

FALLON PAIUTE- SHOSHONE TRIBE



Financial Management Policies & Procedures Manual

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Chapter 1 – Introduction

1.10 STATEMENT

The Fallon Paiute-Shoshone Tribe, (“Tribe”), a federally recognized tribal government, in its commitment to its members, strives to provide the highest levels of professionalism and performance in its management of the Tribe’s finances and resources. The Tribe has created this Financial Management Policy & Procedures Manual (hereinafter referred to as “Policy” or “Policy & Procedures Manual”) to update policies and procedures that are outdated or inconsistent with practices and to establish a set of practices that the Tribe follows to maintain integrity and efficiency as it conducts its business on behalf of the interests of the Tribe and its members.

1.15 THE FINANCIAL MANAGEMENT POLICY & PROCEDURES MANUAL

The Fallon Paiute-Shoshone Tribe’s Financial Management Policy & Procedures Manual sets forth the general budgeting and accounting policies, rules, regulations, and guidelines for use by tribal departments and programs in the planning, budgeting, managing, and reporting of the Tribe’s financial processes. The Manual is to be used as a tool to ensure that the Tribe’s budgetary, accounting, and financial information remains timely, integrated, easily accessible, and accurate. The Manual is an essential element used to achieve the Tribe’s goals to gather data and to produce reports with the financial information needed to effectively plan activities and control operations for the services provided to the members and residents of the Fallon Paiute-Shoshone Tribe. The purpose of the Manual is to document and prescribe the policies and processing necessary to execute the budgets and report on the operations of the Tribe. The goals of the Tribe’s budget and accounting policies are to:

- Comply with all legislation, rules, and regulations;
- Establish accountability and safeguard Tribal assets;
- Recognize and record all transactions;
- Expend resources only for authorized purposes;
- Provide financial management information; and
- Ensure all financial processes are executed consistently, accurately, transparently, completely, economically, efficiently, effectively, responsibly, and in a timely manner.

1.20 CONSTITUENTS AND USERS OF THE MANUAL

The Manual provides budgeting and accounting guidance and instruction to elected and appointed officials, tribal employees, internal and external auditors, directors/managers, financial decision makers, and administrative support personnel. It is a point of reference for tribal employees and users of the Tribe’s finance and accounting system.

1.25 **POLICY & PROCEDURES MANUAL AUTHORITY**

The Fallon Business Council, the governing body of the Fallon Paiute-Shoshone Tribe, hereby directs the establishment of its system to prescribe the manner, methods, and forms to be used by departments and programs to ensure appropriate control of the fiscal affairs of the Tribe. The accounting practices of this Financial Management Policy & Procedures Manual are not simply recommendations, but are directives and policies of the Tribe for which there must be compliance by all officials, management, departments and programs to ensure compliance with applicable federal and tribal regulations, and generally accepted accounting (GAAP) principles.

1.30 **THE TRIBE’S FIDUCIARY RESPONSIBILITIES**

The Tribe collects various type of restricted and unrestricted revenues, taxes, and fees and in turn provides vital services to tribal members, residents, employees, employers, customers, vendors, investors, and others, and manages its assets and capital infrastructure as planned and approved. The budget and accounting practices of the Tribe are in place to protect the use of these monies and ensure fiscal accountability. The Tribe has a responsibility to demonstrate compliance in its use of its resources, including externally and internally imposed restrictions, and further in a budgetary context. The Tribe must also take into account the long-term interests of its government in fulfilling its fiduciary responsibility to its members. In addition to using Tribal funds lawfully and in compliance with their intended use, the Tribe is committed to a culture of personal integrity and ethics applicable to all elected and appointed officials and employees. The Tribe expects the exercise of diligence, objectivity, and honesty in the conduct of its professional activities and the avoidance of situations that constitute, or appear to constitute, a conflict of interest. Elected and appointed officials and employees must execute good judgment and common sense to avoid negligent, fraudulent, inappropriate, or unlawful expenditures, or misuse or misappropriation of Tribal assets.

1.35 **THE ROLE OF RESPONSIBLE ACCOUNTING**

(a) **Purpose.** Accounting is the process of identifying, measuring, and communicating economic information to permit informed judgments and decisions by users of the information. In order for the Tribe’s financial reports to be useful and accurate, the government must present its financial data fairly, timely, and with full disclosure, and it must demonstrate compliance with financially related legal and contractual provisions. Financial data and reports are used by managers and business units for day-to-day and long-term decision making, including the formation of annual budgets.

These accounting policies provide the Tribe with the tools needed to effectively move decision-making to appropriate levels, streamline administrative processes, and provide a basis for individual and departmental accountability. Accounting also provides reports that are needed by entities outside the Tribe who provide funding through contracts and grants, investment in business units, or lend money/extend credit, or other agreements properly approved by the Tribe’s governing body.

- (b) **Accountability.** Governments are held accountable for the efficient and economic operation of their programs and services, businesses and fiduciary funds. Governments are also accountable for the results of their activities, as evidenced in accomplishments, benefits, and effectiveness. Governmental accountability extends to tribal members; the Council and other oversight bodies; and to investors, creditors, and others who are involved parties. Governments have a responsibility to many stakeholders, and this accountability is a primary force and focus for governmental financial reporting:
1. Tribal Members want justification for the taxes that have been collected and/or the use of the Tribe’s revenues from investments or business entities -- to know their government is using the revenues wisely, responsibly, & in accordance with intended objectives, and have the ability to meet its financial obligations on an on-going and long-term basis.
 2. The Council and other oversight bodies (tribal, federal, or state) want to know the government is carrying out its programs in compliance with the rules, laws, regulations, and within the budgets that were appropriated or awarded for the Tribe’s various programs and services.
 3. Investors, creditors, banks, and other lenders want to determine that the Tribe is able to meet its financial obligations in repaying both short and long term debt.
- (c) **Reporting Requirements.** The accurate gathering of the Tribe’s financial information and activities is required in order for the Tribe to meet its annual reporting requirements. Each year, the Tribe is required to have an independent audit conducted of its finances based on GAAP standards. GAAP establishes financial reporting criteria for governmental entities, in order for the governments’ financial performances to be reasonably compared to one another. The Fallon Business Council and the Tribal Treasurer have identified the GAAP statements to be presented in accordance with the Governmental Accounting Standards Board for the annual independent audit, and is considered to be the official annual record of the financial activities of the Tribe.

1.40 FINANCIAL ROLES & RESPONSIBILITIES

- (a) **Overview.** This policy & procedures manual sets forth responsibility for the custody and use of specific assets, and the accounting requirements to accumulate and report essential data, including the computation of depreciation and amortization, when necessary.
- (b) **Tribal Treasurer’s Role.** The supervision, management, and oversight of the Tribe’s budgeting, accounting, and fiscal activities is a constitutional function of the Tribal Treasurer who oversees a finance department to assist in some of the following processes: the development and ongoing maintenance of the Tribe’s finance and accounting system; the annual compilation and execution of the Tribe’s operating, capital and settlement fund budgets; and ensuring proper approvals over the Tribe’s daily transactions.

(c) **Finance Department’s Role.** The operations of the Finance Department are coordinated by the Tribal Comptroller who is under day-to-day supervision of the Treasurer. The Treasurer, Comptroller, along with the professional staff in the Finance Department shall:

1. Develop and implement in strategic long and short-range fiscal planning, goal setting and cost benefit analysis for and with the Tribe and in the design and establishment of strategic financial services to support new and expanding Tribal departments/programs.
2. Develop, prepare, and interpret annual and periodic financial reports and statements used by Council, committees, Tribal Treasurer, Tribal Administrator, Tribal Department Directors and Managers.
3. Identify develop, and implement standardized accounting policies, procedures, and ordinances in accordance with Generally Accepted Accounting Principles and Governmental Accounting Standards.
4. Ensure and maintain a system of internal controls for all accounting transactions and administrative controls as related to employees, assets, purchases, procurement, budgeting, and compliance with generally accepted accounting principles, grantor imposed federal or state compliance requirements, and governmental accounting standards.
5. Monitor and report single and multi-year budgets, including statistical analysis of current and historical data; research trends to forecast tribal revenues, projected use of assets or resources and tribal budgets, and develop cost-effective recommendations.
6. Perform regular reviews and evaluations of actual-to-budget performance during the budget cycle; determine trends affecting budget implementation; prepare financial reports comparing current budget and costs to previous years; recommend and prepare reports with corrective actions as appropriate.
7. Coordinate efforts of the financial reporting system to ensure accurate and timely information.
8. Manage and monitor Tribal investment funds in accordance with established policies; interprets and summarizes data trends of investment risks; reports variances in investment expectations.
9. Work with the Human Resource (HR) Department and Tribal Administrator to evaluate costs of the employee benefit plans and propose changes/recommendations to the Council.

1.45 FINANCIAL DEPARTMENT STANDARDS OF CONDUCT

The Treasurer and all personnel in the Tribe’s Finance Department hold an important role in the tribal government, vested with both the responsibility and authority to protect, balance, and preserve the interests of the Tribe and its members, as well as to various federal agencies and tribally mandated fiduciary activities.

The Tribe's Finance Department shall fulfill this responsibility by prescribing and enforcing the policies and procedures employed in the operation of the Tribe's finance department and by acting in good faith and in the Tribe's best interests in accordance with the standards of conduct in this section, and within this Financial Policies & Procedures Manual, and other applicable tribal and federal laws, policies, and regulations.

