister of the department responsible for transportation or a Contract Authority within that department who has been delegated that authority is authorized to enter into construction contracts in respect of a transportation facility.

Notwithstanding the foregoing, all construction contracts entered into under this provision shall comply with the requirements of the NNI Regulations and with applicable standards set by CGS pursuant to 3.8 above.

3.10.4. Employment Contracts

For direction on distinguishing between employment and personal services contracts, refer to FAM Directive 808-5 Government Contracts – Personal Service Contracts.

3.10.5. Insurance

An insurance contract must be entered into only with the approval of the Minister or the Deputy Minister of Finance.

3.10.6. Legal Services

A legal services contract must be entered into only with the approval of the Executive Council or the Minister of the Department of Justice, except that the Director of Child and Family Services, may enter into a legal services contract for the benefit of a child or youth in the care or custody of the Director.

APPENDIX A

MINIMUM REQUIREMENTS FOR GOVERNMENT CONTRACTS

Naming the Government, Public Agencies, and the Legislative Assembly

The contract must contain the proper legal names for all parties. For all contracts except leases of Commissioner's Lands, the following is to be used for the Government:

The Government of Nunavut as represented by the Minister of [contracting department].

For leases of Commissioner's Lands, the lease shall be made in the name of the Commissioner of Nunavut as represented by the Minister of Community and Government Services.

For leases of Commissioner's Airport Lands, the lease shall be made in the name of the Commissioner of Nunavut as represented by the Minister of Economic Development and Transportation.

Public agencies may contract in their own names and should not name the Government or a responsible Minister.

The Legislative Assembly may contract in its own name and is properly named as the Legislative Assembly of Nunavut as represented by the Speaker.

There is no Crown in right of Nunavut. The Government should not be named as "Her Majesty the Queen in right of Nunavut" and the Government should not be referred to as "the Crown".

Expenditure and Commitment Controls

Before a contract is entered into on behalf of the Government, an expenditure officer and an accounting officer shall provide separate approvals pursuant to s.44(1) of the *FAA*.

Where a tender or proposal exceeds the amount estimated and approved for the expenditure, prior to awarding the contract, an expenditure officer and an accounting officer shall provide separate certifications to approve the additional funding required to award. For greater clarity, the following shall apply:

If one or both of the following criteria apply, additional authority is required to award:

- if the overage is over \$1,000 – obtain approval from the department
- if the overage is over 10% – obtain approval from the department
- if the overage is over 10%, but under \$1,000 – obtain approval from the department
- where the lowest acceptable bid amount does not exceed the approved amount by more than 10% or \$1,000, whichever is lower, – proceed with award
- if the overage is under 10%, and less than \$1,000 – proceed with award

Multi-year Contracts

Multi-year contracts must clearly state the requirement for an expenditure in a subsequent fiscal year as required by s.44(2) of the *FAA*.

Departments shall maintain adequate records for multi-year contracts to record related outstanding commitments at the end of a fiscal year.

Statutory Condition in Contracts

Government contracts must contain the following clause, which directly quotes s.46 of the *FAA*:

In compliance with s.46 of *FAA*, it is a statutory condition of this contract that “an expenditure pursuant to the contract will be incurred only if there is a sufficient uncommitted balance in the appropriated item for the fiscal year in which the expenditure is required under the contract”.

Object of Contract

Government contracts must clearly identify the objectives of the contract and the contractor's obligations.

Contracts must also stipulate a deadline for the completion, performance or delivery of the stated objectives.

Validity of Contract

When entering into a contract with anyone other than an individual, a Contract Authority should ensure that:

- a) the contractor is a legal and properly registered entity, such as a sole proprietorship, partnership, or corporation (a contract is not legally valid if the contractor is not a legal entity);

- i) in order to legally do business in Nunavut, the contractor must be registered, or register, with the Department of Justice Legal Registries division;
- b) if the contract is with a not-for-profit organization, the organization's charter permits the contract;
- c) when contracting with a corporation the signing officer(s) of the contractor corporation sign the contract above their name(s) and title(s). The signature(s) must be dated and witnessed;
 - i) where appropriate (i.e., for very large and important contracts), a letter may be obtained from the corporation's lawyer stating that the person signing for the corporation is authorized to do so by the corporation's board of directors; and
 - ii) if an agent is signing the contract for the contractor, proof of the agent's authority is obtained and the agent is properly identified on the contract.
- d) If the contract is with a joint venture, or where there is more than one contractor, the contract must state that all of the obligations in the contract will be joint and several on all of the parties to the joint venture.
- e) If the contract is with a special purpose vehicle, which is a legal entity established solely for the purposes of carrying out the contract, the contracting authority must seek legal advice to determine if a parental guarantee from the principals of the special purpose vehicle is required.

Contract Price

The contract price must be clearly identified and part of the contract and be fixed, or else determined by a fixed formula.

Change Orders

Where it is appropriate under special circumstances to change a contract price within the duration of a contract, prepare a written change order clearly indicating the reasons the changes are necessary. The change order must not fundamentally increase or alter the scope of the contract.

The value of the change order must not exceed the spending limit of the financial signing authority of the responsible financial officer. The responsible financial officer may sign individual contract change orders to a cumulative total not exceeding 15% of the original contract value. Every change order thereafter shall be approved by the Deputy Minister responsible for the contract budget.

In considering whether the proposed change order represents a fundamental increase or alteration in the original scope of the contract, the contracting authority may consult with the Contracts Support offices of CGS.

Contracts Requiring Accommodation for Workers

Where the nature of a contract necessitates that accommodation for workers be provided by the contractor, contractors will accommodate workers in commercial room and board in the community where the work is to be done whenever such accommodation is available.

Assignment of Debt and Progress Payments

Subject to s.69(3) and (4) of the FAA, the Assignment of Government Debt Regulations and FAM Directive 873 Assignments, the Comptroller General may approve in writing the assignment to third parties of debt owed under contract by the Government to the contractor.

Payment Terms in Contracts

All payment terms and related exceptions in contracts must follow FAM Directive 803-3 Account Verification – Timing of Payments.

Advance Payments upon Signing Contracts

Subject to FAM Directive 817 Accountable Advances, a Contract Authority shall not advance a payment for services not yet rendered by a contractor without the authorization of the Comptroller General.

Progress Payments in Contracts

A contract may include progress payments to the contractor in accordance with FAM Directive 803 - Verification and Approval of Expenditures and Disbursements.

Contracts with Embedded Derivative Financial Instruments

In situations where the terms and conditions proposed may represent an embedded derivative financial instrument, the Office of the Comptroller General must be consulted for advice and an accounting assessment prior to signing.

Service Contracts

Where applicable, service contract conditions must require that:

- a) confidential information and records in the possession of the contractor be returned to the Government or securely destroyed immediately upon substantial completion of the contract;
- b) the contractor use confidential information only for the purpose of the contract unless written permission for another use is given in advance by the Deputy Minister of the contracting department with appropriate consultation and in compliance with the *Access to Information and Protection of Privacy Act (ATIPP)*; see Appendix D for privacy and data security requirements.
- c) the contract contains appropriate provisions respecting privacy and data security including a prohibition on storing or processing the Government's data outside of Canada without the express written approval from the Government;
- d) the contractor adhere to specific copyright and intellectual property requirements; and
- e) the contractor adhere to and comply with the laws of Nunavut and the laws of Canada as they apply in Nunavut.

Personal service contracts are made with self-employed individuals (also known as "sole proprietors"). If a proposed service contract is with a person or a person operating under a proprietorship name, FAM Directive 808-5 Government Contracts – Personal Service Contracts and applicable provisions of the HRM directives must be reviewed to ensure that the proposed contract is not an employment contract. Personal service contracts cannot be made with corporations, including with professionals such as doctors and lawyers who self-incorporate as professional corporations.

Service contracts must contain the written condition that the Government is not responsible or liable for collecting or remitting source deductions (such as income tax, payroll tax, CPP, EI) and Workers' Safety and Compensation Commission premiums relating to payments made to the contractor.

APPENDIX B**LEGAL REVIEW OF CONTRACTS**

Certain government contracts must be reviewed and approved by the Legal and Constitutional Law division of the Department of Justice and/or, in the case of a public agency, its legal counsel.

Review:

The purposes of contract review are:

- To ensure that the terms and conditions of the contract do not contravene legislation, directives, and policies;
- To ensure that the contract reflects the stated objectives in the tender or RFP;
- To assess any legal risks associated with the contract;
- To ensure that any non-standard aspects of the contract do not conflict with the Government's standard contract provisions;
- To ensure adequate protections are in place to protect the Government's copyright, intellectual property, and privacy and data security; and
- Where the contract is exempt from the NNI Regulations, to ensure compliance with Article 24 of the Nunavut Agreement and the CFTA, CETA, and the CTPP.

The legal review will not assess:

- Whether the proposed contract represents good value for money for the Government; or
- The accuracy of the financial information provided by the contracting department.

The originating department, in its request for the review, shall identify all non-standard aspects of the contract, list specific concerns and indicate the date by which the contract review should be completed.

Reasonable time should be given for the review; this will depend on the size and complexity of the contract. Departments should allow at least 7 to 14 days for legal review. Complex and high-risk contracts should be provided to the Legal and Constitutional Law division of the Department of Justice as soon as possible, as reviews of these types of contracts can take considerable time to complete.

An originating department shall determine and submit the following information for review with the proposed contract:

- a) Contract Documents
The department must submit the contract (including all schedules and appendices) and the procurement documents (including all addenda), and any requested amendments from the contractor at the same time as the request for review.
- b) Capacity of Contractor
The proof that the contractor is a legal entity capable of contracting.
- c) Object of Contract
The evidence that the purpose of the contract and the obligations of both parties are clearly set out.
- d) Authority to Contract
The name and position of the person proposed to sign for the Government and evidence that the person is a Contract Authority pursuant to the Government Contract Regulations.
- e) Authority of Expenditure Officer and Accounting Officer
The names and positions of these persons and evidence that they are authorized to provide the certifications required by s.44 and 49 of the *FAA*.
- f) Compliance with Requirements for Contracting
The evidence that required tendering or proposal procedures have been employed pursuant to the Government Contract Regulations, the GN Contracting Procedures Manual and applicable FAM directives.
- g) Grammatical and Typographical Correctness
The evidence that the proposed contract has been reviewed and edited for grammatical and typographical correctness.

Standardized Contracts

Standardized contract templates are types of recurring contract forms and templates developed by the Procurement section of CGS in consultation with and approved by the Legal and Constitutional Law division of the Department of Justice and are used for recurring purposes to facilitate the delivery of government programs.

These standardized contracting templates may be updated from time to time. Each contract's terms and conditions:

- a) remain unchanged except for the parties, price, description of property and matters of a like nature; or
- b) contain approved contract clauses, terms and conditions.

When modifying approved clauses, terms and conditions in any approved template, it is important to confirm the modifications do not inadvertently open the Government to legal risk and liability. These modifications must be consulted with the Procurement section of CGS to coordinate assistance from the Legal and Constitutional Law division of the Department of Justice and if appropriate from the Office of the Comptroller General or Risk Management section of the Department of Finance.

Information and descriptions of standardized contract forms and templates can be found in the GN Contracting Procedures Manual.

Non-Standardized Contracts

A non-standardized contract is a contract that requires drafting to suit the unique purpose of the activity being procured and for which the Government does not have a pre-existing template. This includes the use of the contractor's standard contracting terms such as conditions for the purchase and sale of goods.

In the case of a non-standardized contract, the advice and assistance of the Legal and Constitutional Law division of the Department of Justice, must be obtained to establish the terms and conditions governing performance of the activity being procured.

APPENDIX C

INDEMNIFICATION AND INSURANCE REQUIREMENTS

Indemnification

All contracts shall contain the following clause relating to indemnification. This clause may be modified or removed only with the approval of the Risk Management section of the Department of Finance, and legal counsel from the Department of Justice.

“The Contractor will indemnify and save harmless the Government of Nunavut, its employees and agents from and against all claims, demands, losses, damages, causes of action, costs and expenses made against or incurred, suffered or sustained by the Government of Nunavut at any time either before or after the expiration or termination of this agreement, where the same or any of them are based upon, arise out of or occur, directly or indirectly, by reason of any act or omission of the Contractor or of any agent, employee, officer, director or subcontractor of the Contractor pursuant to this agreement, excepting always liability arising out of the independent negligent acts of the Government of Nunavut.”

Insurance Requirements

All contracts shall contain the following clauses where indicated, except with the approval of the Risk Management section of the Department of Finance, in consultation with the Department of Justice. These clauses may be modified only with the approval of the Deputy Minister of Finance through consultation with the Risk Management section of the Department of Finance, and in the case of high-risk proposals, Legal Counsel from the Department of Justice.

Note: In some circumstances, this may not be enough coverage; consider the risks and consult with the Risk Management section in the Department of Finance prior to initiating the procurement process.

Public agencies must replace all references to the Government with the name of the public agency.

1. The Contractor shall without limiting his obligations or liabilities hereto, obtain, maintain and pay for during the period of this Agreement, the following insurance:

- a) Workers' Safety and Compensation Commission (WSCC) coverage. The Nunavut *Workers' Compensation Act* requires that all persons working in Nunavut for more than 10 days in a calendar year be covered under the Nunavut WSCC program, even if the employer is not a Nunavut-based company. If the contractor is assessed any extra levies or assessment as a result of an injury or death to an employee (worker) of the contractor or subcontractor, or due to unsafe working conditions, these extra amounts will not be reimbursed by the Government.
- b) Commercial General Liability insurance with limits of not less than five million dollars (\$5,000,000) inclusive per occurrence for bodily injury, death and damage to or loss of use of property. Such insurance shall include but shall not be limited to the following terms and conditions:
- Products and Completed Operations; *[this may be deleted if the contract does not involve construction, survey or demolition]*
 - Owners & Contractors Protective; *[this may be deleted if the contract does not involve construction, survey or demolition]*
 - Contractual Liability;
 - Broad Form Property Damage;
 - Personal Injury;
 - Cross Liability and Severability of Interest;
 - Medical Payments;
 - Non-Owned Automobile Liability including contractual liability;
 - Underground Property Damage in respect to any work involving ground disturbance; *[this may be deleted if the contract does not involve construction, survey or demolition]*
 - Contingent Employers Liability;
 - Employees as Additional Insureds.
 - Privacy and Data Breach coverage with limits that the Contractor considers appropriate in terms of type, coverage, and limit, taking into account the nature, extent, and scope of the personal and commercially confidential information collected, used, or disclosed in the performance of the Services; *[this may be deleted if the contract does not involve personal information or commercially confidential information, or if all of the relevant information will not leave the Government's custody or control; consult with Legal and Risk Management if unsure]*

- c) Professional Liability Insurance with limits of not less than two million dollars (\$2,000,000) per claim, to cover claims arising out of the rendering of or failure to render any professional service under the Agreement. *[Note: This kind of insurance applies to certain kinds of professionals such as accountants, engineers, lawyers, and architects, and covers 'errors and omissions']*.
 - d) All motor vehicles, watercraft or snowcraft used by the Contractor in the performance of the agreement, regardless of ownership, shall be insured by Standard Liability Insurance in an amount not less than two million dollars (\$2,000,000) per occurrence for bodily injury, death and damage to property.
 - e) The Contractor should ensure that all individuals (including the Contractor if an individual, and including all employees, officers and subcontractors) who are physically present in Nunavut and engaged in the performance of this contract, have appropriate insurance to cover the full cost of ambulance and medical evacuation. Nunavut Inuit enrolled under the Nunavut Agreement are automatically covered through the Non-Insured Health Benefits Program. Individuals may have extended medical benefits through a group program, including a group program to which their spouse belongs. Private coverage is available. Individuals present for a short time in Nunavut may buy the necessary coverage with their airfare. In the event this coverage is not in place for an individual who requires an ambulance or must be medically evacuated from Nunavut while in the performance of any obligations under this contract, the Contractor will be solely responsible and indemnify the Government for the full cost of the medical evacuation.
 - f) Any other insurance that the Contractor, acting as diligent prudent and competent contractor considers appropriate in terms of type, coverage and limit, taking into account the nature, extent, scope and location of the Services undertaken in this Agreement.
2. All insurance policies shall include a provision whereby the insurers agree to provide not less than thirty (30) days written notice to the Government prior to any insurance policies being materially altered, cancelled, or terminated by the insurers.
 3. The Contractor must have an account in good standing with its respective Workers' Compensation authority and provide evidence of same to the Government upon request from time to time.

4. The Contractor shall be responsible for any deductibles, exclusions and/or insufficiencies of coverage relating to such policies. The Contractor's liability is not capped to the amount of and scope of coverage required under the agreement.
5. The Contractor shall deposit with the Government prior to commencing the work, certificate(s) of insurance evidencing the insurance required by this Agreement in a form satisfactory to the Government and with insurance companies satisfactory to the Government, and shall provide evidence of continuing coverage on request.
6. The insurance policies shall name the Government, its directors, officers, employees, agents and contractors as Additional Insureds, only with respect to the terms of this Agreement (except on Workers' Compensation, motor vehicles insurance and Professional Liability insurance), with a cross liability and severability of interests clauses. Such insurance shall be primary without right of contribution from other insurances available to the Government, and shall extend to cover the employees of the insureds hereunder.

The following additional insurance coverage provisions apply for specific types of contracts:

Buses and contracts for bus services:

For buses, including but not limited to school buses, limits of not less than ten million dollars (\$10,000,000) per occurrence.

School buses or contracts for school bus services:

The Contractor will maintain in effect during the term of this Agreement SEF 6B - School Bus Endorsement.

Charter Aircraft:

The Contractor accepts the risk of loss to the Aircraft.

The Contractor will maintain in effect during the term of this agreement the following:

- a) Aircraft Public Liability Insurance, including third party bodily injury, death and property damage or loss, with limits of no less than ten million (\$10,000,000) dollars per occurrence and, in addition, Passenger legal liability coverage with limits of no less than one million (\$1,000,000) dollars per passenger seat including crew seats installed on the aircraft.

- b) Workers' Compensation coverage as required by statute and Contingent Employers' Liability coverage with a limit of no less than five million (\$5,000,000) dollars per occurrence. For Contractor's employees not covered by Workers' Compensation, Employers' Liability Insurance coverage shall be obtained with limits of no less than two million (\$2,000,000) dollars per occurrence.
- c) Airport Premises Liability Insurance including Contractual Liability covering bodily injury, death and property damage or loss with a combined single limit of no less than five million (\$5,000,000) dollars per occurrence.
- d) All Risks Hull Insurance covering the aircraft (including all flight and ground risks and ingestion and each engine coverage) with limits of no less than its full replacement value.
- e) Passenger Baggage Liability Insurance with limits of no less than their full replacement value.
- f) Property Insurance covering equipment, cargo and freight transported by the Contractor with limits of no less than full replacement value.
- g) If the flight originates or terminates outside Nunavut: War Risks and Allied Perils Insurance covering war, invasion, acts of foreign enemies, hostilities, rebellion, revolution, martial law, military power, strikes, riots, civil commotions, malicious act of sabotage, confiscation, nationalization, seizure, detention, restraint, hijacking or unlawful seizure, with limits of no less than \$50,000,000 or the limits of liability herein; whichever is lesser.