(a) **Honest and Ethical Conduct.** Personnel in the finance department will exhibit and promote honest and ethical conduct through the establishment and operation of policies and procedures that:

1. Encourage and reward professional integrity in all aspects of the finance department, by eliminating inhibitions and barriers to responsible behavior, such as coercion, fear of reprisal, or alienation from the financial organization or the government and its entities ;
2. Promote the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.
3. Provide a mechanism for members of the finance department to inform the Treasurer or the Chairman of deviations in practice from policies and procedures governing honest and ethical behavior.
4. Respect the confidentiality of information acquired in the course of work, except when authorized or otherwise legally obligated to disclose such information, and restrict the use confidential information acquired in the course of work for personal advantage.
5. Demonstrate their personal support for such policies and procedures through periodic communication reinforcing these ethical standards throughout the finance organization.

(b) **Financial Records and Periodic Reports.** The Treasurer and finance department will establish and manage a financial management revenue and expenditures systems and procedures to provide that:

1. Transactions are properly authorized and accurately and timely recorded on the Tribe's books and records in accordance with GAAP and established Tribal financial policies.
2. No false, fraudulent or artificial statements or entries for any purpose are made in the Tribe's books and records, financial statements and related communications.
3. The retention or proper disposal of tribal records shall be in accordance with established records retention policies and applicable legal and regulatory requirements.
4. Periodic financial communications and reports will include full, fair, accurate, timely and understandable disclosure to governing officials.

(c) **Compliance with Applicable Laws, Rules and Regulations.** The Treasurer and finance department personnel will establish and maintain mechanisms to:

1. Educate members of the finance department about any tribal, federal, or other applicable statute, regulation or administrative procedure that affects the operation of the finance department;
 2. Monitor the compliance of the finance department with any applicable tribal, federal, state or other applicable statute, regulation or administrative rule.
 3. Identify, report and correct in a swift and certain manner, any detected deviations from applicable tribal, federal, or other applicable statute or regulation.
- (d) **Reporting of Non-Compliance.** Members of the Finance Department will promptly bring to the attention of the Comptroller and/or Treasurer:
1. Significant or material information that affects the disclosures made by the Tribe in its audit report and other filings to appropriate tribal and non-tribal agencies.
 2. Information concerning significant or material deficiencies in the design or operation of internal controls that could adversely affect the Tribe’s ability to record, process, summarize, and report financial data.
 3. The Treasurer will promptly bring to the attention of the Council:
 - a. Fraud, whether or not material, that involves management or other employees who have a significant role in the Tribe’s financial reporting, disclosures or internal controls.
 - b. Information concerning a violation of this Financial Policies & Procedures Manual, including any actual or apparent conflicts of interest between personal and professional relationships, involving management or other employees who have a significant role in the Tribe’s financial reporting, disclosures or internal controls.
 - c. Evidence of a significant or material violation by the Tribe or its employees or agents of applicable laws, rules or regulations.
- (e) **Disciplinary Action.** In the event of violation by a member of the Finance Department of this section or the Tribe’s Financial Policies & Procedures Manual, the immediate supervisor shall recommend and implement appropriate disciplinary and remedial actions as provided in the Tribe’s Personnel Policies.

1.50 FINANCIAL DEPARTMENT CONFIDENTIALITY PROVISIONS

- (a) **Introduction.** As a general principle, information relating to the Tribe’s finances for personnel and personal matters, as well as clients is privileged and should be regarded by all current and former employees as confidential. Breaches of confidentiality may be deemed as misconduct – even gross misconduct in serious cases – and will be dealt with in accordance with the Tribe’s disciplinary procedures under its Personnel Policy.

Individuals whose employment with the Tribe's Finance Department is terminated are still bound by this confidentiality section. Former employees who share confidential information with a third party may face civil legal action, or in serious cases, be prosecuted, depending on the type of information that was released/disclosed.

- (b) **Confidential Information Regarding Personnel.** In the course of its normal business, the Tribe's Finance Department collects and maintains certain information about its personnel, in accordance with standard and established applicable regulations, business custom and practice. The Finance Department holds details of salary and expenses payments made to employees, as well as information regarding vendors, clients, and contractors which may be confidential in accordance with contracts and applicable tribal and/or federal laws, regulations, provisions. This information is confidential and is only routinely made available outside of the Finance Department to the Tribal Administrator and/or a department head, upon written request and approved from the Chairman and Treasurer. The information may be made available to the Fallon Business Council acting in an official capacity on behalf of the Tribe in specific circumstances. It is not available to other members of staff, or to parties outside the Tribe unless authorized by the Fallon Business Council or as provided for in the Tribe's Constitution and By-Laws.

- (c) **General Confidentiality Statement.** Respect the confidentiality of information acquired in the course of work, except when authorized or otherwise legally obligated to disclose such information, and restrict the use confidential information acquired in the course of work for personal advantage.



Chapter 2 – Internal Control Systems

2.10 PURPOSE

The reliability which the Tribe can place upon its financial records is dependent upon the effectiveness of the procedures and controls which are adopted and implemented to ensure that the results of transaction processing are reflected accurately, timely, consistently and completely in those records. Controls must ensure that assets are not exposed to unauthorized access and use. Management has the responsibility to establish and maintain an adequate system of internal control and to furnish to the Council, governmental agencies, and other approved constituencies' reliable financial information. An adequate system of internal control is necessary for management to discharge these responsibilities.

2.15 RESPONSIBILITIES

The Tribal Treasurer and Comptroller have the fiduciary responsibility for the accounting records of the Tribe and the ultimate responsibility for the adequacy and effectiveness of the overall system of internal control. In order to meet these responsibilities, the Tribe is required to:

- (a) Construct and maintain a double-entry accounting system, records and accounts which, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets for the Tribe's respective operating units and governmental, enterprise and fiduciary funds.
- (b) Establish and maintain a system of administrative control which promotes operational efficiency and effectiveness, and ensures adherence to tribal policies and procedures. These controls include, but are not limited to, budgets, schedules, job assignment and monitoring sheets, policy and procedure manuals, organization charts, job descriptions, employee training programs and various quality controls.
- (c) Establish and maintain an adequate system of internal accounting control sufficient to provide reasonable assurance that:
 1. Transactions are executed in accordance with Tribe's management's general or specific authorization;
 2. Transactions are recorded as necessary (a) to permit the preparation of financial statements in conformity with generally accepted accounting principles and the Tribe's financial and accounting policies, and (b) to maintain accountability for tribal assets;
 3. Access to assets is permitted only in accordance with management's general or specific authorization; and
 4. The recorded accountability for assets is compared with existing assets at reasonable intervals and action is taken with respect to any differences.

2.20 INTERNAL CONTROL OBJECTIVES

The procedures set out to control its operations are collectively known as a system of internal controls. These procedures are designed to encourage policy adherence, promote operational efficiencies, protect the Tribe's assets, prevent fraud/theft and mitigate risk exposure, ensure accurate and reliable accounting data and help prevent the appearance of impropriety. Each chapter provides procedures that frame this internal control system, but the common, broad principles of internal control are:

- (a) **Responsibilities should be clearly established in a given situation or for a given task.** Each person or position is identified and bears clear responsibility. When responsibility is shared and something goes wrong, it can be difficult to determine an exact cause.
- (b) **Responsibility for related transactions should be designed with clear segregation of duties.** Responsibility for a divisible transaction or a series of related transactions should be divided between individuals so that the work of one acts as a check on that of another (segregation of duties). For example, responsibility for placing orders, paying vendors and reconciling accounts payables should not be given to one individual. Doing so invites laxity and carelessness in checking the accuracy and quality of the Tribe's financial records, as well as in verifying the validity and accuracy of invoices, and increases the risk for errors or fraud, and may allow opportunities for purchasing items for personal use and/or fraudulent payments of fictitious invoices.
- (c) **Adequate asset records should be maintained.** Good records enhance control by making specific employees responsible for the care and protection of assets and mitigate its risk for the misappropriation or theft of assets. When an organization has poor accounting control over its assets, dishonest employees soon become aware of this and may be quick to take advantage.
- (d) **Record keeping and custody should be separated.** The person who has access to or is responsible for an asset should not maintain the accounting record for that asset. When this principle is observed, the custodian of an asset, knowing that another person keeps a record of the asset, is not apt to either misappropriate the asset or waste it, and risk is mitigated in that the record keeper has no reason to falsify the record. Furthermore, this mitigates the risk that the asset could be misappropriated and the theft concealed in the records, and reduces the risk for collusion.
- (e) **Personnel should be rotated.** Whenever possible, employees should be rotated in their job assignments. This has a number of advantages. An employee is less apt to be careless or to intentionally commit a wrong when he knows his action will likely be brought to light when job assignments are changed. Also, an employee who has handled a number of assignments in his department is usually more capable at any one job because he understands how that job fits into the work of a department. Finally, a department's work does not cease when a key employee is ill or absent; other employees can perform these functions.

- (f) **Employees.** An internal control system will not function properly unless the employees cooperate and perform their tasks competently and in the prescribed manner. When employees do not understand the need for certain procedures or feel the procedures cause them unnecessary work, they will often avoid the procedures and, thus, destroy the effectiveness of the entire system. Consequently, an internal control system should be designed to cause the employees the least amount of work and inconvenience, and the reasons for its prescribed procedures should be fully explained.
- (g) **Management should constantly review the control system.** An internal control system, no matter how well designed, cannot be expected to function properly without periodic examination and review. An examination or audit may disclose that prescribed procedures are not being followed or that better control or better work at less cost will be gained with a change in the procedures.

2.25 ESTABLISHMENT OF BANK ACCOUNTS

The Fallon Business Council is the only entity that can authorize the establishment or disposition of any bank or investment account and designate authorized check signers. The Treasurer, upon receipt of a resolution authorizing the establishment, disposition, or designation, shall coordinate with the Tribal Comptroller and the Tribe's approved banking entity to set up or dissolve a bank or investment account or to designate authorized signers. Two signators shall be required for checks and transfers.

Financial institutions where tribal accounts are maintained will be notified of any changes in check signers following the election and swearing in of Council officers and members, or as the Council deems appropriate in special circumstances. Any changes in check signers must be approved by Council resolution.

2.30 SEGREGATION OF DUTIES

In establishing the proper segregation for financial duties, generally the party that has access to or possession of an asset should not be the party that maintains the accounting records for the asset. A few examples are:

- The division of responsibility for accounts receivable records and cash receipts.
- The preparation of monthly bank reconciliations by an employee not responsible for disbursing cash or depositing cash.
- The division of responsibility between the person with the ability to enter or change data in an automated system and the person who provides the approval for the transaction.

Access to the Tribe's financial management and accounting system is structured to ensure segregation of duties, as well as to promote security and accountability. Users are not permitted to share internal individual logon ID's or passwords under any circumstances (excluding as necessary with the Tribe's Information Technology (IT) Department). Sharing this information is a direct security violation. Violation of security measures weakens the overall internal control structure of the Tribe. The Tribe will promptly disable a user's access if the sharing of IDs and/or passwords is discovered.

When segregation of duties is impossible or impractical, management should look for other methods of ensuring internal controls, such as regular periodic supervisory reviews, rotation of duties, edits built into automated systems, unannounced verification of assets, etc.

2.35 DOCUMENTATION OF INTERNAL CONTROL SYSTEMS

Internal control systems must be documented. The nature and extent of documentation will depend upon the operating environment of each business function, and may take various forms including, but not limited to:

- (a) Written policies and procedures.
- (b) Formalized reporting responsibilities within the activity and descriptions of authority and responsibility. These may be in the form of organization charts, job descriptions and/or narratives.
- (c) Control objectives and control techniques which contribute to the achievement of those objectives.
- (d) Flowcharts of systems with the identification of key control points.
- (e) Support for decisions regarding the implementation of controls, preferably in a cost-benefit format.

2.40 LIMITATIONS OF INTERNAL CONTROLS

Internal controls are not foolproof. Management's monitoring of and attitude towards the adherence to control procedures are critical to making controls work. The objective of internal controls is to provide reasonable assurance that management's defined control objectives are being met. The concept of reasonable assurance recognizes that the cost of the system of internal accounting controls should not exceed the benefits expected to be derived, and also recognizes that the evaluation of the cost-benefit relationship requires estimates and judgments by management.

2.45 RECONCILIATION AND CERTIFICATION REQUIREMENTS

The management of the Finance Department is required to ensure compliance with the following reconciliation and certification requirements:

- Required to review, reconcile, and monitor transactions and accounts on a daily, weekly, or monthly cycle, as established and needed. The preparer of the financial document is required to initial and date the document as evidence of preparation and/or data entry. Employees should report any discrepancies in any transaction or account to the Treasurer or Comptroller as soon as they become aware of the discrepancy.
- Management is required to review tribal financial management and accounting system reports for verification of accuracy as part of each agency's regular monthly reconciliation process.
- Management is required to certify they conducted an annual review of the Tribe's financial management and accounting system Internal Controls Plan, and that the operations were analyzed to ensure compliance with the plan.

- The Treasurer and Comptroller/Finance Director are responsible for authorizing corrections to the accounts and records maintained in the Tribe's financial management and accounting system.

2.50 AUDIT AND COMPLIANCE

- (a) **General Provisions.** The Tribe shall conduct annual audits as required by the Tribe's Constitution and Bylaws, and may conduct other periodic audits as required by the Council, of their activities to make sure they are in compliance with tribal/federal law, grantor or regulatory requirements, applicable federal OMB circulars, GASB, and the Tribe's Constitution and Bylaws. These audits may be conducted by internal or external auditors.
1. Internal Audits are management oriented. These audits gather information that is reported back to management and tribal officials to assure the Tribe that they are in a position to make informed decisions and internal controls and required compliance items are properly designed and operating. These audits can also detect areas in need of internal controls revisions or improvements; activities and practices that may require process changes to bring them into alignment with required policies; and opportunities for Tribal departments to improve the way services are delivered.
 2. External Audits are oversight oriented. These independent audits contribute to the transparency and reliability of the Tribe's annual financial reports. External auditors report to the Tribal government and to required designated officials to assure effective legislative and regulatory oversight of the Tribe's government, business and fiduciary activities.
- (b) **Evaluation.** Internal Control processes must be evaluated on a regular basis by internal or external parties to satisfy finance management and elected officials that activity and system controls are adequately designed for their intended purposes, have been properly implemented, and continue to function. Regular audit and compliance checks enable the Tribe to identify changes, modifications, and corrective measures needed for continued prudence in the management of all tribal funds, including non-tribal grants/contracts.
- (c) **Documentation Requirements.** Effective internal controls include proper documentation of all procedures, systems and processes for authorizing, executing and recording transactions. Management uses financial and other data from various program activities and events to make the daily and long term decisions needed to effectively control operations and implement the Tribe's approved strategic plans. Transactional data must be promptly and accurately recorded, and all source documents must be preserved as evidence of support for each transaction and for audit purposes. Employees should contact the Finance Department with any questions about what documentation is required to support transactions.

- (d) **Reporting Requirements.** The accurate gathering of the Tribe’s financial information and activities is required to meet its various reporting requirements. Each year, the Tribe has an independent auditor conduct a Single Audit as required under OMB Circular A-133 when applicable, based on requirements of the Government Accountability Office (GAO) standards and shall be conducted with the Tribe’s annual financial statement audit. The Finance Department shall maintain a listing of all required financial reporting requirements to effectively ensure the Tribe’s financial required reporting responsibilities are met.
- (e) **Penalties.** Failure to adhere to the policies and procedures as outlined in this policy, or as disseminated from time to time by the Council, may result in restricted or limited access to the Tribe’s financial management and accounting system, disciplinary action, dismissal, and/or legal action.

2.55 RECORDS RETENTION

- (a) **Procedures.** These procedures have been established to provide consistent operational practices among the various Tribal departments/programs and to ensure compliance with applicable federal or tribal regulations.
- (b) **Applicability.** The financial records are property of the Tribe and include: annual reports, budget and financial statements, general ledger and subsidiary ledgers; contracts produced or received, spreadsheets or other software programs that document calculations, memoranda, correspondence, planning documents and receipts, email messages to the extent they authorize or provide substantiating information, or other documentation of individual entries made in the transaction of business.
- (c) **Records Retention Schedule.** When requirements for long-term retention of records overlap, the responsible office should retain records for the maximum period needed to meet both legal and audit requirements. After completion of audit is defined as the date the audit report is issued, and/or any findings have been resolved. Tribal personnel and consultants are required to comply with the following retention periods as listed in the Schedule below:

Financial Document	Required Retention Period
1. Accounting Transactions	6 years after completion of audit
2. Original Journal or Budget Entries	5 years after completion of audit
3. Supporting documentation for transactions	5 years after completion of audit
4. Travel Expense reports, advances, and supporting documentation	3 years after completion of audit
5. Trial Balance reports	5 years
6. Audited Financial Statements	Permanent
7. Internal annual financial statements	5 years

8. Annual approved budgets	7 years
9. Accounts Receivable invoices, trial balances and ledgers	5 years; or 3 years after audit is completed
10. Purchase Order & Supporting Information (specifications, bids, quotes, contracts, etc.)	5 years; or 3 years after audit is completed
11. Accounts Payable invoices, vouchers & support info. (packing slips, freight records, bills of lading, etc.)	5 years; or 3 years after audit is completed
12. Check registers (Accounts Payable, Payroll, Other)	5 years; or 3 years after audit is completed
13. Capital Asset records (including depreciation)	3 years after final disposition
14. Capital project building & renovation records (including contracts)	3 years after final disposition
15. Time and attendance records (timecards, rosters, and attendance cards)	5 years; or 3 years after audit is completed
16. Payroll distribution reports and supporting information	5 years; or 3 years after audit is completed
17. Records (including leave documentation) for both current and former employees	5 years; or 3 years after audit is completed
18. Records of employee deductions, contributions and related information	5 years; or 3 years after audit is completed
19. Annual W-2, 1099, and other individual tax reporting	7 years

(d) **Media.** Documents may be stored on the most efficient and effective media available as long as the long-term retention and usefulness of the records are maintained, and the viability and accuracy of the transfer to the archived media are ensured. The Tribe shall maintain a log of the records outlined above with appropriate data noted, such as, dates of records, dates to be destroyed, storage location and type of storage, etc.

(e) **Methods of Disposal.** At the end of the required retention period, financial records may be disposed of in a secure manner unless they support current audit or litigation. Disposal of these records, though, shall be documented by signature of the Treasurer and a tribal law enforcement officer.

(f) **Confidentiality.** In order to safeguard the privacy of individuals, documents that contain salary information, social security number and name are treated in a highly confidential manner. Access to these documents is allowed only on a need to know basis in connection with the processing of such information in the conduct of specific job duties, or with written approval of the Chairman and Treasurer.



Chapter 3 – Accounting Framework

3.10 PURPOSE

The Tribe's accounting framework is structured based on generally accepted accounting principles (GAAP) using appropriations and funds to track and manage anticipated revenues and expenditures/expenses. GAAP standards for governments are followed and used to establish the measurement and classification criteria for meaningful financial reporting. Each year as applicable, the Tribe's Single Audit report, which serves as its official record of its federal financial compliance activities of the Tribe's finances, will be conducted by a certified public accountant as part of the annual financial statement audit. The Tribe uses the applicable basis of accounting for governments to manage its day-to-day operations. This chapter provides a brief explanation of appropriations and funds used to segregate and manage the Tribe's operating/capital activities and resources.