Scheduled Passenger Travel on Air Carriers:

Replace paragraph (a) above with the following:

Aircraft Public Liability Insurance, including third party bodily injury, death and property damage or loss:

- a) For all routes serviced with turboprop aircraft, with limits of no less than ten million (\$10,000,000) dollars per occurrence;
- b) For all routes serviced with jet aircraft, with limits of no less than three hundred million (\$300,000,000) dollars per occurrence; and
- c) In addition, Passenger legal liability coverage with limits of no less than two million (\$2,000,000) dollars per passenger seat including crew seats installed on the aircraft.

Construction where the Cost of Materials Exceeds \$100,000:

The Contractor will maintain in effect during the term of this Agreement Course of Construction Insurance with limits no less than the value of the contract.

Construction Involving Extensive Renovations to an Existing Facility:

The Contractor will maintain in effect during the term of this Agreement Course of Construction with limits no less than the value of the renovated building upon completion.

Construction, and Contracts for Operations where Pollution is a Risk:

Contractor's Pollution Liability insurance with limits of not less than ten million dollars (\$10,000,000) per occurrence to cover claims that the Contractor may have to pay as a result of any claims caused by pollution (including for any clean-up costs). This policy must cover damages sustained by the Owner and any third parties. This policy must also cover claims arising out of the rendering, or failure to render, any professional services under this Contract (in relation with pollution claims).

This policy shall provide third party coverages for pollution damages caused by the Contractor performing insured services at a third-party site. The Owner is to be added as an additional insured without its ability to claim against the policy being affected.

Marine Transportation, Including Sealift and Bulk Fuel Resupply:

Protection and Indemnity or Marine Liability Insurance, including Cargo Legal Liability, shall be provided for by the Proponent for all Vessels used in connection with this Agreement. For ocean going vessels, Owners P&I terms must be on full standard conditions with a member of the International Group of P&I Clubs. The cover shall include liability for collision and damage to fixed and floating objects and shall include, but not be limited to, crew liability in accordance with the P&I Club Rules and the compulsory requirements of the Maritime Labour Convention as amended; third party bodily injury; wreckage and debris removal; and property damage liability, towers liability, and contractual liability (as applicable). The cover shall include liability for collision and damage to fixed and floating objects to the extent not covered by the Hull and Machinery cover arranged by vessel owners.

If not covered under the terms of the policy or applicable P&I Club rules, insurance for cargo legal liability during the entire period that cargo carried under this Agreement is under the responsibility of the Contractor and the Carrier.

Marine Physical Damage Insurance: All Risk marine physical damage and Hull and Machinery insurance shall be provided with a limit equal to the replacement value of the Vessel and Owner's items used in connection with the services; or in transit thereto or therefrom. Coverage shall include, but not be limited to, collision liability and navigation limits applicable to this Agreement. Insurers waive their rights of subrogation against the Government.

Property Insurance ("All Risks" Course of Construction)

Property or course of construction insurance is physical damage insurance for the project while it is under construction. This insurance protects against most risks of physical loss of or damage to the materials and work in progress.

The contractor is responsible for obtaining and maintaining this form of insurance to protect all those who directly participate in the construction project, including the Government.

Course of construction insurance coverage is the responsibility of the contractor for hamlet or settlement buildings when the Government owns the materials during the management of construction and where full authority or block funding is provided to the hamlet and the municipality undertakes the project on their own behalf.

Medical Insurance

This insurance is required to ensure that all individuals (including the Contractor if an individual, and including all employees, officers and subcontractors) who are physically present in Nunavut during the term of contract have extended medical benefits that cover the full cost of ambulance and medical evacuation. Beneficiaries under the Nunavut Land Claim Agreement are automatically covered. Individuals may have extended medical benefits through a group program, including a group program to which their spouse belongs. Individuals present for a short time in Nunavut may buy the necessary coverage with their airfare. In the event this coverage is not in place for an individual who must be medically evacuated while in Nunavut, the Consultant will indemnify the Government for the cost of the medical evacuation.

Deductibles

The contractor is responsible for deductibles, exclusions and/or insufficiencies of coverage related to any policy they carry.

APPENDIX D

PRIVACY AND DATA SECURITY REQUIREMENTS

1. Any information obtained from, or concerning any department of the Government, or clients of any department of the Government, by the Contractor, its agents or employees in the performance of the Service Request, or of any other contract, shall be confidential.
2. The Parties acknowledge the *Access to Information and Protection of Privacy Act* (Nunavut) and the *Personal Information Protection and Electronic Documents Act (Canada)* and acknowledge that the Consultant and its employees and sub-contractors are included in the definition of “employees” under the *Access to Information and Protection of Privacy Act* (Nunavut) and so bound by that Act while performing services under this Agreement.
3. The Contractor agrees to protect confidential information in its custody or control by making reasonable security arrangements against such risks as unauthorized access, collection, use, disclosure, retention or disposal.
4. The Contractor shall take such steps as are necessary to ensure that any such information is not disclosed to any other person, and shall maintain confidential and secure all material and information that is the property of the Government and in the possession or under the control of the Contractor.
5. The Contractor will report any suspected or confirmed privacy breach, as defined in *section 49.8* of the *Access to Information and Protection of Privacy Act* (Nunavut), to the Government as soon as the breach becomes known, and will comply with the Government’s breach investigation, or any investigation initiated by the Information and Privacy Commissioner of Nunavut.
6. Except as required by this Agreement, the Contractor agrees to securely destroy any copies, either in paper or electronic format, upon completion or early termination of this Agreement, and will provide the Government with proof of secure destruction in the form of a certificate of secure destruction or a statutory declaration.
7. The Contractor shall not store confidential information on unprotected mobile computing devices such as, but not limited to, memory sticks, notebook computers, smart phones, tablet computers, and personal digital assistants. Where personal information must be stored on such devices, the Contractor will store only a minimal amount of information for the minimal amount of time necessary to complete the work. Where personal information is stored on mobile computing devices or other vulnerable devices, the Contractor shall use both strong password protection and strong encryption.

8. The Contractor will ensure that data containing confidential information shall not be processed or stored outside of Canada without the express written approval of the Government.
9. This section survives the completion or early termination of this Agreement.

APPENDIX E

DEFINITIONS

Architectural or Engineering Services

Architectural or engineering services required in the planning, design, preparation or supervision of the construction of a work or structure.

Bid

A written offer to provide goods, services, real property or construction submitted in response to an RFT or RFP.

Bidder

A person or legal entity who submits a bid.

Construction

Work to build, supply, repair, renovate, restore, refurbish, maintain or demolish a structure and the hiring of labour, materials and equipment necessary for that work.

Contract Authority

- 1) with respect to a contract to which the Government Contract Regulations apply, Contract Authority has the same meaning as in those regulations:
 - (a) the Minister of the contracting department,
 - (b) the Deputy Minister of the contracting department, or
 - (c) a public officer who is authorized to enter into contracts under section 4 of Government Contract Regulations.
- 2) with respect to any other contract to which the NNI Regulations apply, Contract Authority means a person authorized to enter into the contract for the purchaser.

Note: the “Contract” box on the Contract Authority’s Specimen Signature Record (SSR) should specify a maximum monetary limit, above which the Contract Authority cannot initiate or enter into a contract.

Contracts with Embedded Financial Instruments

Contracts that include terms and conditions for the purchase or lease of goods or services that may add to or otherwise change the government’s costs or required payments based on the future change in, or value of, a defined index.

Emergency Contracts

Any contracts that are sole sourced (awarded without promoting competitive bids or proposals) under the provisions of s.8 (a) of the Regulations: “where the Contract Authority reasonably believes that the goods, services, real property or construction at issue in the contract are urgently required and delay would be injurious to the public interest”.

Employee

For the purposes of FAM Directives 808 Government Contracts series, an employee is either:

- a) A person employed in the public service of Nunavut subject to the *Public Service Act*; or
- b) A person employed to do skilled or unskilled manual, clerical, technical, operational or administrative work for the Government or a public agency.

Employer

For the purpose of FAM Directives 808 Government Contracts series, the employer is the Government or a public agency subject to the *Public Service Act* and Public Service Regulations.

Employment Contract

An employment contract exists where there is an employer/employee relationship between the employer and the worker performing the contract work. Only the Minister of Human Resources and individuals with delegated authority from the Minister may bind the Government to employment contracts. FAM Directive 808-5 Government Contracts – Personal Service Contracts provides direction on distinguishing between employment and personal service contracts.

Financial Instruments

Any contracts that give rise to financial assets of one entity and financial liabilities or equity instruments of another entity.

GN Contracting Procedures Manual

The operations manual providing procedural guidance to public officers in entering into contracts on behalf of the Government. This manual is maintained and updated from time to time by the Department of Community and Government Services (CGS).

Throughout this 808 series of Government Contracts directives, reference is made to the GN Contracting Procedures Manual as a source of procedural authority, information, reference and guidance with respect to government contracts. Except as set out in the *NNI Implementation Act*, the *FAA* and the Regulations prevail as higher authority if there is any conflict with FAM directives or the GN Contracting Procedures Manual.

Goods

Assets, equipment or materials whether in existence or not at the time of the contract, and intangible assets, such as intellectual property, leases and licenses, that include:

- office equipment and supplies including but not limited to furniture and fixtures, photocopiers and fax machines;
- computers, computer peripherals and accessories
- vehicles, mobile equipment and rentals; and
- promotional and printed materials.

Government Contract Regulations (Regulations)

The regulations enacted by the Commissioner on the recommendation of the Financial Management Board pursuant to s.107 of the *FAA* respecting procurement and contracting.

High Risk Proposal

A proposed contract with any of the following characteristics:

- When, due to the nature of the goods or services, the consequences of an error or failure during contract performance could reasonably be expected to expose the Government, the contractor, or any affected third party to harm, including but not limited to bodily harm, damage to reputation, financial loss, damage to or loss of property, and breach of privacy or data security would be catastrophic;
- Where the procurement is exempt from the application of the NNI Regulations or Article 24 of the Nunavut Agreement;
- When the proposal resulting from RFP is in fact more than one proposal, containing more than one option;
- When the proponent is seeking positive obligations for the Government in the contract which were not contemplated in the RFP;
- When the proposal cost or required payments are based on the future change in value of a defined index or other measure or may contain an embedded financial instrument;
- When the proposed “creative solution” resulting from the RFP really is creative (i.e., when it is not familiar to the Contract Authority and it is unclear how it would work);
- Different copyright terms than those specified in the RFP;
- Where the RFP or contract requires complex privacy and data security provisions;
- Where the RFP or contract requires additional provisions respecting conflicts of interest, non-disclosure agreements, and improper or illegal conduct;
- Where the RFP or contract contains provisions respecting prohibited corporate structures, mandatory licensing requirements, and any other additional corporate due diligence measures;
- Different insurance terms than those specified in the RFP;
- When the proposal requires the Government to indemnify the proponent;

- When it is a proposal for one of two or more inter-related contracts (e.g., preparing the specifications of the terms of reference for a future contract); or
- Where it is a proposal for any of the following services: air ambulance (medevac), bulk petroleum resupply and delivery, marine transportation (sealift), scheduled medical and duty travel, public-private partnerships, retail alcohol and cannabis, construction of secure facilities (e.g., correctional centres), service contracts for group homes, residential care and long-term care, and service contracts for the delivery of primary health care services.

Legal Services Contract

A legal services contract is:

- any contract for the provision of any services defined as the practice of law in the *Legal Profession Act* that may only be provided by members of the Law Society of Nunavut or another applicable provincial or territorial legal regulator;
- contracts for the services of expert witnesses or factual witnesses used in court or legal proceedings; and
- any other service contract with a lawyer, Canadian legal advisor, law firm, or legal professional corporation.

Local Contract Authority

Local Contract Authority (LCA) has powers and duties of a Contract Authority to enter into a contract for the local procurement of goods and services not exceeding \$5,000 (excluding GST).

Master Supply Service Agreement (MSSA)

A Master Supply Service Agreement can be for services, goods or a combination of goods and services. Its use is restricted to the specific established categories of services that are difficult to staff by full-time government employees and/or to assist the Government with long-term capacity issues. New MSSA categories that meet the criteria may only be established with the approval of the Central Accountability Committee (CAC).

Multi-year Contract

Any contract that requires an expenditure in more than one fiscal year.

Nunavummi Nangminiqaqtunik Ikajuuti Regulations (NNI Regulations)

The set of rules for preferential treatment in public procurement of Inuit firms, Nunavut businesses and contractors employing Inuit, local or Nunavut labour that applies to all procurement processes issued on or after April 1, 2017, and to all contracts resulting from those procurement processes.

Personal Service Contract

An agreement between the Government or a public agency and an individual to perform a specific task (e.g., writing a report), or to fill an unplanned and temporary capacity gap by performing functions which would normally be filled by an employee. Personal service contracts are made with self-employed individuals (also known as “sole proprietors”).

Personal service contracts cannot be made with corporations, including with professionals such as doctors and lawyers who self-incorporate as professional corporations.

Procurement

Procurement includes supply source research and the formation of contracts with external sources for the acquisition, supply and delivery of goods, services, and real property. Procurement does not include the acquisition of goods and services procured with for the purposes of commercial sale or resale, or for use in the production or supply of a good or service for commercial sale or resale.

Procurement Officer Signing Authority

CGS procurement officers, designated positions and agencies shall have the authority to sign purchase order contracts on behalf of client departments where a properly completed requisition has been authorized by the appropriate expenditure and accounting authorities.

Proponent

A person who submits a proposal in response to an RFP.

Proposal

A written offer to provide goods, services, real property or construction submitted to a Contract Authority in response to an RFP.

Request for Proposals (RFP)

The solicitation of a proposal by public advertisement or private invitation.

Request for Tenders (RFT)

An offer in respect of a proposed contract by public advertisement or private invitation.

Responsible

In relation to a bidder, responsible means the capability in all material respects to fully perform the contract requirements and the integrity and reliability to assure performance of the contract obligations.

Responsive

In relation to a bid or proposal, responsive means compliance in all material respects to the RFT or the RFP.

Services

Services other than the provision of goods and construction that include:

- architectural, engineering, legal and other professional services;
- consulting services;
- insurance, security, and investigation services;
- repair, maintenance and custodial services;
- communication services;
- computer services (including informatics);
- rental or lease of real property; and
- transportation services (including air charters, medevacs and scheduled medical travel, ground transportation and marine transportation).

Services do not include lease-to-purchase agreements. Such agreements are contracts for the purchase of goods.

Service Contract

A service contract exists if the person performing the work of the contract performs it independent of the Contract Authority and is not an employee of the Government or a public agency for the purposes of the contract. This includes independent contractors performing services pursuant to an agreement with a Government contractor (sometimes referred to as “Contractor’s Resources”).

Standardized and Non-standardized Contracts

A standardized contract is a contract that uses a standard template that has been developed by CGS and that has been reviewed and approved by the Department of Justice.

Standardized contracts remain unchanged except for the parties, price, description of property and matters of a like nature; and contain approved contract clauses, terms and conditions.

A non-standardized contract is any contract that is not based on an approved standard template, or that contains any changes to a standardized template that are not permitted.

See Appendix A for minimum requirements for government contracts.

Standing Agreement (SA)

A Standing Agreement is not a binding contract and no obligation exists on the Government to order any of the goods or services. However, the Government does have the obligation not to amend the conditions specified for governing the standing offer, or the terms and conditions specified for individual contracts. The supplier has the obligation to provide, upon the Government's demand, the specified goods or services under the specified conditions at the agreed prices or discount structure during the set period. This obligation is satisfied upon receipt and fulfillment of a call-up or individual contract award from the Government.

Standing Offer Agreement (SOA) or Standing Supply Arrangement (SSA)

SOAs and SSAs are price agreements between the Government and a supplier, wherein the supplier agrees to provide, on demand, specified goods or services under specified conditions during a set period at a defined price or discount structure.

An SOA is used for services and an SSA is used for goods. An SOA/SSA cannot be in place for more than three (3) years due to the Canadian Free Trade Agreement (CFTA).



Issue Date: March 1995	Amended Date: March 24, 2022	Responsible Agency: Office of the Comptroller General / Department of Community and Government Services	Directive No: 808-1
Chapter: Control of Expenditures			
Directive Title: GOVERNMENT CONTRACTS – TENDERS AND PROPOSALS			

1. POLICY

The Government's procurement and contracting processes for the purchase of goods and services are based on the principles of transparency and fair competition to ensure the best value is obtained for resources expended. Government contracts must comply with the Government Contract Regulations and the Nunavummi Nangminiaqtunik Ikajutti Regulations (NNI Regulations).

Competitive Request for Tenders (RFT) and Request for Proposals (RFP) processes are the primary tools for the achievement of these objectives.

3. DIRECTIVE

This directive explains the minimum requirements of the Government Contract Regulations with respect to requesting tenders and proposals and awarding government contracts. Detailed procedures and guidelines are provided in the GN Contracting Procedures Manual and Procurement Procedures.

All contracts for goods, services, or construction in excess of \$5,000 or for architectural or engineering services in excess of \$25,000 must be entered into as a result of a competitive RFT or RFP process, unless specifically exempted under the Government Contract Regulations. No person other than a Contract Authority may enter into a contract on behalf of the Government.

Except as permitted in the Government Contract Regulations or the NNI Regulations, a contract must be awarded through a competitive RFT or RFP process. All contract amounts are excluding GST.

The NNI Regulations apply to the design, award and interpretation of any contract to which the Government or any of its public agencies listed in *Schedule B* of the *Financial Administration Act* is a party. The NNI Regulations do not apply to contracts for insurance, contracts of employment, sole-source contracts as defined in the Government Contract Regulations, and contracts with another government or government agency. The NNI Regulations apply if the Government directly provides more than 51% of the total contract funds or 51% of the operating funds of one of the parties to the contract.

The definitions of terms used in Financial Administration Manual (FAM) Directives 808 Government Contracts series can be found in Appendix E of FAM Directive 808 Government Contracts – General.

This directive applies to all government departments and public agencies.

4. PROVISIONS

4.1. Responsibility

- 4.1.1. The Department of Community and Government Services (CGS) is primarily responsible for the GN Contracting Procedures Manual, and as such, is the department of expertise for the RFT and RFP processes described in Parts II and III of the Government Contract Regulations, and on the application of the NNI Regulations.
- 4.1.2. All government contract authorities are subject to the Government Contract Regulations and NNI Regulations when entering into contracts on behalf of the Government. The GN Contracting Procedures Manual and Procurement Procedures provide detailed guidance, procedures and other information that will assist all contract authorities with competitive procurement processes and in complying with their obligations under the Government Contract Regulations and the NNI Regulations.
- 4.1.3. CGS may administer a competitive RFT/RFP process on behalf of any other department, public agency or the Legislative Assembly. However, once a contract is awarded, it is the responsibility of the client to manage and administer the contract.
- 4.1.4. CGS may advertise a competitive RFT/RFP process on behalf of any other department, public agency, the Legislative Assembly, or a municipal corporation on its public tender website or in any other media where public advertising is required by the Canadian Free Trade Agreement, the Canada – European Union Comprehensive Economic and Trade Agreement, and the Comprehensive Trans – Pacific Partnership Agreement.