3.15 BUDGET AND APPROPRIATIONS

- (a) **Overview.** An appropriation is a budgetary tool used to control spending and demonstrate its budget compliance. The term may also refer to an allocation or set aside of monies for specific purposes, or a specific account used to segregate funds (e.g. an account code, a spending line item). A budgetary appropriation is an authorization granted by the Fallon Business Council to identify resources and make expenditures and incur obligations for specific purposes. The Council, on an annual basis, approves its budget and identifies its appropriated resources that outline the amount of funding allocated to programs and businesses for a specific fiscal year. The annual budget and appropriations are approved by Council Resolution which is the means by which the budget and its appropriations are given legal effect. Upon approval by the Council, the budget and appropriations are officially adopted and spending may occur within the annual budget for the Tribe. Any further or special appropriations authorized after the initial approved budget action is taken on the annual budget and appropriations process is referred to as a supplementary appropriation which must be approved by a 2/3 vote of the Council. The Tribe's appropriations represent spending authority granted by the Council and tribal departments/programs are not permitted to spend beyond their annual appropriated amounts.
- (b) **Implementation, Tracking, and Monitoring.** After the annual budget is approved the budgets are sent to the Treasurer who authorizes the establishment of budgetary accounts by the Finance Department in the Tribe's finance and accounting system, to record the specific spending authorizations granted by the Council. The applicable revenue and expenditure accounts are credited with the original and any supplementary appropriations and actual amounts are recorded throughout the year to the approved budgeted line items.

The Tribe tracks revenues, transfers and expenditures by appropriation using specific reference identification established within its chart of accounts with unique program, project, and/or activity codes. These items are then compiled into financial reports that can be used, internally and externally, to help in the financial management of the Tribe.

- (c) **Use of Encumbrances.** The Tribe also uses encumbrances as a means of monitoring budgetary control. Encumbrances are reservations of available appropriations or cash; an encumbrance is recognized when a purchase order transaction is recorded in the Tribe’s finance and accounting system. Encumbrances shall be reviewed periodically to ensure the amounts are complete and valid, and to ensure proper dispositions of encumbrances are made.

3.20 TRIBAL FUNDS

- (a) **Overview.** Fund accounting is a method of segregating resources into categories (funds) to identify both the source and the use of monies. For budgetary purposes, the financial activities of the Tribe are segregated into two individual funds based upon the various operating, financial, and budgeting controls needed to successfully account for and safeguard the Tribe’s receipts and expenditures.
- The Tribe’s budgetary funds are known as the General Fund and the Special Fund. NOTE: These tribal budgetary funds are not to be confused with the generic fund types used for governmental accounting and GAAP reporting.

- (b) **General Fund (GF).** General Fund monies are used to finance and account for the ordinary operations of Tribal government departments or agencies. The GF is appropriated by the Council for any legally authorized purpose, and it is used to account for all revenues and disbursements not provided for in other externally or tribally designated restricted funds (see Appropriated Special Funds below).

All GF monies are considered tribal funds and may be encumbered and expended upon establishment of the appropriation in the Tribe’s finance and accounting system. The GF includes all funds derived from taxes, fees, permits, licenses, fines, forfeitures, or from any other sources or receipts, unless specifically exempted or provided by law.

- (c) **Special Fund (SF).** Special Funds refer to funds of special revenue source funds (not General Funds). SF is any fund that must be devoted to some special use in accordance with specific regulations and restrictions. Special Funds are usually created through statutory provisions or external agreements such as grant awards, to provide certain activities with specific and continuing revenues and are used for the general operation of these restricted and specified government services. The Tribe uses two Special Fund category types: Appropriated Special Funds and Federal Funds:

1. **Appropriated Special Funds (ASF)** – A special fund type that the Council has specifically required by tribal statutory or other applicable legal requirements (i.e., the Tribe’s settlement fund spending accounts). Annual

budget requests must be submitted through the Tribe’s annual budget process and must be approved by the Council. ASF may be appropriated from specific tribal funds. Annual expenditures against ASF monies may not exceed the appropriation limit authorized by the Council.

2. **Federal and other Grant Funds** – Spending authority for federal, state or other grant funds (including Self-determination contracts, Memorandum of Agreements, etc.) is based on authorized grant awards. Departments/programs receiving federal, state or other funds may encumber and expend up to the full amount of awarded grant funds, regardless of whether or not the funds have been received. The Tribe, in accordance with applicable grant award provisions or regulations, may ensure spending restrictions of grants are complied with. Federal and other Grant Funds are not considered tribal funds, and remain subject to the financial and procurement rules, policies, and restrictions of the Tribe, and/or other special conditions of the grant awards.
- (d) **Types of Special Funds.** The SF includes, but is not limited to, the following funds and accounts:
1. Accounts established by departments/programs, with approval of the Council, for the collection of special revenue and/or receipts for items, such as:
 - Third-Party Billings fees collected from private health insurance, Medicare or Medicaid billing and patient fees; and
 - Program-Generated Revenue (program income) that is designated by grant award provisions and/or the Fallon Business Council as being for use by the department and/or program that generated such funds; and
 2. Settlement Fund categories, with the exception of Tribal Government – Operating Costs that are accounted for in the GF;
 3. Federal and State Aid Funds, which consist of accounts established to record the receipt and expenditure of grants received from the federal, state, and/or other local units of government; and
 4. Indirect Cost Fund - Accounts established for tribal, department, and divisional indirect cost recoveries from programs financed in whole or in part with indirect costs or contract support funds, and also accounts for the expenditures of the indirect cost pool expenditures. Amounts charged as indirect to direct programs for shall be calculated and recorded monthly in accordance with the Tribe’s approved indirect cost rate and budget.

3.25 FINANCIAL REPORTING

- (a) **Overview.** In addition to the budgetary and financial accountability considerations of its governmental accounting, the Tribe is required to conduct an annual audit of its financial statements in accordance with generally accepted accounting principles and auditing standards. The information in the audit should include the complete financial activities of the Tribe's financial reporting entity.

(b) **Tribal Financial Reporting Entity.** The financial reporting entity of the Fallon Paiute-Shoshone Tribe consists of:

1. The primary government. The primary government consists of all funds, departments, and agencies that make up the legal entity of the Tribe's governing body through its Constitution and governing laws.
2. Separate legal entities, or component units, for which the Tribe is financially accountable. Financial accountability exists if a primary government appoints a voting majority of the agency's governing body and either:
 - Is able to impose its will on that agency; or
 - Has the potential for the entity or agency to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental agencies with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on the primary government.

An agency is fiscally dependent if it is unable to determine its budget without another government having the substantive authority to approve or modify that budget, to levy taxes or set rates or changes without substantive approval by another government, or to issue bonded debt without substantive approval by another government. The Tribe currently does not include its tribal enterprises from inclusion into its annual primary government audit (i.e., the Fallon Tribal Development Corporation). The Tribe, though, does require its enterprises to conduct their own independent annual audits, which are separately reported to the Fallon Business Council.

The Tribe, though, reserves the right to develop a tribal-wide audit that incorporates all separate entities for internal use and dependent on the costs associated with such a task and the ability to integrate reports from multiple auditing firms.

3. Other agencies (including component units, joint ventures, jointly governed agencies, and other stand-alone governments) for which the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.
4. The Tribe's primary government may also be required to submit a Single Audit Act report in accordance with federal law and Circular OMB A-133, which is submitted to the Federal Audit Clearinghouse. The Tribe will determine the appropriate reporting for Single Audit in accordance with the applicable law and government GAAP to ensure it complies with the Single Audit Act.

- (c) **Measurement Focus of Accounting for Financial Reporting.** Measurement focus is concerned with what financial transactions and events will be recognized in the accounting records and reported in the financial statements. Measurement focus is concerned with the inflow and outflow of resources - what is being measured. While a number of measurement focuses exist, the following two are fundamental to current governmental accounting principles:
1. Flow of economic resources (accrual basis) considers all of the assets available to the governmental unit for the purpose of providing goods and services. Under this focus, all assets and liabilities, both current and long-term, are recorded within the fund and depreciation is recorded as a charge to operations.
 2. Flow of current financial resources (modified accrual basis) measures the extent to which financial resources obtained during a period are sufficient to cover claims for those resources incurred during that period. The emphasis of this focus is on cash and assets that will become cash during or shortly after the current period. Long-term capital assets and long-term obligations are not recorded within a fund under this measurement focus.

3.30 BASIS OF ACCOUNTING

- (a) **General Information.** A Tribe's basis of accounting refers to when revenues, expenditures, expenses and transfers – and the related assets and liabilities – are recognized in the accounts and reported in the financial statements. The Tribe utilizes two accounting bases – Accrual Basis and Modified Accrual Basis.
- (b) **Application of Accounting Bases.** All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available. Expenditures are recognized when the related fund liability is incurred. All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when earned, and their expenses are recognized when incurred. The primary government's Statement and Net Assets and Statement of Activities are presented on an accrual basis.
- (c) **Encumbrance Method.** The Tribe utilizes an encumbrance method which requires that prospective expenditures such as identified with purchase orders be recorded in the accounting records. The term encumbrance refers to these prospective expenditures. Encumbrances are recorded in the financial software system and are liquidated upon actual payable liability or upon direct reversal of the amount previously encumbered. By encumbering prospective expenditures in the accounting records, available balances of appropriations and other expenditure authority may be readily determined in order to prevent illegal and/or improper over-expenditure of resources.
- (d) **GAAP Reporting.** GAAP for government agencies are established and communicated by the Governmental Accounting Standards Board (GASB). This board sets forth the statements that are to be followed by governments in reporting their financial activities on a common basis across the United States.

The Tribe follows GASB in its financial reporting, and produces an annual audit report in accordance with GAAP. Any tribal-wide audits that are done as set forth in Section 3.25(b) must also follow these standards. The financial activities of the Tribe for GAAP accounting purposes are also organized on the basis of individual funds and account groups, each of which is treated as a separate accounting entity segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions or limitations. For GAAP and audit purposes, governmental accounting transactions and events for the Tribe are recognized on either the accrual basis or the modified accrual basis as defined above.

3.35 PETTY CASH

The Tribe does not provide for the establishment and maintenance of petty cash accounts. Tribal departments/programs are expected to comply with normal procurement procedures established by the Tribe.

3.40 CHECKS & DRAFTS

- (a) **Purpose.** The standard method of generating a check is through either a check request form or through the submission of invoices/receipts for a properly issued purchase order. When all approvals have been entered, the Finance Department shall process the necessary check, as scheduled.
- (b) **Check Processing Requirements.** The signing of a check or draft requires two signatures from the authorized check signers of the Tribe (members of the Fallon Business Council). All checks are issued in consecutive numerical order. The Treasurer will periodically verify with the Tribal Comptroller that the Finance Department has drawn no checks other than those accounted for. Checks or drafts issued by the Tribe will not be honored after the expiration of ninety (90) days from the date of issuance.
- (c) **Cancelled, Spoiled, and Voided Checks.** Any check that is written in error, or a check that the Tribe or its departments/programs have decided not to forward to a vendor, must be processed for cancellation through the Finance Department to ensure that proper controls are met.

Departments/programs should submit a written memorandum detailing the reasons for cancellation and forward to the Finance Department along with a copy of the related procurement form, and, if available, the physical check. The Finance Department will verify the check against the outstanding check list and initiate cancellation of the check with the banking institution.

Cancelled checks reduce a department/program's expenditures, however, cancellations may be processed with a request to rewrite a new check. Checks that need to be replaced will have a new check number issued if the cancelled check was issued. Once a check has been issued, it may not be reprinted with the same check number.

- (d) **Stop Payment on Checks.** Stop payment requests are placed for checks that have been lost, damaged, are stale dated or have not cleared the bank. In order to place a stop payment, a department, program, or vendor must complete a Stop Payment Request Form (available from the Finance Department). The form should be filled out completely, including the selection of a reason for the stop payment, and the form signed and dated. The form should be forwarded immediately to the Finance Department as it takes about two days to receive confirmation from the bank that a stop payment has been placed. A replacement check will be issued and mailed within five (5) business days once confirmation has been received from the bank. If the original check is later received or found, it will not be honored for cashing or for deposit, and it should be immediately returned to the Finance Department. Finance will make notification if a stop could not be placed because the check has already been cashed. For stop payments on payroll checks, please refer to the procedures in Chapter 16, Section 16.75.

3.45

WIRE TRANSFERS

- (a) **Purpose.** To establish guidelines for the movement of funds by wire transfer from the Tribe's bank accounts. A wire transfer of funds will only be utilized in payment of an obligation of the Tribe when the situation requires immediate funds to settle an approved transaction. If a more inexpensive mechanism can be utilized to effect payment of the obligation (i.e., ACH or paper check), the Treasurer shall reserve the right to effect payment with the more inexpensive mechanism.
- (b) **Procedures.** The requesting tribal department/program must note on their procurement form that a wire transfer is being requested. Original wire instructions must accompany the funds transfer request. When a wire transfer is executed, the total cost of the wire transfer shall be borne by the operating unit/business requesting the wire transfer. Once a wire transfer request is made and accepted by the Finance Department, the requesting operating unit/business cannot cancel or modify the wire transfer request.
- (c) **Domestic Wire Transfer Information.** The following information is required to make domestic wire transfers (it is the responsibility of the tribal department/program and/or the operating unit/business to submit this information):
- Bank Name
 - Bank Address
 - ABA/Routing Number
 - Name on the Account (Payee)
 - Address of Payee (not required, but highly recommended)
 - Account Number
 - Amount in USD
- (d) **International Wire Transfer Information.** The following information is required to make international – U.S. Dollar or foreign currency – wire transfers (it is the responsibility of the tribal department/program and/or the operating unit/business to submit this information):

- Bank Name
- Bank Address
- SWIFT Code (if available)
- IBAN (generally for Euro payments)
- Bank, Branch or Sort Code (if applicable)
- Name on the Account (Payee)
- Address of Payee (not required, but highly recommended)
- Account Number
- Amount in Currency Requested (Euro, Yen, Pound, USD, etc.) – do not convert currencies, as currency rates fluctuate constantly

3.50 INTERFUND TRANSFERS

(a) **Operating Transfers.** Operating transfers are periodic transfers made primarily to provide an operating subsidy to another fund. Operating transfers are made as authorized by the budget. Examples of operating transfers are:

1. transfers from the tribal general account to payroll account for salary costs; or
2. transfers from the federal/state account to the tribal account for general operating purposes as all disbursements are made from the general account.

Operating transfers will be recorded as “Other Financing Sources” by the receiving fund and “Other Financing Uses” by the paying fund. Operating transfers must be treated consistently by all funds involved in the transfer. Operating transfers-in for all accounts/funds must balance with the transfers-out for all accounts/funds. The Finance Department shall maintain a log detailing all transfers and each transfer must have approval of the Treasurer prior to the initiation of any transfer.

(b) **Interfund Reimbursements.** Interfund reimbursements are repayments from one fund to another fund to balance operating amounts paid which are the obligations of another fund. Examples of interfund reimbursements are:

1. One fund pays the expenditures of another as a matter of convenience with the understanding that a reimbursement will be made later. Whenever possible expenditures should be made directly from the fund in which they are appropriated. Inter-fund reimbursements should not be used on an ongoing basis to transfer expenditures between funds.
2. One fund inadvertently pays the claim of another fund.

The reimbursing fund will record the expenditure and the fund which reimburses the paying fund and must have the budget authority to charge a budget account for the reimbursement made. The paying fund will reduce expenditures or the due from another fund for the reimbursement in the fund which originally made the payment that originally charged a budget account or due from another fund account initially. When the reimbursement is received this fund, the receipt from the reimbursing fund is not shown as revenue. All interfund reimbursements require a journal entry be completed and approved by the departments/program managing the involved accounts and the Comptroller.

- (c) **Quasi-External Interfund Transactions.** A quasi-external transaction is a transaction between funds that are within the tribal government. The nature of the exchange implies a buyer/seller relationship. Examples of this type are:
1. Buying supplies or equipment from another tribal department/program (this does not include donations between entities).
 2. Payment for office maintenance expenses/costs and automotive and equipment expenses/costs charged to individual tribal departments/programs.
 3. Payments for self-insured or fully-insured employee benefits such as unemployment, workers compensation, and health insurance.
 4. Payments for indirect cost expenditures.

Quasi-external funds will be recorded as revenues in the receiving fund and expenditures in the paying fund. Interfund billings and payments will be recorded the same as billings and payments to or from outside vendors.

- (d) **Residual Equity Transfers.** Residual equity transfers are non-recurring or non-routine transfers of equity between accounts/funds. Residual equity transfers increase operating capacity of capital contribution. They are a permanent or long term movement of resources. Transfers that support the normal level of operation should be treated as operating transfers. Examples of these are:
1. Transfers at the closeout of a discontinued fund or at the end of a grant program and there are costs not covered by the grant (due to unallowable costs or overruns in the grant program).
 2. One-time contributions to establish a new fund or increase working capital in an existing fund.
 3. The interfund equivalent of a “capital grant” or its repayment. Such transfers must be contributions restricted to capital outlays or the return of such contributions.

Residual equity transfers effect fund balance or fund equity. Residual equity transfers are reported as direct additions to or deductions from beginning fund balance in governmental funds. They are reported as direct additions to or deductions from beginning fund equity (retained earnings or contributed capital) in proprietary funds. Residual equity transfers must be treated consistently by all funds involved in the transfer. Residual equity transfers-in for all tribal accounts/funds must be in balance with residual equity transfers-out for all tribal accounts/funds.

- (e) **Allowance of Transfers and Documentation Required.** After certification and approval all transfers will be presented to the Tribal Treasurer for allowance before payment. An interfund transfer authorization record will be used for all interfund transfers, to ensure supporting documentation is in place for all transactions. In addition, interfund transfers will require the use of a journal entry approved by the Comptroller to ensure all involved parties are aware of changes to their accounts/funds.

3.55 FINANCIAL TRANSACTION APPROVALS

Transaction Amount	Transaction Type	Minimum Financial Approvals Required
All	Check Cancellations	Comptroller and Treasurer
All	Procurement Documents	Procurement Officer and/or Grants Accountant and Treasurer
All	Budget Journals and Journal Entries	Comptroller and Senior Accountant
All	Bank/Account Transfers	Comptroller and Treasurer
All	Grant Drawdowns	Grants Accountant and Treasurer or Chairman
All	Settlement Fund Draws ¹	Fallon Business Council

All draws, withdrawals, etc. from the Tribe's Settlement Fund accounts must be approved prior by the Fallon Business Council through a resolution. Prior to submitting a request funds from the Settlement Fund accounts, the Treasurer/Finance Department will prepare the Settlement Fund Drawdown Form which will be used for justification to the Council for requesting a draw/withdrawal of funds from the appropriate category areas of the Tribe's Settlement Fund.