4.1.5. Where required, CGS may advertise a competitive RFT/RFP process on the single point of access procurement website operated by the Government of Canada.

4.2. Thresholds for Tenders and Proposals:

4.2.1. All contracts with total values exceeding \$5,000 for goods and services or \$25,000 for architectural and engineering services are subject to the Government Contract Regulations and the NNI Regulations, except as authorized under those regulations.

4.2.2. Where contracts are exempt from the NNI Regulations, all contracts with values exceeding the thresholds outlined in the Canadian Free Trade Agreement (CFTA) must be awarded pursuant to a public procurement process.

4.3. Determining whether to Request Tenders or Request Proposals

4.3.1. Where it is possible to develop detailed specifications and directions for the performance of the work, and the only evaluation factor to be considered is price, the contract should be awarded after conducting an RFT process as described in Part II (sections 10 to 14 inclusive) of the Government Contract Regulations. The resulting contract will be formed with the bidder entitled to the award pursuant to section 14 of the Government Contract Regulations.

4.3.2. If detailed specifications cannot be developed, or if marketplace proposals for goods or services are desirable, competitive proposals, as described in Part III (sections 15 to 18 inclusive) of the Government Contract Regulations, should be requested instead.

4.4. Advice on Preparing a Request for Proposals

4.4.1. A department may obtain advice and assistance from CGS when preparing the terms of reference, scope of work, proposal response guidelines and evaluation criteria and appropriate weights in anticipation of issuing an RFP. Detailed guidelines are provided in the GN Contracting Procedures Manual.

4.4.2. Departments should consult the GN Contracting Procedures Manual for guidance to determine whether other procurement options, in addition to the standardized RFT/RFP processes, would be suitable for them depending on the nature and complexity of the project or resulting contract, and the department's program objectives.

4.5. Importance of Confidentiality

4.5.1. Departments and public agencies must comply with the legal requirements and rules for maintaining confidentiality of the process whether requesting proposals or tenders. Evaluation committee notes, evaluation committee meeting minutes, and preliminary scores are confidential and must only be released as required by law. Refer to Access to Information and Protection of Privacy legislation, policies and procedures and the GN Contracting Procedures Manual for guidance. In certain procurement processes, comprehensive confidentiality and non-disclosure agreements may be necessary to ensure the integrity of the process.

4.6. Minimum Content of a Request for Proposals

4.6.1. The content of an RFP must be sufficient to promote competitive and sound proposals. Detailed guidance is provided in the GN Contracting Procedures Manual and Procurement Procedures. Each RFP shall contain:

- a) the instructions, to proponents and evaluators, governing the competitive process;
- b) project description, objectives and desired outcomes including deliverables; and
- c) proposal content requirements and manner of evaluation.

4.7. Requesting Tenders or Proposals by Private Invitation

4.7.1. Requests for Tenders and Proposals may be issued by invitation to a minimum of three vendors, and according to the NNI Regulations, wherever possible, should include companies selected from the Government's registry of approved local businesses and the list of Inuit firms maintained by the Nunavut Tunngavik Incorporated (NTI).

4.8. Public Advertisement of Requests for Tenders or Proposals

4.8.1. Where the value of the contract for goods or services is estimated to be in excess of \$25,000 or in excess of \$100,000 for construction, the RFT/RFP must be publicly advertised in the manner set out in the GN Contracting Procedures Manual.

4.9. Records to be Kept on the Procurement File

- 4.9.1. The following records must be kept for all RFTs and RFPs and for all bids received:
- a) certification of funds and expenditure and accounting authority to enter into the contract;
 - b) contract records to satisfy that the requirements of the Government Contract Regulations and this and any other relevant Financial Administration Manual directive were adhered to;
 - c) records to satisfy that the requirements of the Government's contracting procedures were adhered to;
 - d) records to satisfy that the requirements of the NNI Regulations were adhered to;
 - e) a copy of the issued RFT/RFP document including any addenda issued prior to closing;
 - f) a copy of all bids or proposals received; and
 - g) a copy of the resultant contract.
- 4.9.2. Where applicable, unless a contract is for architectural or engineering services that will not exceed \$25,000 in value, or is any other type of contract that will not exceed \$5,000 in value, a Contract Authority shall record:
- a) the reason for awarding a contract without using the competitive RFT or RFP process;
 - b) the reason for awarding a contract to other than the bidder with the lowest tendered contract price. For example, when the lowest priced tender is not responsive or the lowest priced bidder is not responsible;
 - c) the reason for awarding a contract to a proponent other than the proponent submitting the proposal which provides the best value to the Government; and
 - d) the impact of bid adjustments permitted under the NNI Regulations on the contract award.
- 4.9.3. Refer to the GN Contracting Procedures Manual for detailed procedures regarding maintaining a procurement file.

- 4.9.4. Refer to the Government's records management policies and procedures for appropriate operational and administrative records classification requirements.

4.10. Evaluating Tenders and Awarding Contracts

- 4.10.1. Tenders must be comparatively evaluated based on price only, provided the tenders compared are responsible and responsive. Except as permitted in the Government Contract Regulations, a contract must be awarded to the responsible bidder submitting the lowest priced responsive tender after application of bid adjustments permitted by the NNI Regulations.
- 4.10.2. Permission or direction to award a contract to anyone other than the responsible bidder submitting the most responsive tender must be given by the Executive Council in compliance with s.3 of the Government Contract Regulations (paramount authority of Executive Council) and section 3.2 of the NNI Regulations (consultation with NTI). The competitive tendering process imposes certain legal obligations upon the Government once bids have been opened and evaluated. Because of this, departments or agencies wishing to contract with a specific firm rather than with the winner of a competitive tender process should seek this permission from the Executive Council prior to, and instead of, issuing a competitive RFT.

4.11. Evaluating Proposals and Awarding Contracts

- 4.11.1. Proposals must be evaluated in a predetermined manner according to a predetermined formula including price and at least one other weighted criterion specified in a written RFP. Except as permitted in the Government Contract Regulations, a contract must be awarded to the responsible proponent submitting the proposal, which potentially will provide the best value to the Government. In the evaluation of proposals, the proposal achieving the highest overall score as determined by the predetermined formula stated in the request represents the best potential value and greatest probability for successful completion of the project according to the terms and conditions of the contract.

- 4.11.2. Permission or direction to award a contract to other than the responsible proponent submitting the proposal which potentially will provide the best value to the Government must be given by the Executive Council in compliance with s.3 of the Government Contract Regulations (paramount authority of Executive Council) and section 3.2 of the NNI Regulations (consultation with NTI). The competitive proposals process imposes certain legal obligations upon the Government once proposals have been received and evaluated. Because of this, departments or agencies wishing to contract with a specific vendor rather than to the successful proponent of a competitive proposals process should seek this permission from Cabinet prior to, and instead of, issuing a competitive RFP.
- 4.12. Paramount Authority of the Executive Council (Cabinet Prerogative)
- 4.12.1. In accordance with the Government Contract Regulations, the Executive Council may award or direct the award of any contract to any person or organization; the resulting contract is referred to as a “negotiated contract”. The power to enter into a contract includes the power to renegotiate the terms of the contract or terminate it.
- 4.12.2. Prior to departing from the application of the NNI Regulations, a contracting authority must consult with NTI to develop alternative means of achieving the Government’s obligations set out in Article 24 of the Nunavut Agreement. The consultation requirements are set out in sections 3.2 and 6.1 through 6.3 of the NNI Regulations.
- 4.12.3. The Financial Management Board may recommend that the Executive Council exercise its prerogative if the Financial Management Board believes it to be in the public interest.
- 4.12.4. Refer to the GN Contracting Procedures Manual for procedures and guidelines with respect to negotiated contracts.

4.13. Sole Sourcing

4.13.1. According to the Government Contract Regulations, a Contract Authority may enter into a contract without issuing an RFT or RFP if the Contract Authority reasonably believes that any of the following conditions are met:

- a) the goods, services, real property or construction at issue in the contract are urgently required and delay would be injurious to the public interest;
- b) only one party is available and capable of performing the contract; or
- c) the value of the contract will not exceed:
 - (i) \$25,000, in the case of a contract for architectural or engineering services, or
 - (ii) \$5,000, in the case of any other type of contract.



Issue Date: April 1997	Amended Date: March 24, 2022	Responsible Agency: Office of the Comptroller General/Department of Community and Government Services	Directive No: 808-3
Chapter: Control of Expenditures			
Directive Title: GOVERNMENT CONTRACTS – LOCAL CONTRACT AUTHORITY			

1. POLICY

The Government supports local Nunavut suppliers through the local procurement of goods and services and the efficient use of governmental resources. The Government uses a Local Contract Authority (LCA) system for direct procurement of goods and services from local suppliers within a set limit.

2. DIRECTIVE

The Department of Community and Government Services is responsible and accountable to provide a Local Contract Authority system for purchases of goods and services not exceeding \$5,000.

In accordance with the Government Contract Regulations and Financial Administration Manual (FAM) Directive 802-1 Financial Signing Authorities, Ministers and Deputy Ministers may delegate LCA authority to public officers who have expenditure authority. Contract authorities must exercise LCA within their delegated limit and LCA limit in accordance with the provisions of this directive.

The definitions of terms used in FAM Directives 808 Government Contracts series can be found in Appendix E of FAM Directive 808 Government Contracts – General.

This directive applies to all government departments.

3. PROVISIONS

- 3.1. LCA may only be exercised for direct procurement of goods and services from suppliers located in Nunavut.
- 3.2. A purchase under LCA must not exceed \$5,000. The purchases may not be split into separate contracts in order to circumvent this maximum value or the Contract Authority's delegated monetary limit.
- 3.3. Only a single LCA form may be used for any agreement or understanding involving LCA. That single form must identify all aspects of any such agreement and may not relate to any other agreement or understanding.
- 3.4. Contracts made under LCA may be made without competitive tender and shall not exceed 30 calendar days duration. All goods and services must be provided within this time period.
- 3.5. Purchases under issuing an LCA must be properly authorized by the expenditure authority. By signing the LCA purchase form the purchase authority provides the expenditure officer certifications required under s.44 of the *Financial Administration Act*.
- 3.6. The LCA form is the written purchase document for locally available goods and simply describable and performable services. A purchase made under LCA must be made in writing, on an accountable LCA form within a LCA contract form booklet.
- 3.7. Deputy Ministers must be stringent in delegating Contract Authority and must ensure a tight control over LCA forms to prevent unauthorized personnel from making purchases.
- 3.8. Every purchase under LCA includes the clauses listed in Appendix A. These clauses are printed on the back of the LCA form.
- 3.9. A short description of the goods or services procured under LCA (e.g., office supplies, computer training) must be written on the LCA form for all purchases. The supplier's invoice must be attached to the form used for data entry and payment authorization.
- 3.10. LCA and the corresponding forms must not be used to hire or pay employees.



FINANCIAL ADMINISTRATION MANUAL



- 3.11. If there is reason to believe that there may be a risk of bodily injury or property damage in the performance of a proposed contract, the Contract Authority must consult the Risk Management section of the Department of Finance.

- 3.12. The Office of the Comptroller General shall be consulted to resolve any issues with implementation, compliance, and interpretation of this directive.

APPENDIX A

CONTRACT CONDITIONS WHICH APPEAR ON THE LOCAL CONTRACT AUTHORITY (LCA) FORM

The parties to this contract covenant and agree as follows:

1. Statutory Condition: In compliance with s.46 of the *Financial Administration Act* as amended or re-enacted in successor legislation during the term of this contract, it is a condition of this contract that an expenditure pursuant to this contract will be incurred only if there is a sufficient uncommitted balance in the appropriated item for the fiscal year in which the expenditure is required under the contract.
2. The Contractor's obligations must be fully discharged within 30 calendar days of commencement of the contract.
3. The maximum amount payable under the contract must appear on the LCA form.
4. The Contractor agrees to indemnify and save harmless the Government of Nunavut (GN) from and against all claims, loss, damages, suits, or other proceedings, by whomsoever made, brought or prosecuted in any manner based upon, occasioned by or attributable to the activities of the Contractor under this contract.
5. LCA forms cannot be segregated (more than one) in order to circumvent the limit for a single contract. A separate LCA form must be issued each time a contract is made.
6. The various works or services are to be carried out and completed to the full satisfaction of the officer signing for the GN.
7. The Contractor may not assign or subcontract this contract or any part thereof without the written consent of the GN.
8. The GN reserves the right to terminate this contract at any time before completion for any reason whatsoever. In the event of such termination, the GN will pay to the Contractor an amount that, in the opinion of the officer signing for the GN, is equal to that portion of goods/services completed up to the day of termination.
9. The Contractor agrees to comply with the provisions of the *Workers' Compensation Act* and the *Labour Standards Act* of Nunavut.



10. The Contractor will pay all its employees performing work or services pursuant to this contract such fair and reasonable wages as are generally accepted as current for competent workers in the district in which the work or services are being performed for the character or class of work in which such employees are respectively engaged.
11. The total contract amount shall exclude the Goods and Services Tax (GST). However, the Contractor may invoice for GST and the GN will pay the GST.



Issue Date: March 1991	Amended Date: March 24, 2022	Responsible Agency: Office of the Comptroller General/Department of Community and Government Services	Directive No: 808-4
Chapter: Control of Expenditures			
Directive Title: GOVERNMENT CONTRACTS – STANDING AGREEMENTS			

1. POLICY

The Government may use Standing Agreements (SAs) where appropriate for the efficient and economical procurement of commonly used and frequently required goods or services.

There are three general categories of SAs:

- Standing Offer Agreement (SOA);
- Standing Supply Arrangement (SSA); and
- Master Supply Service Agreement (MSSA).

There is no obligation on government departments and public agencies to use the services of vendors on pre-established SA vendor lists. Where a department or public agency elects not to enter into a contract under an existing SA, the requirements of the Government Contract Regulations and the Nunavummi Nangminiqaqtunik Ikajuuti Regulations (NNI Regulations) must be followed.

2. DIRECTIVE

Where appropriate, and subject to the requirement for a competitive Request for Tenders (RFT) or Request for Proposals (RFP) processes as set out in the Government Contract Regulations, the Department of Community and Government Services (CGS) may establish and maintain non-exclusive SAs specifically designed for commonly used and frequently required goods and services.

SAs entered into by other jurisdictions may be used by the Government when allowed by the agreement and when approved by the appropriate authorities in the other jurisdiction. CGS will administer the use of these interjurisdictional SAs.

SAs established by CGS may be used by public agencies when allowed by the agreement and when approved by the appropriate authorities within the public agency. Where the public agency requires CGS to enter into a contract on its behalf, the public agency shall provide expenditure authority and accounting authority approvals by way of requisition to CGS.

A Contract Authority may order goods or services, to the maximum threshold contract limits set out herein, at the set prices provided for in an SA established by CGS.

The Government must report all contracts valued over \$5,000 which were awarded under SAs to Nunavut Tunngavik Incorporated (NTI) on an annual basis. The list shall contain, at a minimum, a brief description of the nature of the contract, the name of the selected vendor, and the value of the contract. Upon written request the Government shall, within thirty (30) days of the request, provide written justification and reasonable supporting information regarding a specific contract. Where the Government is unable to disclose details of certain contracts due to concerns based on confidentiality or privilege, the Government shall disclose the existence of the contracts and provide a general description of the contracting activities.

The definitions of terms used in Financial Administration Manual (FAM) Directives 808 Government Contracts series can be found in [Appendix E](#) of FAM Directive 808 Government Contracts – General.

This directive applies to all government departments and public agencies.

3. PROVISIONS

- 3.1. Where a clearly defined need to consolidate the procurement of frequently required, common use goods or services has been identified, CGS may initiate an RFT or RFP process for the purpose of establishing an SA. If the request for an SA originated from departmental/public agency program managers, CGS will consult with them to establish the scope of the requirements to be included in the RFT or RFP.
- 3.2. The RFT or RFP will be publicly advertised, and the request documents will clearly indicate that the resulting SA will be non-exclusive. SSAs for goods may be exclusive where the evaluation will be based exclusively on lowest price.

- 3.3. CGS, on behalf of the Government, shall establish non-exclusive SAs with the responsive and responsible bidders or proponents potentially providing the best value to the Government. CGS, on behalf of the Government and with the approval of the Executive Council, may enter into agreements with the Government of Canada to gain benefit of federal SAs for specific goods and services.
- 3.4. An MSSA shall be established through a competitive public procurement process. The supplier must honor the price categories established in the proposal for the duration of the MSSA. An MSSA contract must be reviewed and approved by the Department of Justice. MSSAs are specified in Appendix A.
- 3.5. An SA shall, at a minimum, contain a price structure for the goods or services specified in the RFT or RFP.
- 3.6. A Contract Authority may order goods or services under an established SA at the set price provided for in the SA by requisitioning them through CGS.
- 3.7. A Contract Authority is not bound to order goods or services under an established SA. Where deemed more appropriate, a Contract Authority may elect to enter into a contract through a separate competitive RFT/RFP process. In this case, the provisions of FAM Directives 808 Government Contracts - General and 808-1 Government Contracts – Tenders and Proposals shall apply.
- 3.8. Where an SOA exists with more than one approved, qualified vendor:
 - a) Contracts below \$150,000 one vendor may be contacted.
 - b) Contracts over \$150,000 but less than \$250,000, are subject to the Invited Request for Proposal (IRFP) competitive process where CGS will invite up to three vendors to submit a quote for the work. NNI Regulations will apply.
 - c) Contracts over \$250,000 are subject to the Public Request for Proposal (PRP) competitive process and must be advertised through the Nunavut Tenders public website. NNI Regulations will apply.
- 3.9. CGS may assist the Contract Authority to determine which vendor will potentially provide the best value and will provide access to any relevant information or records, subject to protection of the confidentiality of proposal pursuant to the RFT/RFP process, for further review and evaluation to make this determination.