Chapter 4 – Bank Reconciliations

4.10

PURPOSE

- (a) **Overview & Requirements.** All bank accounts must be reconciled to the general ledger/cash book on a monthly basis. To the extent practical, individuals that prepare bank reconciliation statements should not have cash receipt or cash disbursement responsibilities, nor have access to unused check supplies. If not practical, the bank reconciliation must be reviewed and contained a signed approved by someone independent of the cash receipt or disbursement process. Original bank statements and enclosed items must be delivered unopened to the person responsible for the bank reconciliation.
- (b) **Reviewing of Statements.** Bank reconciliation statements must be prepared in a standardized format in order to provide consistency within the Tribe and signed by the preparer. All bank reconciliation statements must be reviewed and signed by the designated finance official. Copies of all bank reconciliation statements shall be maintained and verified/signed off by the Treasurer or Comptroller at least on a monthly basis.
- (c) **Segregation of Duties & Responsibilities.** Personnel (reconcilers) who perform bank reconciliation statements should not have also have check signing authorities and/or recording responsibilities. All reconcilers should easily understand format of reconciliation. Reconciling items should be clearly identified and supported. Review reconciliation items for propriety and ensure that all items meeting the scope are supported.

4.15

BANK RECONCILIATIONS

A bank reconciliation involves the balancing of cash as shown by the bank statement(s), with that as shown by the Tribe's books and financial software system. It is to be prepared at the beginning of each month, on the bank balance and trial balances as of the end of the previous month. It is important that all transactions contributing to any difference between the two balances are identified, and where necessary remedial action is taken.

4.20

PREPARATION OF BANK RECONCILIATIONS

As bank statements are received for the month under reconciliation, the person responsible for entries should check off the bank statement entries to the Tribe's entries. Any entries appearing in the bank statement which are not shown in the Tribe's records should be investigated, and if correct, should be immediately entered in the Tribe's records (and in the case of receipts, a receipt issued) with appropriate approvals. If not correct, the item should be forwarded to the Comptroller or Treasurer for them to resolve with the banking institution.

4.25 CHECKING OF BANK STATEMENT ENTRIES

At the end of each month, the bank statements should be checked to ensure that all entries have been entered into the Tribe's book(s) or are noted as valid adjustments to appear on the reconciliation statement. The cumulative cashbook balance brought forward from the previous month should be added to this to arrive at the revised accumulated cash book balance.

4.30 ADJUSTMENTS IN THE BANK RECONCILIATION

No adjustment should appear in the reconciliation for such things as bank charges and commissions, which are valid direct debits to the bank statement and credits to the Tribe's cash ledger accounts. These, once identified and confirmed as valid, must be entered in the Tribe's cash ledger account(s).

4.35 DISCREPANCIES

Any discrepancies in balancing the Tribe's book(s) and reconciling with the bank statement must be resolved immediately and required journal entries prepared to make any necessary corrections. If the re-checks are done carefully and accurately, the bank reconciliation must balance. All errors/omissions etc. must be entered in the relevant records as they are found (e.g. if valid transactions are found to be missed out of the Tribe's books, they should be entered and totals amended).

4.40 GENERAL CONTROLS

Financial transactions processed through the financial software system may involve recording cash receipts or disbursements. Proper recording of these transactions eliminates one of the primary sources of errors, and can aid in identifying other errors in related or offsetting transactions. The timely reconciliation of bank accounts is a significant control feature of the Tribe's accounting system. Reconciling items should generally be current and not carried for significant periods. Stale dated checks should be appropriately adjusted.

4.45 PROOF OF ENTRIES ON THE BANK RECONCILIATION

Each entry on the bank reconciliation should be capable of being "proven" by:

- (a) Bank statement balance - check that the closing balance on the last working day of the month has been correctly taken from the bank statement.
- (b) Payments/Deposits not yet credited - trace the credits into the following month's bank statements, and agree to the figure carried forward in the reconciliation.
- (c) Checks drawn not yet presented - list from the following months' bank statements all checks presented which were drawn before the end of the month to which the reconciliation relates (i.e. take the last check number in the Tribe's book(s) for the month being reconciled, and list all checks presented to the bank statement after the end of the month, which fall before this number).
- (d) Tribal book (general ledger) cumulative receipts and cumulative payments.
- (e) Tribal book (general ledger) balance brought forward.

4.50 BANK RECONCILIATION PREPARATION PROCEDURES

(a) **Preparation of Bank Reconciliation.** The bank reconciliation should be completed as follows:

Responsible Employee	Description	Documents
Senior Accountant	<ul style="list-style-type: none"> Indicate the bank account number/name and the date at which the reconciliation is being done (i.e. the last date of the relevant month) 	Bank Reconciliation Form
Senior Accountant	<ul style="list-style-type: none"> The closing balance of the bank statement for the last working day of the month should be entered on the form, and the date of the statement indicated. 	Bank Reconciliation Form, Bank Statement
Senior Accountant	<ul style="list-style-type: none"> The cumulative receipts and payments for the month as per the Tribe's book(s) should be entered on the reconciliation 	Bank Reconciliation Form
Comptroller (or contracted accounting entity)	<ul style="list-style-type: none"> The cash book balance brought forward from the previous month should be added to the net total of above to ascertain the total cumulative balance. There should not usually be any other adjustments, and this balance should agree to the adjusted bank balance. If there are any differences these are investigated they could be to un-presented checks, un-credited payments, direct debits by the bank, etc. 	Bank Reconciliation Form

(b) **Resolving Discrepancies.** In the event of the reconciliation failing to balance at the first attempt, the following reconciliation methods should be applied:

Responsible Employee	Description	Documents
Senior Accountant	<ul style="list-style-type: none"> Re-check that all items in the bank statement are in the cash book, except in respect of adjustments such as "payments in not yet credited" and "checks drawn not yet presented" brought forward from the previous month. Check especially that: <ol style="list-style-type: none"> all non check debits on the bank statement are in the Tribe's book and included in the totals; all receipts on the bank statements are in the cash book, or are in respect of the "payments in not yet credited" figure of the previous months' bank reconciliation. 	Bank Statement
Senior Accountant	<ul style="list-style-type: none"> Check that all items in the books are in the bank statement except for the payments in not yet credited and check drawn not yet presented adjustments. 	Bank Statement
Senior Accountant	<ul style="list-style-type: none"> Check the addition of the Tribe's books, and the cumulative figures are correctly brought forward and added on from the previous month. 	
Senior Accountant	<ul style="list-style-type: none"> Check the corrections of the payments cash book total for the month by adding up the totals of the check schedules for the month and then adding on any direct bank debits. If this reveals a discrepancy, check the adding up of each individual check schedule, and then if necessary check item by item from the schedules into the Tribe's books. 	Check Schedules



Chapter 5 – Financial Ledger and Year-End Procedures

5.10 PURPOSE

The financial ledger, the Tribe's books, shall be kept in accordance with Generally Accepted Accounting Principles (GAAP) with a double entry bookkeeping method so that every posting has balanced debit and credit entries within each fund, with the understanding that current software systems do not allow for the general ledger in totality to be out of balance, and all debit entries not equal to all credit entries.

5.15 FINANCIAL MANAGEMENT SYSTEM

- (a) **Categories.** The Tribe utilizes the modified accrual system of accounting to record revenue and expenditures in the appropriate periods incurred for its governmental funds, and accrual system for proprietary and fiduciary funds. In accordance with the limitations and restrictions placed on outside funding agencies as well internal restrictions, the Tribe's financial records are kept in accordance with governmental fund accounting principles. These principles require that the balances for each government fund, including assets, liabilities, revenues, and expenditures be kept in such a way to be separable and identifiable.
- (b) **Accurate Accounting and Financial Reporting.** These areas are integral to providing necessary information for budgeting, planning, and management responsibilities. To achieve this goal, the Tribe's financial management and reporting systems, including but not limited to the accounting software systems, are constructed so that:
1. Each funding source is individually identified and expenses are coded in a manner to ensure that the expense is charged to the correct funding source,
 2. Costs are treated consistently with the Tribe's adopted written policies and procedures and are applied uniformly between federal and non-federal funds;
 3. All payments are based on fully supported documentation;
 4. All financial records are supported by source documentation that is maintained in accordance with this policy;
 5. Only reasonable and necessary costs for the performance of an award are charged to that award;
 6. Reports can be compared to actual expenditures with budgeted expenditures; and
 7. The time lapse between any advance of federal funds and the actual expenditure is minimized.

- (c) **Fund Balances.** Each government fund balance is classified based on the certain categories of restrictions or use placed on the funds into one of the following categories as required by GASB Statement No. 54:
1. Nonspendable – Includes amounts that cannot be spent due to not being in a spendable form, such as inventory, or amounts that are legally or contractually required to remain intact, such as the corpus of a perpetual fund.
 2. Restricted – Includes amounts that subject to externally enforceable legal restrictions such as constitutional provisions, federal regulations, and covenants.
 3. Committed – Includes amounts that can only be used for specific purposes such as due to formal Tribal Council action that can only be rescinded by formal Tribal Council action, or amounts specifically committed to satisfy a contractual obligation.
 4. Assigned – Includes funds set aside intended for a specific purpose, such as funding budgeted for specific projects.
 5. Unassigned – Includes funds not otherwise classified and available for any purpose.
- (d) **Chart of Accounts.** The Chart of Accounts is monitored and controlled by the Comptroller, whose responsibilities include the handling of all account maintenance, such as additions, deletions, or active/inactive status. Additions and deletions to the chart of accounts may be requested by the Comptroller, the finance department staff, and Department Directors, which will be approved or denied by the Treasurer whose responsibility it is to maintain consistency across the organizational structure while meeting the requirements of each department and approved budgets.
1. **Fund Format.** The general fund format is a base three digit fund code, with alpha numeric sub codes. The base fund codes are divided by agency to expedite preparation of the annual SEFA (Schedule of Expenditures of Federal Awards) Schedule for the annual audit.
 - 000 – 099: Tribally-funded program and services, including indirect and tribal government programs
 - 100 – 249: U.S. DOI Bureau of Indian Affairs (BIA) P.L. 93-638 Programs
 - 250 – 299: U.S. DOI Bureau of Indian Affairs (BIA) Non-P.L. 93-638 Programs
 - 300 – 399: U.S. Indian Health Service (IHS) P.L. 93-638 Programs and all other U.S. Department of Health & Human Services (DHHS) programs
 - 400 – 499: U.S. Department of Justice (DOJ) programs
 - 500 – 599: U.S. Environmental Protection Agency (EPA) programs

- 600 – 699: Undefined other programs
- 700 – 799: State of Nevada programs
- 800 – 899: Other Federal Programs

For funds that renew on an annual or periodic basis with new grant/contract numbers, but for the same purpose, they will have a single digit year sub-code for the new program with the year code being the first year of the new grant/contract, subject to the Treasurer’s approval. For example, 400-1 represents a continuing program that started in 2011. The sub-codes for year are repeated every decade.

For large funds that have been broken down by a funding agency for specific targeted uses and/or programs, the Finance Department (with Treasurer approval) may have the alpha sub codes to differentiate the funding to the specific targeted use/program (i.e., an account code labeled 300D represents funding that is allocated specifically for dental operations at the Tribal Health Center). Other sub-codes include receiving pass through funds from an agency, other than the primary agency from which the Tribe already receives grant/contract funding, for the same purpose, such as receiving federal, state, local, and other funds for the same program.

2. **General Ledger Format.** The general ledger codes are four digit numeric codes which utilize the follow pattern and designations:

- 1000 – 1199: Cash
- 1200 – 1599: Other current assets (accounts receivable & prepaids)
- 1600 – 1699: Investments
- 1700 – 1799: Long Term Assets – such as Notes Receivable
- 1800 – 1899: Fixed Assets and Accumulated Depreciation
- 1900 – 1999: Other Assets
- 2000 – 2099: Accounts Payable
- 2100 – 2199: Payroll Based Liabilities
- 2200 – 2599: Other Current Liabilities
- 2600 – 2799: Long Term Liabilities
- 2800 – 2999: Accruals, Deferred Revenues, Long Term Offsets
- 3000 – 3999: Fund Balance
- 4000 – 4999: Revenue
- 5000 – 5999: Payroll Based Expenditures
- 6000 – 6999: General Expenditures
- 8000 – 8999: Indirect Cost Expense
- 9000 – 9999: Transfers

5.20 NEW ACCOUNT ESTABLISHMENT

The Finance Department is responsible for establishing a self-balancing set of accounts for all financial ledger accounts within the Tribe’s financial system and ensuring that transactions are recorded accurately and completely, in a timely manner, within the system guidelines. To procedures to establish a new account in the system are:

- (a) A division/department completes a “Request for New Account Set-Up” form and submits the form to the Finance Department for processing;
- (b) The Finance Department will review the funding award document (contract or grant agreement) or documentation showing a proper budget allocation of funds from the Tribe;
- (c) The Comptroller will review the current chart of accounts and issue account numbers, upon approval of the Treasurer, that are consistent with the fund format at laid out in the previous section;
- (d) A copy of the “Request for New Account Set-Up” form will be returned to the division/department head, along with the Tribal Administrator, showing the new account number(s) assigned.

5.25 FINANCIAL LEDGERS

The financial ledgers contain the details of all transactions, entered into the Tribe’s accounting software in such a way as to capture the activity in each account or fund and to produce meaningful, periodic financial statements that accurately reflect the Tribe’s financial position.

Transactions are entered directly in the accounting software, such as accounts payable, payroll, and accounts receivable, or may be entered via journal entry for such entries as non-cash transaction, year-end accruals and adjustments, and corrections.

All transactions, whether entered directly into one of the software modules or by journal entry must have complete documentation as required to verify the accuracy of the entry, program for which the transaction is to be recorded, the general ledger code, the amount of the transaction, and that proper authorizations have been obtained as detailed in the applicable section of this manual.

Care is to be exercised in all stages of each transaction to ensure the accuracy of documents such as purchase orders and timesheets that detail the nature of the transaction. Journal entries to reclassify transactions based on approved documents should only be completed with full detailed explanations. The following financial ledger components are described as:

- (a) **Accounts Payable.** Accounts payable, the cycle that includes recording of amounts due to vendors and the payment of these recorded liabilities, that are entered through the accounts payable module of the Tribe’s software system. All liabilities shall have at a minimum, an approved purchase order or check request as defined in the procurement section of this manual, and a vendor’s invoice or other documentation of the amount of the liability (such as a receipt for a reimbursement).

Note that a quote is not an invoice and only a down payment on a contract may be paid from a quote, which then requires submission of the completed sale documentation. Payments may be paid from a vendor's statement when that is the only evidence provided by the vendor, such as utility statements; otherwise all payments should only be made from the vendor's original invoice. The documentation needs to provide sufficient information to substantiate the goods/services received and for the accurate coding of the expense.

- (b) **Accounts Receivable.** Accounts receivable, the cycle that includes recording of amounts owed to the Tribe for good or services provided and the receipt of payment against those accounts, are entered through the Accounts Receivable module of the Tribe's software system. Billing for all accounts receivables is done on a monthly basis and is subject to the provisions of Chapter 12 of this manual. Other non-routine goods and services are billed as services are provided. Receipts received in the finance office are processed by the end of the week in which the funds were received. Monthly statements from the accounting system are sent to customers on a monthly basis.
- (c) **Payroll.** Payroll is processed through the payroll module of the Tribe's software system and the procedures are detailed in Chapter 16 of this manual. Payroll is recorded based on the timesheet and time and effort statements prepared by the employees and verified by their supervisors documenting which programs the employee is working on. The payroll module automatically calculates employer taxes, workers compensation insurance and payroll accruals based on the program allocation of time so the accuracy of the time and effort payroll certifications is imperative.
- (d) **Fixed Assets.** Fixed assets are assets with an expected life in excess of one year and a cost or value of \$5,000 or more, and are recorded as capital expenditures in accordance with Chapter 15. Purchased assets are recorded through the Accounts Payable module and follow all procurement procedures. Donated assets are recorded at fair value on the acquisition date with an offset to Donated Equipment at Fair Value, and are recorded by an approved journal entry that are accompanied with supporting documents to show the determination of the fair value and the donor.

Additional entries through journal entries are required at fiscal year-end to record assets into the fixed asset fund with an offset into Investment in Fixed Assets fund balance under the Fixed Assets program code. Depreciation and disposals and transfers are also recorded by journal entry in the Fixed Asset program code(s), as these items need to be easily identified and detailed for the fiscal year-end financial statements and audit as they are not included in the modified accrual presentation of the financial statements.

- (e) **Journal Entries.** Journal entries are the manual entries required for non-cash transactions, such as recording indirect cost to the programs, year-end accruals and adjustments, such as allocating health insurance to programs, or corrections such as when an expenditure is posted to the wrong account or program.

A journal entry is prepared and reviewed for necessity and accuracy, and all vouchers must be supported by adequate documentation to show the reason for the entry, how the amounts were calculated as well as the basis for the calculation and any additional documentation that provides clarity to the issue being adjusted.

1. Journal Entries Requested from Various Personnel

Personnel, upon review of their financial reports, occasionally note the need for correction. For instance a journal entry request may be required to correct an expense that was inadvertently charged to the wrong account or line item. A journal entry will move the actual expense or revenue from one account or line item to another. A journal to correct an error can be requested on the "Request to Move Expenditures Form".

- Complete the "Request to Move Expenditures Form" by filling in program name, date, account numbers, amounts and an explanation for the request.
- Attach any documentation needed to support the request.
- Obtain approval for the request by having the appropriate signatures obtained on the form prior to submission.
- Stamp and remit the request to the Finance Department, which are then approved by the Comptroller and Treasurer.
- The Finance Department will access the financial management software system to complete the journal entry.
- The Finance Department shall retain the journal entry proof, along with the request and any pertinent documentation, for audit and inspection for the appropriate retention period.

2. Journal Entries Originated by the Finance Department

Journal entries originated by the Finance Department are reviewed by the Tribal Comptroller prior to posting. Journals shall not be proposed and posted by the same individual.

- The Comptroller or Senior Accountant identifies a journal entry to be originated. Journal entry origination could be for items such as corrections of error, reconciliation differences, monthly and/or year-end closing entries, etc. Documentation to support the journal entry could be a copy of the reconciliation, a monthly statement, monthly and/or year-end calculations, etc.
- The Senior Accountant accesses the Tribe's financial management software system to complete the journal entry. After the appropriate data has been entered, the Comptroller will approve the journal entry in the system.

- The Comptroller or Senior Accountant shall provide the proof to the Treasurer, along with any necessary documentation. The Treasurer shall stamp the journal received, review, inquire and indicate approval by signing and dating the proof. Any response to an inquiry deemed not satisfactory shall be brought the attention of the Fallon Business Council.
- The Comptroller or Senior Accountant shall retain the approved proof and any necessary documentation for audit and inspection for the appropriate retention period.

3. Journal Entries Originated for Other Reasons

Journal entries being processed for recurring items, which have been generated under circumstances other than those above, shall not require the review and approval of the Comptroller. Some examples are wire transfers in for grants, wire transfers out for bond payments, summary journals from Tax and Utility Billing modules, insurance adjustments, etc. Approval for these types of transactions shall be done by the Comptroller, unless this position is originating the journal entry and then the Treasurer shall approve it.