- 3.10. All contracts entered into under an established SA require expenditure and accounting certifications prior to awarding the contract as per FAM Directive 808 Government Contracts – General.
- 3.11. Where several clearly defined common use goods or services have been requisitioned by one or more departments or public agencies, CGS may recommend consolidating the requisitions and awarding a single project contract or multi-item purchase order, as appropriate, under an existing SA to achieve efficient and economical procurement of such goods and services. Where such a consolidation is desirable, CGS will consult with requisition originators or program managers to establish the scope of the requirements to be included in the contract within the applicable contract limits.
- 3.12. On an annual basis, CGS may establish SSAs for the procurement of vehicles (including light vehicles, snowmobiles and all-terrain vehicles), and other mobile/heavy equipment which departments may purchase from through an authorized requisition. All vehicles will be purchased according to specifications. As vehicles fall under the definition of “goods” in the Government Contract Regulations, no department other than CGS may source vehicles directly from SOA suppliers. This section does not apply to public agencies.
- 3.13. The limits applying to individual contract awards under established SOA/SSA are listed in Appendix A.
- 3.14. Requisitions estimated to be in excess of the limits listed in Appendix A are subject to the RFT and RFP processes of the Government Contract Regulations.
- 3.15. Contract authorities shall not split requirements that exceed these limits and where services would normally be provided as one project in order to use the SOA arrangements.
- 3.16. The Government may enter into other SAs that make good business sense so long as the price is fixed and/or tied to a clear pricing formula. For example, a supply arrangement for fire trucks has been established for a period of three (3) years where the original price of the truck may be altered each year by inflation and or increase in steel cost or other factors that will be based on a clear pricing formula. These types of arrangements allow the Government to provide consistency in equipment parts and training on equipment use.

APPENDIX A

Standing Offer Agreements

Activity	Description	Individual Contract Limits
Services	Consulting Services (including Architectural/Engineering Services)	
	Direct contract to selected approved vendor	up to \$150,000
	Invitation Request for Proposals (invite up to 3 proponents)	over \$150,000
	Public Request for Proposals (advertise through Nunavut Tenders)	over \$250,000

Standing Supply Arrangements

Activity	Description	Individual Item Limits
Vehicles	Vehicles:	
	Light vehicles	up to \$75,000
	Passenger vans	up to \$75,000
	Wheel-chair accessible vehicles	up to \$150,000
	All-terrain vehicles (ATVs)	up to \$25,000
	Snowmobiles	up to \$25,000
	Manufacturer specified parts and accessories for mobile/heavy equipment	up to \$100,000
Other	Office equipment and supplies	up to \$25,000
	Furniture and fixtures	up to \$25,000
	Printed products	up to \$150,000

Master Service Support Agreements

Activity	Description	Individual Contract Limits
Nursing & Midwifery Services	Services only.	no \$ limits
Maintenance & Repair of Health-related Equipment	Goods & Services include parts and labour, and decision to repair is based on a maximum repair cost (MRC) and new item replacement cost.	no \$ limits
IM IT Professional Services Expertise	Services only include the following: <ul style="list-style-type: none">• network expertise;• systems expertise;• application & cloud expertise; and• project management & solutions delivery expertise.	no \$ limits
Video Conferencing	Goods & Services includes VC infrastructure consisting of CISCO & Tandberg Equipment + on-going technical support & maintenance, including the provision of new services. The primary applications supported by these services are Tele-health, Tele-justice & the Connect North Program.	no \$ limits
Telephony/Voice Support Services	Goods & Services include specialized services for the provision of MITEL PBX Telephony equipment, system upgrades and related specialized support services.	no \$ limits
Microsoft Enterprise Agreement	Goods & Services.	no \$ limits



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Chapter: Control of Expenditures			
Directive Title: GOVERNMENT CONTRACTS – PERSONAL SERVICE CONTRACTS			

1. POLICY

The Government uses Personal Service Contracts between the Government and an individual to complete a specific task.

Personal Service Contracts are not contracts of employment and must not inadvertently establish an employer/employee relationship between the Government and the individual.

2. DIRECTIVE

The Deputy Head of each government department or public agency is responsible for implementing a system designed to review each potential Personal Service Contract to ensure that it is used to complete a specific task and does not create an employer/employee relationship.

Appendix A provides details on the four primary common law tests used by the courts to determine if an employer/employee relationship exists.

Appendix B is a questionnaire on the characteristics of a proposed contract, designed to assist the Contract Authority in determining whether the proposed contract should be classified as a service contract or an employment contract.

The definitions of terms used in Financial Administration Manual (FAM) Directives 808 Government Contracts series can be found in Appendix E of FAM Directive 808 Government Contracts – General.

This directive applies to all government departments and public agencies subject to the *Public Service Act* and Public Service Regulations.

3. PROVISIONS

- 3.1. Personal Service Contracts are contracts between the Government and an individual to complete a specific task. They are not contracts of employment and an individual with a Personal Service Contract is not a person employed to perform work of a temporary or casual nature or in an emergency.
- 3.2. Personal Service Contracts must not directly or inadvertently establish an employer/employee relationship between the Government and the individual, which could result in the Government being liable for income tax, payroll tax, source deductions and other statutory liabilities, as well as related employment benefits.
- 3.3. Personal Service Contracts must not be used to circumvent the regular recruitment and hiring processes as described in the Human Resources Manual. It is an abuse of Contract Authority and a breach of government rules to use this process instead of building a staff by hiring employees through the proper processes.
- 3.4. Honorarium payments must not be used to circumvent the necessity to enter into a personal service contract in order to complete a specific task. Refer to FAM Directive 810 Honoraria that specifies who can be the recipient of an honorarium payment paid by department or public agency.
- 3.5. All Personal Service Contracts entered into by a Contract Authority must be in accordance with the *Financial Administration Act*, the Government Contract Regulations and the FAM.
- 3.6. Employment Contracts
 - 3.6.1. All employment contracts must be initiated as directed in the Human Resources Manual unless an exception is approved in advance by Executive Council.
 - 3.6.2. Persons working under an employment contract with the Government must be paid through a payroll system approved by the Comptroller General and must have statutory deductions made at source.

3.7. Review of Potential Personal Service Contracts

- 3.7.1. Before entering into a Personal Service Contract with a self-employed individual or contractor, the Contract Authority is required to ensure that the potential contract is not an employment contract. The Contract Authority must conduct the tests in Appendices A and B to determine the type of contract under consideration. For greater clarity, the completed Appendix B must be retained for review/audit purposes.
- 3.7.2. Before entering into a standing offer agreement or standing supply arrangement with a corporation under which the corporation will provide individuals to deliver services in departments and public agencies, the Contract Authority must ensure that both the standing offer agreement and the work order, contract, or call-up document do not create an employment relationship or the appearance of an employment relationship between the Government and the contractor's personnel.
- 3.7.3. The Contract Authority must also:
- a) Review the Human Resources Manual and discuss the requirements with Human Resources; and
 - b) Seek advice and assistance, and a legal review of the requirements and proposed contract with the Department of Justice.
- 3.7.4. If the above review does not determine whether the proposed contract is a service contract or an employment contract, the determination must be assessed by the Employee Relations and Job Evaluation division, Department of Human Resources.
- 3.7.5. Payment terms must comply with FAM Directive 803-3 Account Verification –Timing of Payments.
- 3.7.6. The Contract Authority must ensure that contractors where and when appropriate:
- a) Have a business number (BN);
 - b) Are registered for and remit payroll taxes and GST;
 - c) Are registered with the Department of Justice to legally carry on business in Nunavut;



- d) Are registered with Workers' Safety and Compensation Commission, where applicable; and
 - e) Have appropriate insurance coverage and indemnify the Government against actions arising from their negligence in the performance of the contract.
- 3.8. The Office of the Comptroller General shall be consulted to resolve any issues with implementation, compliance, and interpretation of this directive.

APPENDIX A

PERSONAL SERVICES CONTRACT OR EMPLOYMENT CONTRACT **THE FOUR PRIMARY TESTS**

The courts have developed the following four categories of tests to help distinguish between an employment contract and a service contract.

1. CONTROL

The foremost indicator of whether a contracted person is an employee, or a service contractor is the degree of control the employer exercises over the person carrying out the work. In an employment contract the employer has the authority to exercise control over what work or service will be done and over the manner of doing it, and this right of control exists whether exercised or not. If the skill required of the person is great, control may be less significant than other factors in determining if the person is an employee.

Control indicators include:

1.1 Hours of Work

The person must work during specified times. Where the nature of the work makes specified times impractical, a requirement that the person work during times determined by the nature of the work is still a form of control by an employer. A requirement that a person not work beyond a specified number of hours in a given time period can also be a form of control.

1.2 Hours of Service

The person must devote a significant portion of their time to the work. This implicitly restricts the person from doing other work, indicating that an employer has control over the work or service.

1.3 Premises and Equipment

The person does the work on the employer's premises or, if the work is done elsewhere, the employer has the right to designate a route or to require work at a specific location. The employer supplies the tools and equipment the person needs for performance of the work. These conditions are forms of control.

1.4 Continuing Services

The contract implies continuing or recurring work. The relationship may be considered permanent even if the work is part-time, seasonal, or temporary. Continuing or permanent service indicates an employer's control. The absence of a defined scope of work with a deadline for completion may be deemed a form of control.

1.5 Established Routines and Schedules

The person is required to follow established routines and schedules.

1.6 Accounting for Actions

The person must account to the employer for time spent on the work (e.g., through time sheets, regular written reports or regular verbal communication).

This test may not be conclusive and should be considered in relation to the other control indicators. An independent contractor may be required to submit reports or account for time spent working. For example, contract conditions for non-continuous professional services may call for progress billings based upon reported progress or time spent. In these cases, time sheets, reports and invoices do not indicate control, but rather substantiate progress on the work of the contract and justify payment for the services rendered.

1.7 Compliance with Instructions

The employer has control over how the work is performed. An employee is required to follow instructions and procedures laid out by the employer and does not have the authority to subcontract the work.

1.8 Training

The employer trains or requires the person to be trained for the work, indicating that the employer exercises control over the manner and means by which the work is performed. This indicator is more significant if the training is periodic or frequent.

1.9 Length of Service

The longer the time spent on the work, the greater the likelihood that the person doing the work could be considered an employee. The absence of a timeline for completion of a defined scope of work may also be deemed a form of control. Therefore, the contractor should have a deadline for completion of the project work.

1.10 Right to Discharge

An employer's right to discharge a worker may indicate control over the person doing the work, although this is not conclusive. A Contract Authority normally has the right to terminate the services of an independent service contractor if the work does not meet contract specifications or the contractor's performance is not satisfactory.

Therefore, it is important that the contract clearly sets out the objectives of the work, the standard of performance, and the material products and deliverables expected to be produced as a result of the contractor's performance of the work.

2. ECONOMIC REALITY – THE OPPORTUNITY FOR PROFIT OR RISK OF LOSS

Several economic reality factors indicate that an employer/employee relationship may exist between an employer and a person.

1. an absence of the person's opportunity for profit or risk of loss;
2. an absence of the person's investment in assets required for the performance of the work (e.g., equipment, furniture); and
3. payment to a person based on an hourly or other rate for time rather than on the completion of a specified project, product or deliverable, and completion by a required deadline.

The status of independent contractor is indicated by a person incurring expenses for the purpose of gaining or producing business income.

3. INTEGRATION

This test considers the employer's corporate organization as a whole and may indicate an employee relationship if the employed person and the work are integral parts of an established organization. For example, the person in question typically relies upon others in the organization for product or service and, in turn, they similarly rely upon the person.

The courts have applied this test by determining whose business it is from the perspective of the person doing the work, not the Contract Authority. If the person performs services for a number of unrelated employers, the work may not be an integral part of a particular employer's business as much as it is the contractor's, indicating a degree of independence by the contractor.

4. SPECIFIED RESULT

This test helps distinguish between an independent person performing specific work as an independent contractor and one in which a person's services as an employee are at the disposal of the employer without reference to a specific result. A main characteristic of an independent service contract is that the person works to a specified plan or intent and the contract ends when this plan or intent is completed or terminated by the contract terms. In an employment contract, the person is engaged and paid continuously and not necessarily toward a specified result. Accordingly, it is important that the contract clearly states the intent of the contract and the expected results, including deliverables to be produced as a result of the contract, as well as a timeline for completion.

Examples of specified results (deliverables) within service contracts are:

1. install software at [specified location], not to exceed 35 days commencing [start date] and completing all aspects of the work by [required deadline];
2. train the following five employees [identify them in the contract] in the new software to an intermediate level of software application including the following abilities [specify software operation capabilities upon completion of the training];
3. train only between 10:00 A.M. and 3:00 P.M. local time in [specify location], and produce and supply a software user manual in the following formats [specify program version soft copy specification and language requirements; and hard copy specifications and quantity] – 1 manual, printed double sided and bound in 3-ring binder for each employee being trained];
4. the minimum number and requirements for professional architect or engineer's site inspections on a specified construction contract;
5. a truck with specified class of driver provided for a specified period, or to carry a specified number of loads, or to move a specified tonnage, between specified locations.



Although these examples might appear to call for the primary test of control (hours of work and service), the specified dates and times express the nature of the service to be rendered, not the employer control typical in an employment contract. The employer has contracted for temporary hours or times as part of a specified end-result. For greater clarity, contracts should be specific about the end-product requirements and provide a deadline for completion. It should be up to the independent contractor to schedule the individual tasks necessary to achieve the contract objectives and deliver the specified results within the stipulated timeframe.

APPENDIX B

PERSONAL SERVICES CONTRACT OR EMPLOYMENT CONTRACT THE QUESTIONNAIRE

Before entering into a service contract, complete the following questionnaire in order to ensure that the proposed contract does not constitute an employment contract. If the answer to any of the questions is "yes", the proposed contract may be an employment contract.

Questions	Y/N
1. Is the contract with a person or a person operating under a proprietorship name?	
2. Will the Contract Authority determine the hours, methods and location of work? See Appendix A, 1.1 "Hours of Work" and 1.3 "Premises and Equipment"	
3. Will the Contract Authority supply the facilities, tools and/or equipment necessary to perform the work? See Appendix A, 1.3 "Premises and Equipment"	
4. Will the person be paid regularly according to a rate for time (hourly, weekly, or similar) and not an amount set by the contract? See Appendix A, 1.4 "Continuing Services"	
5. Do the contract terms imply a continuous relationship between the person and the Contract Authority? See Appendix A, 1.4 "Continuing Services" and 1.9 "Length of Service"	
6. Will the person performing the work be required to follow established routines and schedules? See Appendix A, 1.5 "Established Routines and Schedules" and 1.6 "Accounting for Actions"	
7. Will the Contract Authority train the person to perform the work? See Appendix A, 1.8 "Training"	
8. Will the person performing the work lack the power to delegate or sub-contract it? See Appendix A, 1.7 "Compliance with Instructions"	
9. Will the Contract Authority directly supervise the work? See Appendix A, 1.7 "Compliance with Instructions"	
10. Will the Contract Authority have the right to discharge the person? See Appendix A, 1.10 "Right to Discharge"	
11. Will the contractor be separated from opportunity for profit and risk of loss in the performance of the contract? See Appendix A, 2. "Economic Reality - The Opportunity for Profit or Risk of Loss"	
12. Is the work part of the Contract Authority's regular business routine more than it being the contractor's business? See Appendix A, 3. "Integration"	
13. Is there a reason to believe that the person doing the work is not acting as an independent contractor, given the tests in Appendix A?	
14. Do the facts indicate that an employer/employee relationship would be created?	



Issue Date: May 2008	Effective Date: May 20, 2008	Responsible Agency: Office of the Comptroller General	Directive No: 810
Chapter: Control of Expenditures			
Directive Title: HONORARIA			

1. POLICY

The GN will pay honoraria and reimburse certain expenses to individuals who provide a range of services to the GN and who have been authorized by ministerial, Executive Council or legislative authority to provide such services. These individuals include members of Boards, set up under the authority of specific Acts, as well as elders and other community members.

2. DIRECTIVE

Payments of honoraria and certain expenses are to be in accordance with the Provisions of this directive.

This directive does not apply to the Workers Safety and Compensation Commission.

3. PROVISIONS

3.1. Application

This directive applies to honorarium payments to elders and other community members and to all members of Boards, which includes: agencies, boards, committees, commissions, councils and tribunals, authorized to receive such payments.

Employees of the government are not eligible to receive honoraria unless they are serving in a private capacity outside of normal working hours. Should an employee receive an honorarium payment in error, it must be returned.

3.2. Authority

All honoraria rates require Financial Management Board (FMB) approval. The rates approved by the FMB are provided in Appendix A of this Directive.

Ministers (or their delegates) shall determine the appropriate rate of honoraria to be paid to eligible individuals by reference to Appendix A.

Should Ministers wish to propose rates that would exceed the maximums specified in Appendix A, approval of the proposed rates by the FMB is required before any payments may be made.

3.3. Rules for remuneration

- 1) Payment of honoraria will be made for:
 - a) actual attendance at meetings, hearings or events (verification of attendance must be provided);
 - b) time spent on official business, such as representing the Board at public functions or making presentations on behalf of the Board; and,
 - c) travel time related to Board business, other meetings or events.
- 2) Honoraria should not be paid where it is known that an individual is already receiving an honorarium from another source for the same event, or is receiving direct compensation from their employer for attending the event.
- 3) Travel expenses shall be paid according to GN duty travel allowances and limits.
- 4) Honorarium advances may be requested with spending authority approval. All advances are to be submitted through payroll and all honoraria payments are considered taxable income.

3.4. It is the responsibility of Ministers to classify Boards in accordance with the criteria identified in Appendix A and then obtain FMB Approval.

3.5. Subject to other Acts and Regulations, responsible Ministers can recommend to the FMB rates that are above the maximum in Appendix A.

Appendix A: Guidelines for Setting Rates

Criteria for Classification of Boards

There will be a distinction in rates among Boards that are classified by the responsible Ministers (or their delegates). The Boards will be classified as having:

- a) high responsibility;
- b) medium responsibility; or
- c) moderate responsibility.

The maximum rates are based on the responsibility level of the Board.

All Boards are assumed to have moderate responsibility only, unless specifically classified by the responsible Minister as having medium responsibility or high responsibility.

The conditions for classification as having high responsibility are:

The Board makes precedent-setting decisions of a quasi-judicial or judicial nature. They typically have a relatively high public profile. Complexities of judgment are present requiring special qualifications or technical expertise; decisions are made with limited precedent; and consequences of decisions are large in dollars, resources or human terms.

The conditions for classification as having medium responsibility are:

The Board makes non-precedent-setting decisions or provides senior level recommendations. They do not have a high profile. Membership tends to have a background in the discipline with which the board is primarily concerned.

The conditions for classification as having moderate responsibility are:

The Board makes routine decisions within clearly prescribed parameters or provides general advice. The membership tends to be composed of appointees selected to ensure that members of the general public are aware of and involved in the process of government.

Honorarium Rates Schedule:

	High Responsibility	Medium Responsibility	Moderate Responsibility
Uqaqtittiji//Chair	Up to \$500/day or 50% per half day	Up to \$300/day or 50% per half day	Up to \$200/day or 50% per half day
Katimaji/Member	Up to \$350/day or 50% per half day	Up to \$200/day or 50% per half day	Up to \$150/day or 50% per half day
Qaiqujaq/Meeting participant	Up to \$45/hour or \$350/day	Up to \$35/hour or \$200/day	Up to \$25/hour or \$150/day
Iliqqusilirinirmut ilauqataujuq/Ceremonial or cultural participant	Up to \$25/hour or \$150/day	Up to \$25/hour or \$150/day	Up to \$25/hour or \$150/day

Notes to Honorarium Rate Schedule:

- Meeting participant includes: elders, youth or other community members for focus groups or ad hoc consultation.
- Ceremonial or cultural participant includes: storyteller, drum dancer, throat singer, qulliq lighter, and classroom demonstrator, etc.

Factors to consider when setting rates for honoraria:

- a) the daily payroll cost for equivalent work done by staff; the normal daily hours of sitting per meeting (i.e., full day, half day, evening etc);
- b) the degree of public exposure (and risk of public criticism);
- c) the degree of autonomy;
- d) the complexity of decisions;
- e) the requirement for technical expertise, special qualifications or knowledge (e.g., Inuit cultural knowledge or life experience);
- f) the experience of the individual;
- g) the decisions are made with limited precedent; and,
- h) the consequences of decisions in dollars, resources or human terms.



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Chapter: Control of Expenditures			
Directive Title: EXTENDING AND ACCEPTING HOSPITALITY, GIFTS AND TOKEN GIFTS			

1. POLICY

The provision and acceptance of hospitality, gifts and token gifts by GN personnel is permitted in the interest of facilitating GN business and representing the GN with appropriate courtesy.

2. DIRECTIVE

Ministers, Deputy Heads and delegates may extend and accept hospitality, gifts, and token gifts as provided for in this directive. Public officers may accept token gifts where appropriate.

Entertainment allowances, where provided to public officers, are not subject to this directive.

2.1. Provision of hospitality, gifts and token gifts

- 1) Provision of hospitality should be limited to significant public or internal GN occasions such as conferences, dedications, award presentations, ceremonies, exhibitions, commemorations, and working circumstances in which it is appropriate to extend hospitality to participants.
- 2) Formal or elaborate meals, paid entertainment and gifts should not be provided unless very special hospitality or the giving of gifts is appropriate, e.g., at events involving senior government visitors, or as provided for in the Human Resources Manual sections related to Long Service and Retirement Awards.
- 3) Alcoholic beverages should only be charged to an appropriation in exceptional circumstances. Approval is required from the Minister or Deputy Head.

- 4) Exemptions may be made with approval from the Minister or Deputy Head. Approval is to be made on an individual occurrence basis. This authority may not be delegated.
- 2.2. Authorization and payment for hospitality, gifts and token gifts
- 1) Ministers, Deputy Heads and their duly authorized delegates may have expenditure authority for hospitality, gifts, and token gifts. The expenditures must be charged to the hospitality code, and identify the recipient(s). All other public officers require advance authorization to make such expenditures.
 - 2) Every contract to purchase goods and services for hospitality, gifts and token gifts must be administered in accordance with the Government Contract Regulations and all other applicable directives in this manual.
- 2.3. Hospitality, gifts and token gifts extended to public officers
- 1) The provision of hospitality and gifts by the GN to public officers is not allowed, however exceptions may be appropriate in the following situations:
 - a) Where it is permitted in the Human Resources Manual for events such as Retirement and Long Service Awards;
 - b) In certain working situations:
 - i) Meals may be provided to staff within regular employment when it is practical and economical to require staff to work through meal times, e.g., at “working lunches”; and,
 - ii) Refreshments (non-alcoholic beverages, snacks, etc) may be provided to staff within regular employment, when the work is performed outside the normal work location of the majority of the participants, e.g., at staff conferences.
 - 2) Expenses for staff social events and gifts to staff must not be charged to an appropriation, except as permitted by the Human Resources Manual, or as approved by a Minister, Deputy Minister or delegate.
 - 3) Hospitality extended by parties outside the GN:
 - a) Public officers shall not accept hospitality or a gift that could be perceived as influencing or rewarding their public function, except



for gifts or benefits of small value, under \$100 (\$400 for members of the Legislative Assembly), which are received as a result of business protocol, or that normally accompany the duties or responsibilities of the employee, or unless it is extended to all interested parties, e.g., all parties participating at a conference.

- b) Ministers, Deputy Heads and their duly authorized delegates and service contractors may accept gifts on behalf of the Government but the benefit of such gifts must accrue to all of the people of Nunavut.

2.4. Exceptions

Any variance from this Directive must be justified for audit purposes by the responsible expenditure officer, whose written explanation must be attached to the related financial documents. The variance must be approved in accordance with Sec. 2.1.4 of this Directive.



Issue Date: March 2009	Effective Date:	Responsible Agency: Comptroller General/ Financial Operations	Directive No: 813
Chapter: Control of Expenditures			
Directive Title: CREDIT CARD EXPENDITURES			

1. POLICY

The Government may issue credit cards to public officers for use during duty travel or for the procurement of goods and services used for Government business.

2. DEFINITIONS

The Government employs the use of different types of credit cards. They are defined below:

- 2.1. **Departmental Credit Cards (Ghost Cards)** are virtual credit cards issued by a financial institution that are represented by a card number rather than a physical credit card. Users provide the card number to vendors rather than the physical card.
- 2.2. **Individual Credit Cards** are credit cards issued by a financial institution that may be used by public officers for the payment of expenditures incurred relating to duty travel.
- 2.3. **Purchase Cards** are credit cards that are issued by a financial institution for use by departments to facilitate the purchase of goods and services for the department. Purchase cards may be a virtual card or a physical card.

3. DIRECTIVE

The issuance, use, control, and accounting for credit cards must be administered in accordance with this and other directives in the 813 series.

The Comptroller General (or delegate) must authorize the issuance and procedures for the use of any Government credit card.

4. Provisions

- 4.1. Persons who are authorized to use a credit card for approved purposes must comply with the Government Contracting Regulations (Regulation 9904) under the *Financial Administration Act* and directives in the 808 series of this manual.
- 4.2. Public officers are responsible for safeguarding credit cards or ghost card numbers in their possession.
- 4.3. Government credit cards may not be used to obtain cash.
- 4.4. Any use of a Government credit card for purposes other than those outlined in the 813 series of Directives must be approved by the Comptroller General (or delegate) prior to there being any such charge to the credit card.
- 4.5. The Deputy Head in each department will designate an employee from within his/her department to act as credit card administrator for the department.
- 4.6. Department designated credit card administrators shall:
 - ensure that adequate records are maintained to account for credit card use;
 - ensure that the credit card is used only for the purpose for which it was issued;
 - ensure that all credit card transactions are charged to appropriated funds under their department's control; and,
 - ensure that only authorized transactions are charged to the credit card.
- 4.7. The Department of Finance will provide central monitoring and control over each credit card issued.
- 4.8. Department designated credit card administrators shall ensure that systems are in place to retrieve cards from employees who have terminated employment or who have abused their privileges. This will involve notifying the Department of Finance who will advise the financial institution that the card is to be canceled.
- 4.9. The departmental credit card administrator will work with the Department of Finance credit card administrator to ensure that the credit cards are used for their proper purpose and to prevent misuse.



Issue Date: March 2009	Effective Date:	Responsible Agency: Comptroller General/ Financial Operations	Directive No: 813-1
Chapter: Control of Expenditures			
Directive Title: CREDIT CARD EXPENDITURES - DUTY TRAVEL			

1. POLICY

The Government may issue credit cards to public officers for the purpose of paying for Duty Travel and related expenditures for their department.

2. DIRECTIVE

Public Officers using Government credit cards must comply with Government Contract Regulations (Regulation 9904) under the *Financial Administration Act* and Financial Administration Manual Directives in the 808 series, the 813 series and 820-1, as applicable. All expenditures must be chargeable against an appropriation of the department incurring the expense.

3. PROVISIONS

3.1. Departmental Credit Cards (Ghost Cards)

- 3.1.1. Departmental Credit Cards are represented by a credit card account number only. A physical card does not exist. These cards are also known as Ghost Cards.
- 3.1.2. The maximum credit limit allowed on Departmental Credit Cards is \$200,000. The Deputy Head may authorize a lower limit.
- 3.1.3. The Departmental Credit Card is to be used to purchase airline fares and hotel accommodations for employees or agents acting on behalf of the department. Approval from the department's Deputy Head must be obtained prior to charging any other type of travel related expenses.
- 3.1.4. Hospitality charged to a Departmental Credit Card must be in accordance with Directive 811 of this manual, and must have Deputy Head approval as per 3.1.3 above.
- 3.1.5. Expenditures that are covered by the per diem meals and incidental expense allowance, described in Directive 820-1 of this manual, must not be charged to a Departmental Credit Card, either directly or indirectly through hotel or other invoices. Exceptions may be granted

by the Deputy Head of the related department. Should an exception be granted, the Deputy Head must ensure that the expenses have not also been claimed as a per diem allowance on the individual's travel claim.

- 3.1.6. The limit for a Departmental Credit Card may be increased, on the authority of the Comptroller General, to a maximum of \$1,000,000, on a temporary basis, to deal with special circumstances.
- 3.1.7. The Government is responsible for the payment of all legitimate charges made to Departmental Credit Cards.

3.2. Individual Credit Cards

3.2.1. Individual Credit Cards are issued to public officers for the purpose of paying for reimbursable costs related to their own duty travel.

3.2.2. Public officers who have been issued Individual Credit Cards are responsible for:

- payment of all charges on the account (including interest charged for late payments);
- preparing an expense statement for reimbursements of credit card charges;
- ensuring safe custody of the card; and,
- reporting immediately to the Department of Finance Credit Card Administrator, the loss or theft of the card.

3.2.3. The maximum allowable credit card limits on Individual Credit Cards are as follows:

- | | |
|---|----------|
| • Cabinet Ministers | \$25,000 |
| • Executive Assistants to Cabinet Ministers | \$15,000 |
| • Deputy Heads | \$25,000 |
| • Assistant Deputy Heads | \$15,000 |
| • Other approved Public Officers | \$15,000 |

3.2.4. The spending limits contained in 3.2.3 above are maximum card limits. The Deputy Head in each department may establish lower limits for approved Public Officers.

3.2.5. The Individual Credit Card should not be used to pay for travel expenses of other persons on Government duty travel. Exceptions must be approved in advance by the Deputy Head. For further clarity, except for travel costs that are charged to Departmental Credit Cards, each public officer on duty travel is responsible for paying and accounting for their individual travel expenditures.



- 3.2.6. The procurement of transportation and accommodation for other persons travelling on Government duty travel are the responsibility of that individual and must be arranged using the Departmental Credit Card or through the individual's own personal credit card.



Issue Date: August 2007	Amended Date: December 5, 2019	Responsible Agency: Community and Government Services	Directive No: 815
Chapter: Control of Expenditures			
Directive Title: AIRCRAFT CHARTERING			

1. POLICY

The purchase of aircraft charter services by the Government is permitted where economic and/or logistical justification can be provided.

2. DIRECTIVE

The purchase of aircraft charter services by the Government must be conducted in accordance with the [Government Contract Regulations](#) and the Nunavummi Nangminiaqtunik Ikajuuti ([NNI Regulations](#)).

This directive applies to all government departments.

3. PROVISIONS

3.1. Economy and Practicality

Air charters may be used only when more economical travel (e.g., scheduled air service) is unavailable or impractical. The most economical and practical air charter available must be used. Minister or Deputy Head approval is required when there is scheduled service to the community on the day of the intended charter.

3.2. Authority to Contract

3.2.1. The Department of Community and Government Services (CGS) purchases and coordinates all chartered aircraft services required by the Government.

Exceptions to this are as follows:

- a) CGS (for search and rescue operations); and
- b) The Speaker of the Legislative Assembly.

3.3. Sharing of Governmental Aircraft Charters

- 3.3.1. To ensure cost effectiveness and with the approval of the Minister or Deputy Head of the requisitioning department, CGS may arrange for sharing of charters with other departments or incidental passengers.
- 3.3.2. The incidental passenger will travel under rules governing incidental traffic in the selected carrier's tariff. The carrier will assume responsibility for incidental passengers and/or freight and will directly bill the incidental party for its share of the associated costs.
- 3.3.3. Where the Government adds passengers or cargo, or changes flight plans for the benefit of an incidental party, the Government's charter cost should be reduced by the proportion of costs attributable to that party's use of the aircraft, unless it is in the public interest for the Government to pay those costs. Such determination of public interest is to be made by the Minister or Deputy Head of the chartering department. This authority may not be delegated.
- 3.3.4. The Government assumes no liability for such incidental traffic; however, all incidental passengers must sign an insurance waiver absolving the Government from any liability from their using the Government's charter.



Issue Date: Feb 2008	Effective Date: Feb 5, 2008	Responsible Agency: Office of the Comptroller General	Directive No: 817
Chapter: Control of Expenditures			
Directive Title: ACCOUNTABLE ADVANCES			

1. POLICY

The recipient of an accountable advance must account for all expenditures and must reimburse the GN for any unexpended or unaccounted for portion of the advanced funds on or before the specified date. An accountable advance must be issued under *S.54* of the *Financial Administration Act (FAA)*, which deals with accountable advances, and must be administered in accordance with *S.55* and *S.56* of the *FAA* which deal with interest, and receipt of refund or repayment respectively.

2. DIRECTIVES

The Comptroller General may issue accountable advances. The accounting for and repayment of accountable advances must be administered in accordance with the directives in the 817 series.

3. PROVISIONS

3.1. Issue of accountable advances

- a) Petty cash funds (which are temporary accountable advances) must be administered in accordance with FAM Directive 817-2.
- b) Temporary advances for duty travel must be administered in accordance with FAM Directive 817-3.
- c) Contributions must be recorded as accountable advances and administered in accordance with FAM Directive 817-4.
- d) Advances to a third party agency must be approved by the Comptroller General or delegates and recorded as accountable advances.
- e) In exceptional circumstances, advances may be made under a pending agreement for a contribution, block funding or grant; the Minister or delegates may authorize the transfer before the agreement is signed.

Section 49 of the *FAA* outlines the disbursement control, which must be followed before the disbursement of the advance is made.

- 3.2. S. 54(3) of the *FAA* outlines the accounting for accountable advances.
- a) Due to differing rules for different types of accountable advances, the monitoring and administration of accountable advances is addressed separately in each of the directives referenced in section 3.1 of this directive.
 - b) Deputy Heads or delegates shall ensure that each accountable advance issued by their departments are properly authorized, issued, tracked, and recovered when required.
 - c) Deputy Heads or delegates shall provide such reports and certifications as required by the Comptroller General or delegate to monitor the outstanding accountable advances.

3.3. Repayment

- a) The Comptroller General or delegate under S. 54(3) of the *FAA* may, at any time, by written notice to the recipient of an accountable advance, demand an accounting of the advance and request repayment of any portion of the advance not accounted for in accordance with the directives. The recipient must comply with such a notice.
- b) An accountable advance or any part thereof not accounted for must be repaid in full by the recipient.
- c) An accountable advance that has not been repaid within 30 days of the notice to repay will be invoiced and may be subject to interest charges, set-off and collection. Refer to Regulation 9913, Interest Rate Regulations and Directive 915 Interest on Money Owning to the Government.
- d) An accountable advance that has not been invoiced after the payment due date must be justified by the Executive Finance Officer (EFO) of the issuing department in writing to the Comptroller General explaining the circumstances that prevent an invoice being generated.
- e) If a refund or accounting has not been received and set-off is unavailable, the file must be transferred expeditiously for collection in accordance with Directive 908, Collection of Outstanding Receivables.
- f) The EFO of the issuing department shall verify that the recipient fulfills its obligations as stipulated in this directive under which the accountable advance is issued.



Issue Date: Feb 2008	Effective Date: Feb 5, 2008	Responsible Agency: Office of the Comptroller General	Directive No: 817-2
Chapter: Control of Expenditures			
Directive Title: ACCOUNTABLE ADVANCES - PETTY CASH			

1. POLICY

Petty Cash Funds must be accounted for as accountable advances and must be established under S. 52(2) of the *FAA* and used in accordance with this directive.

2. DIRECTIVE

Petty cash purchases must comply with Regulation 9904 - Government Contract Regulations and Directive 808 - 2 Delegation of Purchasing Authority on Government Contracts.

3. PROVISIONS

3.1. Under S.52(2) of the *FAA*, the Comptroller General may authorize the establishment of Petty Cash Funds.

3.1.1. Establishing a Petty Cash Fund and appointing a custodian

- a) Departmental Executive Finance Officers (EFO) may request approval from the Comptroller General to establish a petty cash fund or cash register float, the appointment of a temporary, permanent, or replacement petty cash custodian, the changing of the approved amount, the changing of the single transaction maximum limit, or the closing of an existing petty cash fund using the Petty Cash Approval Form (See Appendix A).
- b) Such requests must be submitted to the Director, Financial Operations of the Office of the Comptroller General (OCG) or to the Regional Directors of Financial Services, Department of Finance.
- c) The initial cheque to establish the fund, and subsequent reimbursements, will be issued to the individual named as the

custodian on the Petty Cash Fund Approval form (example, John Smith / custodian of petty cash).

3.1.2. Allowable uses of petty cash

Petty cash may be used only for:

- a) floats used by designated GN cashiers; and,
- b) essential and immediately required purchases for which the use of Local Contract Authority is impractical.

3.1.3. The amount of a petty cash fund

The following should be considered in setting the amount of a petty cash fund:

- a) the size and location of the GN operation to be served;
- b) the security available for the cash box at various times;
- c) how the fund will be used;
- d) the practical maximum value of single transactions;
- e) frequency of replenishment (not more frequently than bi-weekly); and
- f) the amount of a float should be adequate to support business needs.

3.2. Monitoring and Administration of Petty Cash Funds

3.2.1. Custody and Control

- a) The custodian named on the Petty Cash Fund Approval form shall have sole custody and control, and shall be personally liable for the full amount of the fund. At the discretion of the Comptroller General the custodian may be required to repay any cash lost due to negligence.
- b) The custodian shall maintain the fund in a locked box and no other person shall be authorized to make disbursements from the fund. The locked box shall be kept inside a locked area when not in use.
- c) No advances for personal use shall be permitted.

- d) Advances for business purposes shall be authorized in advance by an expenditure officer and must be supported by signed temporary receipts.
- e) All disbursements from the fund must be supported by original receipts.
- f) Petty cash reconciliations must be done on a regular basis and periodic surprise cash counts should be verified and confirmed by a supervisor.
- g) Theft or other loss of petty cash must be reported immediately in accordance with Directive 913, Loss of Cash or Other Assets.
- h) To close a petty cash fund the appropriate departmental EFO shall return the fund to the Director, Financial Operations of the OCG, or to the Regional Directors of Financial Services of the Department of Finance for deposit back to the Consolidated Revenue Fund (CRF), with the completed Petty Cash Fund Approval Form (Appendix A).

3.2.2. Reconciliation and Replenishment

- a) The cash on hand plus the verified approved disbursements (receipts and advances) must always equal the approved petty cash fund balance.
- b) The fund balance must be reconciled whenever it is near depletion, on the last day of the fiscal year, or when the custodian is temporarily or permanently replaced.
- c) A reconciled balance need not be replenished before being transferred to a temporary or new custodian.
- d) The fund must be replenished at the end of each fiscal year to record expenses in the financial system.
- e) To replenish the fund, the custodian shall submit to the departmental expenditure officer, a completed Expense Voucher (payable to the custodian) with approved receipts attached, and the reconciliation form showing the fund in balance. Any discrepancies must be explained and approved.

3.2.3. Recovery of Petty Cash Fund balance



The Comptroller General or delegate may at any time, by written notice to the custodian of a petty cash fund, demand an accounting of the advance and repayment of any unexpended balance.

3.2.4. Goods and Services Tax

Petty cash fund purchases are subject to the Goods and Services Tax (GST). To facilitate recovery of the GST by the Government, the GST must be charged to the GST Recovery account and not included in the total amount charged to an appropriation.



APPENDIX A

PETTY CASH FUND APPROVAL FORM

All applicable parts of this form must be completed and signed in order to establish, amend or close a petty cash fund or to replace the custodian.

1. REQUEST FOR APPROVAL TO (CHECK APPLICABLE BOXES):

- Establish a fund Amend a fund Close a fund Change of custodian

Location:
Justification for the use of the petty cash fund:
Proposed amount of fund: \$..... Justification for the amount:
Proposed maximum value of single transactions using the fund: \$..... Justification for the amount:
Proposed <input type="checkbox"/> temporary custodian or <input type="checkbox"/> permanent custodian (check one) to sign: I certify by my signature that: I have read and understand the <i>Financial Administration Manual</i> Directive 817-2, Accountable Advance -Petty Cash and will adhere to its requirements; I will be personally liable and responsible for the petty cash and all related documentation placed under my care; and I understand that, at the discretion of the Comptroller General, I may be required to repay to the Government any loss of cash due to my own negligence. Name: Position: Employee No. Signature: Date:

Reconciliation Form

Existing custodian to sign if custodian is to be replaced or fund is to be closed: I certify by my signature that the following items make up the petty cash fund at transfer (to new custodian) or at closing of the fund:	
Cash on hand	\$
Receipts and approved invoices (list all details on a separate sheet)	
Total receipts and approved invoices	\$ _____
Total approved petty cash fund balance	\$ _____



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Name of custodian..... Position: Signature: Date:
Program Manager or Regional Director responsible for the fund replenishment budget: Name: Position: Signature: Date:
Director of Corporate Services: Name: Position: Signature: Date:

2. APPROVAL OF PETTY CASH FUND, CUSTODIAN, AMENDMENT OR CLOSURE

Approval to be signed by one of the following: Director, Financial Operations, Finance or Regional Director of Financial Services Name: Position: Signature: Date:

3. APPOINTMENT OF NEW PETTY CASH CUSTODIAN

New custodian to sign below upon appointment or upon amendment of petty cash fund amount: I hereby acknowledge receipt of cash and disbursement documents totaling \$....., which is the approved amount of the petty cash fund. Name of custodian: Position: Signature: Date:
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Issue Date: Feb 2008	Effective Date: Feb 5, 2008	Responsible Agency: Office of the Comptroller General	Directive No: 817-3
Chapter: Control of Expenditures			
Directive Title: ACCOUNTABLE ADVANCES-TEMPORARY TRAVEL ADVANCES			

1. POLICY

The Comptroller General or delegate may authorize a temporary advance to pay expenses incurred for government business by any public officer, service contractor, or other person temporarily employed or engaged in Government business.

2. DIRECTIVE

Temporary advances must be authorized and administered in accordance with *section 54* of the *Financial Administration Act (FAA)* which deals with accountable advances and Appendix A of Directive 802 – Delegation of Powers and Duties.

3. PROVISIONS

3.1. Administration and Monitoring of Temporary Advances

3.1.1. Issuing Temporary Advances

- a) A temporary advance may be issued for travel, business expenses, relocation and in other situations approved by the Comptroller General or delegate.
- b) A traveler may have only one outstanding travel advance at any one time except with the approval of the Deputy Head or delegate.
- c) A public officer may submit a request for a travel advance of up to 80% of anticipated allowable travel costs, excluding airfare and accommodation expenses, on a Travel Authorization and Expense Claim form. A personal credit card, GN individual travel card or

purchase card should be used whenever appropriate for airfare and accommodation expenses.

- d) The issue of temporary advances to non-public officers should be avoided due to the limited means of recovery. Under normal circumstances, the advance is limited to 80% of the anticipated meals and incidental expenses. A personal credit card, GN individual travel card or purchase card should be used whenever appropriate for airfare and accommodation expenses.

3.1.2. Custody

The recipient of a temporary advance is personally responsible and liable for the safe custody of the advance.

3.1.3. Reimbursement

- a) For a travel advance, the traveler must submit a Travel Authorization & Expense Claim form for reimbursement within 10 working days after the completion or cancellation of the trip.
- b) Failure to repay unused or excess advances at the time of submission of the travel expense claim may result in a payroll recovery or disciplinary action, depending on the circumstances.

3.1.4. Review

- a) The departmental Executive Finance Officers (EFO) and the Regional Director of Financial Services, Department of Finance, shall ensure that temporary advances are cleared in a timely manner.
- b) Notwithstanding 3.1.3(a) above, the Comptroller General or delegate may require an accounting and/or reimbursement of a temporary advance at any time.
- c) Departments shall ensure claims for travel, business and relocation expenses are submitted prior to the year-end cut-off date to ensure any associated accountable advances are cleared, and expenses are charged to the proper year.
- d) EFO's and Regional Directors of Financial Services, Department of Finance are to review outstanding travel advances periodically to ensure these temporary advances are cleared on a timely basis.

3.2. Recovery

- 3.2.1. When the holder of a temporary or standing advance terminates employment or changes position, the advance must be accounted for immediately.
- a) If the temporary advance is not accounted for, nor repaid by the recipient, the respective Departmental EFO or Regional Director of Financial Services, Department of Finance shall make disclosure of the outstanding debt on the Employee Clearance Form.
 - b) Any outstanding advance must be deducted from the employee's pay or from any other amount owing to the employee.



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Issue Date: September 2009	Effective Date: Immediate	Responsible Agency: Comptroller General	Directive No: 817-4
Chapter: Control of Expenditures			
Directive Title: ACCOUNTABLE ADVANCES – CONTRIBUTIONS			

1. POLICY

Disbursements made as a result of a contribution agreement must be recorded as accountable advances at the time the funds are released.

2. DIRECTIVE

Each request for an accountable advance must be pursuant to an approved contribution policy or payment directive that meets the requirements contained in Directive 801 – Grants and Contributions and the following provisions.

3. PROVISIONS

- 3.1 A contribution agreement signed by both the Government and the recipient must be in place prior to the disbursement of an accountable advance.
- 3.2 Where a contribution exceeds \$25,000 annually, departments must cash flow the contribution agreement disbursements based on the working capital requirements of the recipient. Contributions of this size should not be disbursed in one lump sum at the start of the agreement.
- 3.3 Departments are responsible to monitor the recipient organization and determine if eligibility criteria have been met.
- 3.4 Accountable advances must be cleared on a timely basis where eligibility requirements have been met.
- 3.5 Where the eligibility criteria have not been met, or a portion of the advance has not been expended, the department is responsible for recovering the amount due in accordance with the contribution agreement and the provisions of Directive 908 – Collection of Amounts Owing to the Government.



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- 3.6 Annually, in accordance with the timelines established in the Department of Finance year-end procedures, the Executive Finance Officer for each department must provide the Comptroller General with a signed report confirming the amount and status of all outstanding accountable advances.



Issue Date: Feb 2008	Effective Date: Feb 5, 2008	Responsible Agency: Comptroller General/Compensation and Benefits	Directive No: 819-1
Chapter: Control of Expenditures			
Directive Title: CONFIDENTIALITY OF PAYROLL INFORMATION			

1. POLICY

The Government has the responsibility to protect the confidentiality of personal payroll information contained in the government's payroll and human resources information system. The release of this information must respect the employee's right to privacy, must be appropriate to each specific case and be consistent with the *Access to Information and Protection of Privacy Act*.

2. DIRECTIVE

No employee or agent of the Government shall release personal payroll information obtained as a result of their relationship with the government, except in those circumstances indicated in Section 3, Provisions.

2.1. Forms of Communication

Releasing personal payroll information includes all forms of communication (e.g., verbal, e-mail, fax, photocopy, etc.).

2.2. Information Particulars

Personal payroll information contained within the government's payroll and human resources information system includes, but is not limited to the following:

- a) salary, wages, or any other type of remuneration paid or payable to an employee,
- b) benefits provided to an employee,
- c) marital status,
- d) dependent status,
- e) health status,
- f) age, and

g) social insurance number.

3. PROVISIONS

- 3.1. Where legislation, a court order or the terms of a collective agreement require the release of personal payroll information, the information shall be released in accordance with directions established within such documents. The Deputy Minister of Human Resources or delegate shall review and provide approval of all such requests from the human resources information system. The Deputy Minister of Finance or delegate shall review and provide approval of all such requests from the payroll system.
- 3.2. An employee may request in writing that the Director of Compensation and Benefits, or the appropriate Regional Director of Finance release his/her personal payroll information. The nature of information to be released, and the party to whom the release shall be made, is to be identified in the written request.
- 3.3. The foregoing restrictions shall not apply to personal payroll information that the Deputy Minister of Human Resources or the Deputy Minister of Finance may deem necessary or beneficial to provide to government departments, the federal government, or contractors requiring information to conduct government business.



Issue Date: August 2007	Revised Date: April 1, 2022	Responsible Agency: Office of the Comptroller General/Financial Operations	Directive No: 820-1
Chapter: Control of Expenditures			
Directive Title: DUTY TRAVEL			

1. POLICY

Public officers will be reimbursed for costs incurred while on authorized duty travel at rates set out in Appendix A of this directive.

Non-public officers who travel at the request of the GN for approved activities including staffing interviews, or for participation in committee, board or other decision making processes, also will be reimbursed in accordance with this directive.

2. DIRECTIVE

Duty travel and related cash advances, expenses, and reimbursements must be authorized and administered in accordance with this Directive.

2.1. Application

This directive applies to all duty travel and must be made available to all duty travellers (including non-public officers).

A public officer may not be treated as “in travel status” if he/she is appointed to the establishment of one headquarters area, but his/her duties are carried out at another location during the major portion of the time or continuously.

This Directive is subject to any collective agreements entered into by the GN.

2.2. Authorization of Duty Travel and Related Expenses

The authorization for duty travel and requests for travel advances must be authorized in advance on a Travel Authorization and Expense Claim form with detailed travel plans and an estimate of expenses outlined thereon or attached thereto. The authority for approval of duty travel is as follows:

- 1) Ministers may authorize their own duty travel and expenses within Canada.

- 2) Deputy Heads have the authority to approve the initiation of their own duty travel, however, must advise their Minister in writing of their intention to travel within a reasonable time prior to departure, and their Minister must approve the expenses before payment is made.

When annual leave is to be combined with duty travel, the travel request will be reviewed and signed off by the Minister. The travel request must be accompanied by the Travel Authorization & Expense Claim form, the Southern Travel Authorization form (If applicable) and a signed leave form.

- 3) Deputy Heads are responsible for the duty travel and expenses of staff in their departments and may delegate to other public officers the authority to approve the duty travel and expenses of subordinate staff. Such delegation of authority must be specific and in writing.
- 4) Duty travel for travellers other than Ministers and Deputy Heads must be pre-authorized, on the Travel Authorization & Expense Claim form, by the traveller's supervisor and a public officer more senior with delegated travel authority, if the traveller's supervisor does not have delegated travel authority.
- 5) In exceptional circumstances, if it is not in the public interest to delay a trip in order to obtain approval, the approval may be obtained subsequent to the trip.
- 6) Travel outside Nunavut must be authorized by the traveller's Deputy Head (or delegate).
- 7) Ministers wishing to travel outside of Canada at government expense must seek the Premier's approval prior to departure.
- 8) Duty travel outside Canada, other than by the Minister, must be authorized by the traveller's Minister (or delegate).

2.3. Reimbursement of Expenses

As provided for in FAM 813-1, it is the policy of the GN to use credit cards where possible for the procurement of travel and accommodation.

Out of pocket expenses for meals, incidentals and other expenses will be reimbursed upon submission of the Travel Authorization & Expense Claim form, as follows:



- 1) Travel and accommodation expenses paid with personal funds or by personal credit card, will be reimbursed subject to Subsections 2.4 & 2.5.
- 2) Meal expenses will be reimbursed at rates set out in Appendix A, except as otherwise provided for in this directive (Receipts not required).
 - a) If the per diem meal allowance is insufficient in a particular community, the traveller may claim actual expenses for all meals (Receipts required). If receipts cannot be provided, then reimbursement will be made for meal allowances set out in Appendix A.
 - b) The cost of meals is not to be included on a hotel bill.
 - c) Costs for alcohol will not be reimbursed.
 - d) Generally when meals are provided at conferences or on courses, no meal allowance is to be claimed for those meals. Reimbursement may be made if a meal was purchased and supporting receipts are provided.
 - e) It is generally expected that travellers can eat before departing from and after arriving back at their home or work site. Reimbursement should not be paid when the actual flight departure time:
 - i) does not prevent the traveller from eating breakfast at home between 06:30 and 08:30 hours;
 - ii) is later than 13:30 hours and allows time for lunch at home;
 - iii) is later than 18:30 hours and allows time for dinner at home.Reimbursement should not be paid when the actual flight arrival time:
 - iv) is earlier than 07:30 hours and allows time for breakfast;
 - v) is earlier than 12:30 hours and allows time for lunch; or
 - vi) is earlier than 18:30 hours and allows time for dinner.
- 3) Other appropriate duty travel expenses (see Appendix A) will be reimbursed, including the following:
 - a) an "Incidental" allowance to cover tips, personal phone calls, and other minor personal expenses will be paid, at rates set out in Appendix A, for each day in travel status - if in travel status for more than one day;
 - b) government business telephone calls (Receipts required);



- c) child care expenses (that exceed those which normally would be incurred) resulting from the duty traveller's absence, at rates set out in Appendix A (Receipts required);
 - d) reasonable costs (e.g. porters, taxis, etc.) of special assistance for physically handicapped travellers (Receipts required);
 - e) for storage and excess baggage charges where this is in the performance of duty and a satisfactory explanation is provided (Receipts required); and
 - f) laundry – after two (2) consecutive days on duty travel, at rates set out in Appendix A, (Receipts required).
- 4) Certain employees on duty travel may offer hospitality, but must do so in compliance with Directive 811, Hospitality. Such expenses must be charged to the hospitality code.
 - 5) Taxis may be used (Receipts not required for fares of \$8 or less). The use of taxis must be explained except where the purpose is self-evident.
 - 6) Receipts are required (unless specifically exempted by this directive) to justify travel expense claims, and duty travellers must make every reasonable effort to comply with this requirement. However, if it is impossible to obtain an original or replacement receipt, it should be so noted on the claim form. The approving officer shall initial the note if he agrees that it is appropriate to pay the claim despite the missing receipt.
 - 7) Travel claims should not be accepted for expenses related to additional hotel accommodation, meals, incidentals, etc. beyond scheduled, approved travel without a detailed explanation approved by the signing authority.
 - 8) If government and personal travel are combined, only the expenses that would have been incurred if the personal travel had not taken place will be reimbursed.
 - 9) Within ten (10) working days of completing a trip, the duty traveller shall submit his/her claim for expenses on the pre-authorized Travel Authorization & Expense Claim form, with required supporting documents and receipts, for approval by the GN.
 - 10) When there is an outstanding travel advance, failure to file an expense claim within ten (10) working days of completing a trip may result in a payroll deduction.

2.4. Related Issues

1) Travel Advances:

- a) A duty traveller may request a travel advance of up to 80% of anticipated travel costs excluding airfare and accommodation expenses (See Directive 817-3).
- b) Travel Advances should not be issued for transportation or accommodation as the individual or departmental credit card or GN travel card should be used.
- c) For those employees who have received a travel advance that exceeds their claim, they are to provide, within ten (10) working days of completing the trip, a personal cheque or money order to cover the balance.
- d) No employee is allowed to have more than one travel advance outstanding at any one time, unless more are approved by the Minister, Deputy Head or delegate.

2) Transportation:

- a) Air travel must be at the lowest practical fare, with the following exceptions:
 - i. A Minister, Deputy Head, or Clerk of the Legislative Assembly may travel by business class or first class when total in-flight duty travel time of all flight segments in the same day exceeds four hours.
 - ii. All staff may be approved for travel by business class where continuous air travel exceeds eleven hours, if authorized in advance on the Travel Authorization and Expense Claim form.
- b) For the purposes of this directive, continuous travel time begins one hour before the scheduled departure time and ends one hour after arrival at the trip destination or community of overnight stop.
- c) Duty travellers shall not volunteer to be “bumped” from their seats with commercial carriers. In the event where a duty traveller is involuntarily “bumped” by the commercial carrier, any compensation the carrier offers for imposed “bumping” shall be used to minimize GN expense.
- d) A traveller may not count as duty travel time any delay due to personal choice.

1) Vehicles for Duty Travel:

- a) Rental vehicles (mid-size car, unless specific prior approval for larger vehicle) may be used if practical, economical, and authorized in advance. Government rates are available for duty travel; higher rates must be justified. The traveller must decline supplementary insurance (collision damage waiver - CDW) coverage since the GN is insured against this risk.
- b) As a general rule, use of personal vehicles for GN use is discouraged. No reimbursement will be provided for use of private vehicles for duty travel unless specifically approved by the Minister or Deputy Head, and only then upon provision of proof of "Business Use" insurance on the vehicle. The cost of obtaining this special coverage will be at the expense of the employee. Reimbursement for approved use of private vehicles will be at rates set out in Appendix A.

2) Off-Road Vehicles for Duty Travel:

- a) Duty travel using off road vehicles (including snowmobiles and all-terrain vehicles) and small vessels must be authorized in advance, whether the vehicles or vessels are commercially rented or privately owned.
- b) All-terrain vehicles must have four or more wheels. The traveller must wear an approved safety helmet when riding on an off road vehicle, and an approved personal floatation device at all times in a small vessel.
- c) Reimbursement for GN use of personal off-road vehicles will be at rates set out in Appendix A (Receipts required). Insurance, repairs and other ownership costs for privately owned off-road vehicles and vessels are the owner's responsibility.
- d) If a privately owned vehicle is used, proof of adequate public liability insurance coverage must be provided to Risk Management before travel commences.

3) Private Aircraft

A duty traveller shall not travel by privately owned aircraft, or any aircraft that is not commercially licensed and specifically engaged for the purpose (See directive 815 - Aircraft Chartering). A duty traveller shall not pilot any aircraft on duty travel. Ministers and any accompanying staff are exempt from this provision.

2.5. Accommodation

1) Commercial Accommodation:

- a) The duty traveller shall minimize the cost to the GN by using accommodations and government discount rates listed in the white pages of the Hotel and Car Rental Directory for Government Employees where available. Exceptions require prior approval by the individual authorizing the duty travel. The Directory is posted at <http://www.njc-cnm.gc.ca/directive/travel-voyage/s-td-dv-a3-eng.php>. A duty traveller who ignores this provision is not eligible for reimbursement above the posted government discount rate.
- b) For periods not exceeding twenty-five (25) calendar days, public officers will be reimbursed for actual costs of authorized accommodation.
- c) For periods exceeding twenty-five (25) days, normally the duty traveller will be expected to make appropriate arrangements for suitable rental accommodation at weekly or monthly rates.
- d) The duty traveller is personally responsible for cancelling any unused reservations by the agreed acceptable time and paying any resulting penalty for neglecting to cancel on time. This provision may be waived if circumstances prevented the traveller from cancelling the reservation and a satisfactory explanation is provided.

2) Non-Commercial or Private Accommodation:

- a) A duty traveller may use private accommodations and will be reimbursed at rates set out in Appendix A (Receipts not required).
- b) Use of other types of accommodation, such as tents and trailers, must be pre-authorized and will be reimbursed to a maximum of the private accommodation rate at rates set out in Appendix A (Receipts Required).

2.6. Headquarters Travel

Duty travellers will be reimbursed for unusual transportation expenses necessarily incurred while carrying out their duties within their headquarters area. Subject to GN approval, payment shall be made for transportation in the headquarters area of the duty traveller in the following circumstances:

- a) for a taxi between place of duty and home where the duty traveller is required to work after normal hours and circumstances such as a combination of late hours, weather and distance make it unreasonable to use his/her normal means of getting to or from work; or



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- b) where transportation is necessary for such reasons as the carrying of bulky documents, or because of the time factor and the method chosen is the most economical under the circumstances.



APPENDIX A

The Government of Nunavut will reimburse duty travellers for expenses incurred while on approved duty travel. The rates for meals, incidentals and mileages are tied to those set by the federal government Treasury Board. These rates are reviewed semi-annually and published, to be effective April 1 and October 1 of each year. The Comptroller General on behalf of the Government of Nunavut will review and implement any changes to the GN rates.

RATES (Effective – April 1, 2022)

Duty Travel

Meals and Incidental Expenses Allowance when traveling within the following areas:

For periods of duty travel not exceeding twenty-five (25) calendar days, per diems below will be paid. An employee in travel status for part of a day may claim only the individual meals and incidentals as applicable.

	Nunavut	NWT	Yukon/Alaska	Canada/USA
Breakfast	\$28.35	\$25.10	\$23.20	\$21.90
Lunch	\$34.45	\$30.45	\$21.30	\$22.15
Dinner	\$91.75	\$65.15	\$61.45	\$54.40
Incidentals	\$17.30	\$17.30	\$17.30	\$17.30
Total per day	\$171.85	\$138.00	\$123.25	\$115.75

Except in communities where housekeeping units or reasonable room and board are not available, when travel status extends beyond twenty-five (25) calendar days in one location, the maximum amount claimable for **meals** (see shaded area above) shall be reduced to twenty dollars (\$20.00) per day inclusive for all days in excess of twenty-five (25) calendar days.

Private Accommodation

Within Nunavut - \$75.00 per night (Receipts not required)

Outside Nunavut - \$50.00 per night (Receipts not required)

Child Care

\$45.00 per day, per child (Receipts required)

Laundry

After two (2) consecutive days on duty travel, a maximum of three dollars (\$3.00) per day for each subsequent day (Receipts required)



Interpretation Bulletin Number IB 820-1/01

Effective Date: January 2, 2020

Applicability: All government departments and public agencies

Applicable FAM Directive: FAM Directive 820-1 Duty Travel provision 2.4. Related Issues, section 2) Transportation

a) Air travel must be at the lowest practical fare.

INTERPRETATION

The lowest practical fare for duty travel is the fare booked with duty travel codes.

The GN has signed new contracts with Calm Air and Canadian North for particular routes. The contractual agreement stipulates all GN duty travel on those routes must be booked in the Duty Travel Class even if a less expensive class is available. There are no exceptions to this rule.

Travel coordinators will continue to use the existing duty travel codes.

These new contract conditions require advance planning of duty travel in order to avoid unnecessary change and cancellation fees.

All air travel on routes that does not fall under those contracts must be at the lowest practical fare as per FAM Directive 820-1 Duty Travel, provision 2.4., section 2.



Issue Date: June 25, 2021	Effective Date: Immediate	Responsible Agency: Department of Community and Government Services	Directive No: 830
Chapter: Control of Expenditures			
Directive Title: EMERGENCY EXPENDITURES			

1. POLICY

The Government may provide financial assistance when a state of emergency has been declared in all or part of Nunavut in accordance with the *Emergency Measures Act*. All emergency expenditures must be properly authorized.

2. DEFINITION

Emergency

A present or imminent situation or event that is seriously affecting or could seriously affect the health, safety or welfare of persons or is substantially damaging or could substantially damage property.

3. DIRECTIVE

The Government may provide financial assistance in accordance with Inuit Societal Values and Inuit Qaujimajatuqangit when a state of emergency has been declared by the Minister of CGS or a municipal council. The assistance must be provided in accordance with the *Emergency Measures Act* and the relevant policies formulated by CGS. All expenditures that are directly attributable to a state of emergency or a state of local emergency are subject to this directive.

This directive applies to all government departments and public agencies.

4. PROVISIONS

- 4.1. The Minister responsible for Community and Government Services (CGS) may, in writing, declare a state of emergency in all or part of Nunavut in accordance with s.11 of the *Emergency Measures Act*.

- 4.2. S.12 of the *Emergency Measures Act* stipulates that the Minister of CGS must be satisfied that all the factors for declaration of an emergency are met to determine that an emergency exists or may exist.
- 4.3. A declaration of a state of emergency expires 14 days after it is made unless it is sooner extended or terminated. The Minister of CGS may extend a declaration of a state of emergency for further periods of up to 14 days each.
- 4.4. Under s.13 of the *Emergency Measures Act*, the Minister of CGS may, for the duration of the emergency, do any act and take any measure he or she considers necessary. Providing emergency funding may be necessary to implement these measures.
- 4.5. When the Legislative Assembly is in session, CGS must obtain an emergency appropriation bill to create an appropriation for the emergency funding if the department is unable to fund from an existing appropriation in accordance with s.44 of the *Financial Administration Act (FAA)*. When the Legislative Assembly is not in session, CGS must obtain a special warrant in accordance with s.33(1) of the *FAA* and Financial Administration Manual (FAM) Directive 303 Special Warrants.
- 4.6. S.45(2) of the *FAA* addresses the exemption for emergencies and gives the Deputy Minister of CGS the authority to enter into a contract requiring an immediate disbursement to protect public property or to provide for an emergency.
- 4.7. Any funds spent out of appropriation to respond to the emergency prior to the implementation of the special warrant must be charged to the emergency funding appropriation.
- 4.8. All emergency expenditures must be recorded in accordance with Canadian public sector accounting standards (PSAS) as issued by the Public Sector Accounting Board of Canada and must follow all proper financial reporting procedures.
- 4.9. Where emergency funding is provided by a third party, it must be treated in accordance with FAM Directive 880 Third Party Funded Agreements.
- 4.10. Emergency funding provided by a special warrant or an emergency appropriation bill for a specific state of emergency or local state of emergency must not be used for any other purpose.



- 4.11. Various costs as well as any planned borrowings and other liabilities associated with some of the indirect, long-term implications arising from the emergency are not subject to this directive. These costs should be addressed in the budget development process. All planned new or revised borrowings, contracts or other financial arrangements that may affect the Government's borrowing limit must be submitted to the Financial Management Board for approval in accordance with FAM Directive 890 Management and Control of Government's Borrowing Limit.
- 4.12. Government procurement and contracting procedures as set out in the *Nunavummi Nangminiqagtunik Ikajuuti Implementation Act*, the Nunavummi Nangminiqagtunik Ikajuuti Regulations, the Government Contract Regulations and FAM Directive 808 series continue to apply during a state of emergency. Goods and services which are urgently required, and where delay would be injurious to the public interest, may be awarded without a competitive procurement process pursuant to section 8 of the Government Contract Regulations.
- 4.13. The Office of the Comptroller General shall be consulted for resolution of any issues that arise in determining proper accounting classification of expenditures in accordance with PSAS (e.g. liabilities, capital expenditures).



Issue Date: June 25, 2021	Effective Date: Immediate	Responsible Agency: Department of Health	Directive No: 831
Chapter: Control of Expenditures			
Directive Title: PUBLIC HEALTH EMERGENCY EXPENDITURES			

1. POLICY

The Government may provide financial assistance when a state of public health emergency has been declared in all or part of Nunavut in accordance with the *Public Health Act*. All expenditures related to a public health emergency must be properly authorized.

2. DEFINITION

Public Health Emergency

An occurrence or imminent threat that poses a serious risk to public health.

3. DIRECTIVE

The Government may provide financial assistance in accordance with Inuit Societal Values and Inuit Qaujimajatuqangit when a state of public health emergency has been declared by the Minister of Health in accordance with the *Public Health Act*. All expenditures that are directly attributable to the declared state of public health emergency are subject to this directive.

This directive applies to all government departments and public agencies.

4. PROVISIONS

4.1. Under s.40 of the *Public Health Act*, the Minister of Health, on the recommendation of the Chief Public Health Officer, may declare a state of public health emergency to exist in all or a part of Nunavut if the Minister is satisfied that

- a) a public health emergency exists; and

- b) the public health emergency cannot be sufficiently mitigated or remedied without the implementation of special measures.
- 4.2. A declaration of a state of public health emergency expires 14 days after it is made unless it is sooner extended or reduced. On the recommendation of the Chief Public Health Officer, the Minister of Health may extend the state of public health emergency for additional periods of up to 14 days each or reduce the period or the area to which it relates.
- 4.3. Providing public health emergency funding may be necessary to implement special measures implemented by the Chief Public Health Officer under s.41 of the *Public Health Act*.
- 4.4. S.45(2) of the *Financial Administration Act (FAA)* addresses the exemption for emergencies and gives the Deputy Minister of Health the authority to enter into a contract requiring an immediate disbursement of funds to provide for an emergency.
- 4.5. When the Legislative Assembly is in session, the Department of Health must obtain an emergency appropriation bill to create an appropriation for the emergency funding if the department is unable to fund it from an existing appropriation in accordance with s.44 of the *FAA*. When the Legislative Assembly is not in session, the Department of Health must obtain a special warrant in accordance with s.33(1) of the *FAA* and Financial Administration Manual (FAM) Directive 303 Special Warrants.
- 4.6. Any funds spent out of appropriation to respond to the public health emergency prior to the implementation of the special warrant must be charged to the public health emergency funding appropriation.
- 4.7. All expenditures related to the public health emergency must be recorded in accordance with Canadian public sector accounting standards (PSAS) as issued by the Public Sector Accounting Board of Canada and must follow all proper financial reporting procedures.
- 4.8. Where public health emergency funding is provided by a third party, it must be treated in accordance with FAM Directive 880 Third Party Funded Agreements.
- 4.9. Emergency funding provided by a special warrant or an emergency appropriation bill for a specific public health emergency must not be used for any other purpose.



- 4.10. Various costs as well as any planned borrowings and other liabilities associated with some of the indirect, long-term implications arising from the public health emergency are not subject to this directive. These costs should be addressed in the budget development process. All planned new or revised borrowings, contracts or other financial arrangements that may affect the Government's borrowing limit must be submitted to the Financial Management Board for approval in accordance with FAM Directive 890 Management and Control of Government's Borrowing Limit.
- 4.11. Government procurement and contracting procedures as set out in the *Nunavummi Nangminiqagtunik Ikajuuti Implementation Act*, the Nunavummi Nangminiqagtunik Ikajuuti Regulations, the Government Contract Regulations and FAM Manual Directive 808 series continue to apply during a state of public health emergency. Goods and services which are urgently required, and where delay would be injurious to the public interest, may be awarded without a competitive procurement process pursuant to section 8 of the Government Contract Regulations.
- 4.12. The Office of the Comptroller General shall be consulted for resolution of any issues that arise in determining proper accounting classification of expenditures in accordance with PSAS (e.g., liabilities, capital expenditures).



Issue Date: August 2007	Effective Date: August 29, 2007	Responsible Agency: Comptroller General	Directive No: 850
Chapter: Control of Expenditures			
Directive Title: INSURANCE - DAMAGE CLAIMS BY STUDENTS			

1. POLICY

Students attending school in Nunavut may incur losses to personal belongings damaged or destroyed as a result of insurable risks in Government operated schools and residences, resulting in claims for reimbursement of such losses. This policy applies to all government operated schools in Nunavut, including all primary, secondary, post secondary and adult learning institutions. (The Government does not pay its employees for similar claims unless it is legally liable.)

2. DIRECTIVE

Subject to the following Provisions, the Government shall pay reasonable student claims for personal belongings damaged or destroyed as a result of insurable risks such as fire in Government schools and student residences.

3. PROVISIONS

- 3.1. Student claims for personal belongings damaged or destroyed as a result of insurable risks such as fire in Government schools and student residences must be approved by the Minister or Deputy Head or delegate of the Department of Education (President where claim is with Nunavut Arctic College). Claims must be processed and paid by The Department of Education or Nunavut Arctic College as appropriate.
- 3.2. Claims must be made within one year of the date of loss.
- 3.3. Claims must include sufficient detail to assess replacement value, e.g., manufacturer, model, serial number, date of manufacture, purchase receipt, etc., where available. The student, a parent or a legal guardian, as the case may be, shall certify by statutory declaration that:
 - a) the loss or portion of loss claimed is not covered by the student's personal insurance, or,



- b) if the loss or portion claimed is covered by the student's personal insurance, the claim against the Government is limited to the lowest of the following amounts:
 - i) the deductible amount of the student's personal insurance;
 - ii) the difference between the amount of insurance paid to the student and the cost of repair, and,
 - iii) the difference between the amount of insurance paid to the student and the cost of replacement.
- 3.4. The claim amount paid must not exceed the difference between:
- a) the lesser of the cost to repair or the cost to replace; and
 - b) the amount paid by the student's personal insurance.
- 3.5. The maximum payable per student per incident is \$1000.



Issue Date: August 2007	Effective Date: August 29, 2007	Responsible Agency: Comptroller General	Directive No: 851
Chapter: Control of Expenditures			
Directive Title: WORK EXPERIENCE PROGRAMS – DAMAGE CLAIMS			

1. Policy

Employers of students on work experience programs are expected to have their own insurance coverage for damages that may be caused by a student. However, to prevent the negative impact of losses on a participating business, the Department of Education or Nunavut Arctic College as appropriate will provide reimbursement for the losses for all reasonable claims for damages up to a maximum of \$1,000. This policy applies to all government operated schools in Nunavut, including all primary, secondary, post-secondary, and adult learning institutions.

Reimbursable damages are limited to damages to tangible assets. Other damages such as the loss of business revenue consequential to the damage of a tangible asset are not covered.

2. DIRECTIVE

The Government shall provide reimbursements for losses of all reasonable claims up to a maximum of \$1,000 for damages caused by students when on work experience as part of their school program.

3. PROVISIONS

- 3.1 A business making a claim shall certify by statutory declaration that no portion of the claim is eligible for insurance coverage reimbursement.
- 3.2 Any student involved in a claim shall provide a written description of the circumstances which resulted in the claim being made.
- 3.3 Approval



- 3.3.1 All claims must be reviewed by Risk Management, Department of Finance prior to submission to the Deputy Head of the Department of Education (President where claim is with Nunavut Arctic College).
- 3.3.2 All claims must be approved by the Minister or Deputy Head of Education (President where claim is with Nunavut Arctic College).
- 3.4 The Government may review the insurance coverage of the business claiming a loss.
- 3.5 Claims under this directive shall be processed and paid by the Department of Education or Nunavut Arctic College as appropriate.
- 3.6 Claimants shall be paid the lesser of replacement or repair value.
- 3.7 Claims must include sufficient detail to properly assess the replacement value of the item.
- 3.8 Limitations
 - 3.8.1 The maximum payable on a claim is \$1,000.
 - 3.8.2 Where loss or damage is covered by other personal insurance, payment shall be limited to the amount deductible under the other insurance.



Issue Date: August 2007	Effective Date: August 29, 2007	Responsible Agency: Comptroller General	Directive No: 860
Chapter: Control of Expenditures			
Directive Title: DEPARTMENTAL CHEQUE ISSUE SYSTEMS			

1. POLICY

When, for reasons of efficiency, public benefit, or legal necessity the use of department cheque issue systems is deemed appropriate, such systems shall be implemented.

2. DIRECTIVE

Pursuant to the provisions of this directive, a request for establishment of a departmental cheque issue system must be authorized by the Deputy Head of the requesting department. The Comptroller General must approve the request prior to the system beginning operation, except where specific authority is granted by statute to other persons or bodies such as Territorial Corporations, Boards, or Commissions to operate such systems.

3. PROVISIONS

- 3.1. The request for a departmental cheque issuing system must provide the following information:
- the purpose and intended recipients of the payments, and the reason(s) why such payments cannot be handled by the existing cheque issuing system(s);
 - the expected parameters of the payments to be issued, i.e.: maximum amounts, frequency, numbers of payees;
 - the authority, legislative or otherwise, for the disbursements, and the budgetary limit of expenditures;
 - the source of the funds to be disbursed;
 - the source of funding for system development;



- the identity (position/name) of the employee(s) responsible to manage the account, and the identity (position/name) of the employee(s) with signing authority on the account.
- 3.2. The public officer responsible for operation of a departmental cheque issue system is accountable for compliance with all relevant sections of the *Financial Administration Act*, including S.27, S.30, S.32, S. 44, and is subject to the provisions contained in this directive. The public officer is also accountable to develop appropriate procedures to control payments and to ensure effective control of the banking/cheque handling activities. The financial and accounting controls developed within the department shall be established and exercised in a manner approved by the Comptroller General.
 - 3.3. The cheque issuing system must be approved by the Comptroller General prior to implementation, as well as any and all subsequent changes.
 - 3.4. The delegation of cheque signing authority must be granted and rescinded in accordance with the Comptroller General's direction.
 - 3.5. An immediate refund to the Consolidated Revenue Fund of additional funds provided to meet seasonal expenditure requirements is necessary once the need has passed, where this process is permitted.
 - 3.6. Overdrafts are not permitted in departmental cheque accounts.



Issue Date: September 2009	Effective Date: Immediate	Responsible Agency: Comptroller General/Financial Operations	Directive No: 870
Chapter: Control of Expenditures			
Directive Title: SET-OFFS, THIRD PARTY DEMANDS AND ASSIGNMENTS – GENERAL			

1. POLICY

Set-offs, third party demands and assignments are actions which may be taken by the Comptroller General to settle government accounts owing, as authorized by the *Financial Administration Act (FAA)*, S.22 and 69. The Comptroller General may determine whether:

- A debt which the Government owes to a person may be set off against a debt which that person owes to the Government;
- A debt which the Government owes to a person may be paid to a statutory authority in respect of a third party demand;
- The right to receive payment of a debt the Government owes to a person may be transferred by that person to another person through an assignment.

2. DIRECTIVE

Requests for set-offs, third party demands, and assignments received by the Comptroller General shall be administered subject to S.22 and S.69 of the *FAA*, the Assignment of Government Debt Regulations, the Provisions of this Directive and Directives 871, 872 and 873 of the Financial Administration Manual.

3. PROVISIONS

- 3.1. The Comptroller General must settle any concurrent claims against a debt owed by the Government in the following order:
 - a) set-offs of overdue amounts owing to the Government;



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- b) third party demands; and,
 - c) assignments.
- 3.2. The Comptroller General shall consult with the responsible departments and the department of Justice, as appropriate.



Issue Date: September 2009	Effective Date: Immediate	Responsible Agency: Comptroller General/ Financial Operations	Directive No: 871
Chapter: Control of Expenditures			
Directive Title: SET-OFFS			

1. POLICY

The Government of Nunavut (GN) will use all available means, including the right of set-off, to collect outstanding amounts owing to it for accounts receivable, overpayments, unpaid accountable advances, or amounts previously written off.

2. DIRECTIVE

The Comptroller General, pursuant to S.22 of the *Financial Administration Act* (FAA), the provisions of this directive and of Directive 870, may set off a debt owed to a person by the GN against a debt owed to the GN by that person.

3. PROVISIONS

- 3.1. For the purposes of this directive, "person" has the meaning as given by the *Interpretation Act*: "person includes a corporation and the heirs, executors, administrators or other legal representatives of a person".
- 3.2. The Comptroller General may invoke the right of set-off when:
 - a) payment of a debt, including accountable advances and overpayments made to a person by the government, is overdue and has not been forgiven;
 - b) fulfillment of a non-monetary obligation is overdue (the value to be determined);
 - c) a person has commenced bankruptcy or liquidation proceedings;
 - d) an employee has resigned and owes a debt to the GN;

- e) an employee voluntarily agrees to deductions from salary;
 - f) an employee has an unfulfilled obligation or debt due to the GN;
 - g) an amount was previously written off pursuant to s.24(4) of the *FAA*.
- 3.3. The Comptroller General may decide whether to obtain a full or partial recovery and whether a one time or continuous recovery is to be made.
- 3.4. The Office of the Comptroller General shall, in writing, notify the debtor of a set-off and shall provide the details of the debt settlement.
- 3.5. A set-off should neither cause a debtor undue hardship nor risk the debtor's well-being or ability to pay the debt.
- 3.6. The Comptroller General may waive the right of set-off under S.22 (2) of the *FAA*.



Issue Date: September 2009	Effective Date: Immediate	Responsible Agency: Comptroller General/Financial Operations	Directive No: 872
Chapter: Control of Expenditures			
Directive Title: THIRD PARTY DEMANDS			

1. POLICY

Third party demands received from a Federal or Nunavut statutory authority against a debt owed by the Government will be honoured where required by legislation or court order.

2. DIRECTIVE

Pursuant to applicable legislation, the Provisions of this directive and of Directive 870, the Comptroller General (or delegate) shall action specific third party demands received from a Federal or Nunavut statutory authority against a debt owed by the Government.

3. PROVISIONS

- 3.1. All third party demands must be approved by the Comptroller General (or delegate). Most third party demands received are issued from one of the following sources:
 - a) Canada Revenue Agency;
 - b) Workers' Safety and Compensation Commission;
 - c) Labour Standards Board;
 - d) maintenance enforcement demands; and,
 - e) court ordered garnishments (garnishee summons) against salary or wages.
- 3.2. The Comptroller General (or delegate) may accept or reject a third party demand against a grant or contribution payable, or third party demands received from sources other than those detailed in clause 3.1.
- 3.3. A department receiving a third party demand shall ensure that it is forwarded to the Comptroller General (or delegate).



- 3.4. The Comptroller General (or delegate) may exercise the right of set-off under Directive 871 prior to accepting any third party demand.
- 3.5. The Comptroller General shall forward all rejected third party demands or garnishments to the Department of Justice for review. The Comptroller General shall act upon the advice of the Department of Justice with respect to rejected demands.
- 3.6. In the event that total third party demands exceed the amount of the debt owing by the Government, the Comptroller General shall request advice from the Department of Justice.
- 3.7. The Comptroller General shall, in writing, provide details of third party demand payments to the person to whom the Government would otherwise pay the debt.



Issue Date: July 2006	Effective Date: June 30, 2006	Responsible Agency: Comptroller General/ Financial Operations	Directive No: 873
Chapter: Control of Expenditures			
Directive Title: ASSIGNMENTS			

1 POLICY

Pursuant to Section 69 and 107 of the FAA and Directive 9902 Assignment of Government Debt Regulations, the Comptroller General (or delegate) has the authority to accept or reject an application for an assignment of a debt owed by the GN. The approval is subject to review and recommendation of the Department of Justice and submission of appropriate backup documentation as outlined in Appendix A.

2 DIRECTIVE

Normally, except where compelled by another enactment, the GN rejects requests by *public officers* or *service contractors* for *assignment* of amounts owed to them by the GN. The GN is under no legal obligation to honor requests that a payment or payments be assigned to another supplier.

Therefore, departments should complete Request for Assignment with necessary facts and documentation to Department of Justice for their review.

After the review by the Department of Justice, the requesting Department will forward the Request for Assignment and backup documentation with the recommendation from Dept. of Justice to the office of the Comptroller General, whereupon a determination to effect the assignment will be made.

2.1 Care must be taken not to give assurances to suppliers, sub-contractors or the contractor that payment will be assigned. Contractors should be advised that approval, if accepted, may take several weeks.

2.2 Requests for Assignment

- 1) must be in writing to the Comptroller General (or delegate) in the manner stipulated in Directive 9902 Assignment of Government Debt Regulations;
- 2) must specify the particular GN transaction from which the proposed assignment arises (e.g. lease, contract, purchase order); and
- 3) must pertain to an owed payment for which funds have been committed to an expenditure within the Government's financial information system unless

expenditure and disbursement are intended for a future fiscal year (e.g., as in a multi-year lease contract).

- 4) must include appropriate backup documentation as outlined in attached Appendix A: Due Diligence Checks and Recommendation for Acceptance or Rejection.

2.3 Response to Request for Assignment

- 1) The Comptroller General (or delegate) shall in writing, notify the *assignor*, *assignee*, and the department responsible for the payment, of the acceptance or rejection of a request for assignment.
- 2) A notice of acceptance must state:
 - a) that acceptance by the Comptroller General (or delegate) does not necessarily ensure payment to the assignee;
 - b) that if payment of any debt the assignor owes to the GN becomes overdue, assigned funds are subject to being deducted or withheld by the GN to set off the overdue payment, or to honor *third party demands*;
 - c) the amounts and payment due dates of any debts owed by the assignor to the GN; and,
 - d) any intended *set-off*, or third party payment.
- 3) Requests for a general assignment of all debts owed by the GN will normally be rejected.
- 4) Proponents of assignments who contact departments should be advised to submit the request to the Comptroller General (or delegate) in the manner stipulated in Directive 9902 Assignment of Government Debt Regulations.
- 5) The Comptroller General (or delegate) shall reject assignment of any amount greater than the net debt owed by the GN after set-off and settlement of third party demands.
- 6) An application for a conditional assignment may be accepted where assurance of payment to the assignee is in the interest of the Government.
- 7) The Comptroller General may accept an assignment on the understanding that the Government will withhold for its own protection any remaining payment to the assignor after paying the assignor's debt to the assignee.
- 8) Payments by the Government under an assignment must be restricted only to the amount the assignor owes the assignee.



**Appendix A
Request for Assignment of Debt
Due Diligence Checks and Recommendation for Acceptance or Rejection
As Recommended by Department of Justice**

Name of Assignee

Name of Assignor

Assignment Amount

The following due diligence checks have been completed and/or performed and are on file for reference (X) or are not applicable (N/A)

- A copy of the Signed Assignment of Debt between the General and Sub Contractors;
- Signed Form 1 & 2 package (i.e. Form 1 & 2 FAM Directive 9902);
- Solicitor’s enforceability opinion;
- Officer’s Certificate from the company;
- Certificate of Status of the Assignor company - corporate registry;
- Bankruptcy Insolvency Act search – corporate registry;
- Writs of execution search – corporate registry.
- Evidence of surety bonding (Performance Bond or Payment Bond), if applicable
- Reason for assignment request documented on file.

Accept
 Signature, Director of Finance or Date
 Chief Financial Officer of requesting Department

No legal impediments to approval of Assignment

.....
 Signature, Department of Justice Date

Accept Reject
 Signature, Comptroller General Date
 or Delegate



Issue Date: September 2009	Effective Date: Immediate	Responsible Agency: Comptroller General	Directive No: 880
Chapter: Control of Expenditures			
Directive Title: THIRD PARTY FUNDED AGREEMENTS			

1. POLICY

The Government receives funding from third parties that is used to administer and/or deliver various programs and services. This funding is classified as either special purpose funding or cost shared funding, and must be approved in accordance with the requirements of Directive 950, Revenue and Trust Authorization.

Special purpose funding refers to activities that are wholly funded by a third party and are optional activities to the Government. If the funding is accepted, the funding is used to fulfill only that purpose on behalf of the third party. S.20(1) of the *Financial Administration Act (FAA)* allows disbursements from such funding without an appropriation, so long as the disbursements are made for the special purpose intended.

Cost shared funding refers to activities where funding is provided by a third party in support of a government approved program of expenditures. The authority of an appropriation is required for the total amount of the expenditures covered by the agreement, as stated in S.30(1) of the *FAA*. The third party funding provided is considered revenue to the Government in support of the government approved program.

2. DEFINITIONS

2.1. Third party funding

Money transferred to the Government by another party as either a special purpose funded agreement, or as part of a cost shared agreement. The Government uses the funding in accordance with the terms of the agreement.

Third party funding does not include funds ordinarily transferred within the formula financing agreement with Canada.

3. DIRECTIVE

Ministers and their delegates may enter into and administer third party funded agreements subject to the provisions of this directive.

4. PROVISIONS

- 4.1. An agreement to accept third party funding must be completed in accordance with Directive 950, Revenue and Trust Authorization.
- 4.2. To implement a cost shared agreement, an appropriation for the total annual activity must be in place. Where no appropriation exists, departments must seek approval for a supplementary appropriation, or request the Financial Management Board to reclassify an existing appropriation to cover the total cost of the proposed cost shared agreement.
- 4.3. All third party funding received must be spent for the purpose identified in the agreement.
- 4.4. Where an agreement allows for discretionary spending choices, spending decisions are to be made as follows:
 - a) For allocations of funds which are department specific:
 - i) up to \$500,000, approval by the Deputy Minister is required with notice to FMB, prior to finalization of allocations;
 - ii) over \$500,000, approval by FMB is required; with notice to the Legislative Assembly at the discretion of FMB.
 - iii) Where the agreement is a multi-year agreement, the spending threshold applies to the total value of the agreement.
 - b) For allocation of funds which may be used by multiple departments, for multiple purposes, spending allocation decisions shall be made by FMB, with notice to the Legislative Assembly at the discretion of FMB.
- 4.5. No disbursement shall be made in respect of a third party funding agreement until the initial transfer of funds has been received by the Government and deposited into the appropriate account or special purpose fund established for that purpose unless:

- a) a written agreement, made and approved as stipulated in these Provisions, provides for money to be transferred to the Government at a future date in an amount equal to or greater than the amount of the disbursement;
 - b) the agreement has been signed by duly authorized officers of the third party and the Government; and,
 - c) the disbursement is made specifically for the purpose intended in the agreement.
 - d) if multiple parties are involved, all funding agreements must be signed before any disbursements are allowed.
- 4.6. If a third party funding agreement is primarily for the benefit of the funding organization, an administration fee may be negotiated as part of the agreement with the organization in order to offset any direct and/or indirect costs incurred by the Government.
- 4.7. The disposition of unexpended balances will depend on the terms included in the third party funded agreement. The funding agreement may specify that the unexpended balance be carried over to be used in a renewal term of the agreement; it may specify that the unexpended balance must be returned to the third party; it may specify that the unexpended balance may be retained by the Government. If any unexpended balance may be retained, it must be considered general revenue, available for appropriation.
- 4.8. For multi-year cost sharing agreements, a new appropriation for the total estimated annual expenditure must be obtained each year.
- 4.9. Where a third party funding agreement provides for the acquisition of infrastructure, upfront consideration must be given to any ongoing operating and maintenance costs that will be required to use the asset. Where these costs are not provided for in the funding agreement, departments must request additional appropriations through FMB, or identify funds within their existing budget.
- 4.10. The department responsible for managing the agreement must ensure that appropriate financial systems and internal controls are used and that all requirements of the agreement are completed, including that the revenue is fully accounted for, promptly billed (using advances as necessary) and properly recorded, and that the reporting requirements are adhered to.
- 4.11. The department responsible for managing the third party funding agreement must provide quarterly reporting to Expenditure Management in a format to be specified.



- 4.12. Cost shared funding agreement values must be included within the expenditure and revenue sections of the Main Estimates and the Public Accounts.
- 4.13. Special purpose funded agreement values must be disclosed in the Main Estimates and the Public Accounts, if material.



Issue Date: August 15, 2019	Amended Date: September 20, 2020	Responsible Agency: Expenditure Management, Office of the Comptroller General	Directive No: 890
Chapter: Control of Expenditures			
Directive Title: MANAGEMENT AND CONTROL OF GOVERNMENT'S BORROWING LIMIT			

1. POLICY

The Government must not exceed the authorized borrowing limit that represents the maximum amount of the aggregate of all borrowings set by the Governor in Council pursuant to subsection 27(4) of *Nunavut Act*, and must comply with the *Borrowing Authorization Act* and the Nunavut Borrowing Limit Regulations under the *Nunavut Act*.

The Government, through the Financial Management Board (FMB), must adequately manage and control the approval of all planned use and the available balance of the borrowing limit. The Expenditure Management division of the Department of Finance and the Office of the Comptroller General assist the FMB in carrying out these duties.

Organizations included in the government reporting entity must identify and report to Expenditure Management all their current borrowings and other arrangements that fall under the scope of the borrowing limit and must obtain the FMB approval for all planned new or revised borrowings, contracts or other financial arrangements that may affect the Government's borrowing limit.

2. DEFINITIONS

Borrowing

Based on section 2 (1) of the Nunavut Borrowing Limits Regulations, each of the following constitutes or is deemed to constitute borrowing by the Government:

- a) an obligation incurred as a result of any loan of money received, including a loan made by the issuance and sale of bonds, debentures, notes or any other evidence of indebtedness;

- b) an obligation incurred as a result of any capital lease entered into where the initial value of obligation, exceeds the tangible capital asset threshold used for Public Accounts reporting;
- c) a liability incurred as a result of any sale-leaseback transaction if the Government acquires a leased tangible capital asset; and
- d) a contingent liability incurred as a result of any loan guarantee provided by the Government.

Capital lease

Capital lease is a lease of a capital asset that transfers substantially all the risks and benefits of ownership to the government. The asset is recorded as an asset of the government, and the obligation to pay is recorded as a liability.

Government Reporting Entity

The government reporting entity, as defined in the CPA Canada Public Sector Accounting Standards, comprises government components and organizations controlled by government.

The government reporting entity, for the purpose of the annual consolidated financial statement, includes all government departments, revolving funds and the public agencies listed in *Schedule A* and *Schedule B* of the *Financial Administration Act* (i.e., all territorial corporations and other public agencies, except for the Workers' Safety and Compensation Commission).

3. DIRECTIVE

The Government is required to ensure that it is fulfilling its responsibility of not exceeding the authorized borrowing limit. In order to accomplish this, it requires all organizations included in the government reporting entity to identify and report to Expenditure Management all current and proposed capital leases and borrowings, as defined in this directive, and obtain the FMB approval for planned and revised borrowings, capital leases, financial transactions or arrangements prior to incurring any obligation that may fall under the scope of the borrowing limit.

This directive applies to all government departments, public agencies or other reporting bodies that are part of the government reporting entity for the purposes of Public Accounts.

4. PROVISIONS

- 4.1. All organizations included in the government reporting entity (i.e., departments, revolving funds, territorial corporations and other public agencies) must:
 - a) identify and report to Expenditure Management all capital leases and other arrangements that fall under the scope of the borrowing limit (including interest-free loans, capital leasing, financing, guarantees, indemnities, alternative financial arrangements or other transactions); and
 - b) submit all planned and revised capital leases, borrowings and other transactions or arrangements that may affect the borrowing limit to the FMB for review and approval in advance of the related contractual or other arrangements being signed. All planned and revised borrowings of territorial corporations whose borrowings are guaranteed by the Government must be approved by the FMB.
- 4.2. Expenditure Management shall define and communicate to all organizations included in the government reporting entity the nature, extent and timing of information to be submitted in order to prudently manage and control the use and balance of the borrowing limit.
- 4.3. All organizations included in the government reporting entity shall provide appropriate information to Expenditure Management on their planned and current use of the borrowing limit, and report any changes in a timely manner.
- 4.4. Expenditure Management is responsible for updating information on the use and available balance of the borrowing limit and providing this information to senior management of the Department of Finance as and when needed.
- 4.5. The *Borrowing Authorization Act* stipulates that the Commissioner may borrow money to ensure that the Consolidated Revenue Fund is sufficient to meet disbursements lawfully authorized to be made from it. Borrowing under this Act is intended as short-term financing to meet operational cash flow requirements and not long term capital financing as defined in Section 2 (1) of the Nunavut Borrowing Limits Regulations. The borrowed amount may not exceed \$175 million at any time. If the Government borrows money under the *Borrowing Authorization Act*, the borrowed amount must be included under the borrowing limit set pursuant to subsection 27(4) of



Nunavut Act. The current amount of the borrowing limit is indicated in Appendix A.

- 4.6. The Office of the Comptroller General shall be consulted for resolution of any issues that arise in determining what constitutes a planned or actual use of the borrowing limit (e.g., capital leases, guarantees, and alternative financial arrangements).
- 4.7. The Public Accounts shall include summary disclosure of the use and availability of the borrowing limit as at the fiscal year-end.



Appendix A

On September 20, 2020, the Governor General in Council, pursuant to subsection 27(4) of the *Nunavut Act*, set the maximum amount of the aggregate of all borrowings at **\$750 million**; [P.C. 2020-0662].