No journal entries, other than audit adjustments, shall be posted after the fiscal year end process has been run in Tribe’s financial management software system. Special attention shall be paid to ensure that program balances remain in balance so that financial statements by program are accurate at all times. Proposed adjustments from audit shall be agreed to by the Comptroller and follow the same process as 3 above.

5.30 FISCAL YEAR END AND MONTHLY PROCEDURES

(a) **General Procedures.** In order to properly recognize and clarify the results of the operations and the financial position, as well as prepare for the annual audit of the financial statements as required by the Single Audit Act under OMB A-133, the accounting books shall be closed and reconciled not less than annually. The books should also be tentatively or soft closed, and reconciled on a monthly basis for the purpose of internal analysis and management reporting. The following are the closing procedures that the Finance Department utilizes.

(b) **Accounts Receivable.**

Responsible Employee	Minimum Frequency	Description	Documentation Required
A/R Accountant	Weekly	Enter and post all invoices, receipts, and debit/credit adjustments for the period.	Invoices, Cash Receipts, and other payment documents.
Senior Accountant	Monthly	Verify postings of all accounts receivable billings and receipts.	Invoices, Cash Receipts, and other payment documents.
Senior Accountant	Weekly	Enter deposits into bank reconciliation file.	Bank deposit slips, cash receipt book.
A/R Accountant	Monthly	Prepare and send customer statements.	Customer Statements

Senior Accountant	Monthly	Prepare the A/R aging report to reconcile sub-ledger to general ledger account balance.	A/R Aging Report
Comptroller	Quarterly	Review bad debts and take appropriate steps	Analysis
Senior Accountant or Comptroller	Annually	Provide for bad debts following the defined procedures.	Policies and analysis

(c) **Accounts Payable.**

Responsible Employee	Minimum Frequency	Description	Documentation Required
A/P Accountant	Weekly	Review and enter all approved A/P Vouchers into the accounting system.	Approved Procurement forms with proper vendor invoice and documentation.
A/P Accountant or Senior Accountant	Weekly	Review Cash Requirement Report to determine invoices to be paid.	Cash Requirement Report
A/P Accountant	Weekly	Generate disbursement checks for approved payments.	Voucher Checks
Senior Accountant	At least Annually	Prepare the A/P aging report to reconcile sub-ledger to general ledger account balance.	A/P Aging Report
Senior Accountant or Comptroller	Weekly	Review Accounts Payable transaction reports for accuracy and post to general ledger.	Transaction Reports
Senior Accountant	Monthly	Generate monthly check disbursement report for Bank Reconciliation file.	Check Register
Procurement Clerk and Senior Accountant	Weekly	Review order history to determine existence of encumbrance that is no longer valid or purchase has been voided.	Aged Encumbrance Report
Senior Accountant or Comptroller	Annually	Review outstanding encumbrances and A/P aging report to determine if any additional accrual is required to ensure the correct liability balance is recognized	Aged Encumbrance Report and A/P Aging Report

(d) **Payroll.**

Responsible Employee	Minimum Frequency	Description	Documentation Required
Payroll Accountant	(1) Biweekly; (2) Quarterly; (3) Monthly	Process payroll for each pay period, including tax payments and payments based on IRS Form W-4 for: (1) Tribal Employees; (2) Tribal Council Stipends (3) Tribal Committee/Board Stipends	Timesheets and Time & Effort Certifications
Payroll Accountant and /or Senior Acct.	Biweekly	Determine dates for payroll to enter into system to create automated accruals or prepare Journal Entries for accruals	Automated accrual system dates or spreadsheet for manual accrual

Senior Acct. or Comptroller	Weekly	Review Payroll transaction reports for accuracy and post to general ledger	Payroll Register
Payroll Accountant	End of Year	Process final payroll for calendar year	Timesheets and Time & Effort Certifications
Comptroller	Quarterly	Complete and file all required payroll tax reporting	
Senior Acct.	Monthly	Generate monthly check register for Bank Reconciliation file	Payroll Check Register
PR Accountant and/or Senior Acct.	Monthly	Reconcile employee deductions accounts in general ledger.	
Senior Acct. or Comptroller	As Required	Enter and post all correction or adjusting payroll entries for the period	Adequate documentation of errors and required correction
Comptroller	Annually	Process calendar year end payroll reports and tax statements for employees, officials, and other positions paid under payroll	

(e) **Closing Fixed Assets Accounts.**

Responsible Employee	Minimum Frequency	Description	Documentation Required
Accountant	Annual Cycle	Carry out physical counts of all assets by department.	Asset Survey Report/Inventory Sheets
Accountant	At least Quarterly	Record all additions, disposals and movements of Fixed Assets	Fixed Asset Schedule
Senior Accountant or Comptroller	Annually	Record capital expenditures for the year as fixed assets, record donated equipment, disposals, transfers and record annual depreciation. (Full accrual vs. Modified Accrual)	Fixed Asset Acquisition and Disposition Analysis
Senior Accountant or Comptroller	Annually	Update fixed assets database	

(f) **General Ledger.**

Responsible Employee	Minimum Frequency	Description	Documentation Required
Accounting Staff	Annually	Complete all accounting processes and reconciliations for the General Ledger	
Grants Accountant	Quarterly	Review grant programs for accuracy and complete required reporting to granting agencies	Revenue & Expenditure Reports
Senior Accountant or Comptroller	Monthly	Post all standard Journal Entries for the period.	Journal Vouchers
Senior Accountant or Comptroller	Annually	Process and post all correcting and adjusting Journal Entries for year-end adjustments.	Journal Vouchers

Senior Accountant	Monthly	<p>Bank Reconciliation Procedures:</p> <ul style="list-style-type: none"> • Update reconciled transaction form the bank statement. Enter miscellaneous charges from bank statement into bank reconciliation. • Create outstanding check and deposit in transit lists. • Compute balance per statement reconciliation and per general ledger. • Identify, reconcile and correct any discrepancies. 	Bank Statement, Bank Reconciliation Form
Accounting Staff	Annually	Prepare the accounting records for annual audit.	
Comptroller	Annually	Close the fiscal year in the accounting software system	



Chapter 6 – Budgeting & Budget Management

6.10 PURPOSE

The purpose of this chapter is to control the use and expenditures of tribal funds. All Tribal revenues may be considered in the following budget process, except for those limited in the Tribal Settlement Plan or any federal or applicable tribal laws. Revenues include, but are not limited to, funds received through the P.L. 93-638 Indian Self-Determination Annual Funding Agreements, federal/state/other contracts and grants, taxes, settlement fund allocations, and private or corporate funding. All funds will be considered in the overall budget planning process for each department/program. The following fiscal year budget process in no way supersedes regulations and guidelines as required by each specific agency/organization from which the Tribe receives funding. In addition, the budget process will assist in establishing Tribal priorities for each fiscal year. It is the policy of the Tribe to develop a budget process which identifies all revenues and use of General and Special Funds based on anticipated program expenditures. An annual fiscal year budget shall be prepared, reviewed, adopted, and amended as outlined in the budget process detailed in this section.

6.15 BUDGET PRIORITIES AND GUIDELINES

- (a) The Tribe will adopt and maintain a balanced budget in which expenditures will not be allowed to exceed reasonably estimated revenues and other available funds, and at the same time striving to attain a minimum reserve based on 5% - 10% set-aside of tax revenues and indirect costs collected which shall serve as the recommended fund balance.
- (b) Budget development will be directed by specific goals and objectives as included in the Tribe's Strategic Plan, as well as those plans/statements developed by each department/program.
- (c) The Tribe's Finance Department will prepare and maintain a system of regular monthly reports comparing actual revenues and expenditures to budgeted amounts. These reports will be distributed to the Council and appropriate department/program heads.
- (d) A review of revenues and expenditures will take place quarterly with the Council to assess projected revenues and expenditures. If planned targets are not being met, the Council, through the Finance Department, will direct that a plan be prepared by the affected department indicating how the budget issue will be resolved.

6.20 REVENUE GUIDELINES

- (a) The Tribe will plan to maintain a diversified and stable revenue base to shelter itself from short-term fluctuations in any one revenue source.

- (b) The Tribe will estimate annual revenues on an objective, reasonable, and conservative basis. Most revenues will be estimated based on a historical trend analysis. Major revenues will receive a more in-depth analysis.
- (c) The Tribe will actively seek Federal, state, non-profit, and/or foundation grants to meet its strategic plans.
- (d) All charges for services, fees, licenses, permits, etc. should be reviewed on an annual basis to ensure that rates are maintained at a level that are related to the cost of providing the services, in consideration of competition with others providing similar services in the area, and that the rates are in line with the economic status of the Tribe's Reservation and Colony. Water, sewer, and other revenue-generating enterprises under the Tribe should be planned to be self-sufficient.
- (e) Water and sewer rates should be reviewed at least every 3-5 years to set rates adequate to meet expenditures incurred by the Tribe. Connection fees for water and sewer services shall also be reviewed as necessary, as well as in conjunction with applicable tribal ordinances/laws to assure that fees are set at a rate adequate to cover the cost of extending services to new developments.
- (f) One-time revenues will not be used to support operating expenditures, except in emergency situations approved by the Council.
- (g) Unanticipated revenues will not be expended, but will be added to the existing fund balance. Reserves for capital improvements or system maintenance should be considered to ensure the future viability of the system.

6.25 EXPENDITURE GUIDELINES

- (a) The Tribe will maintain a level of expenditures that will provide for the public well-being and safety of the residents of the Tribe's Reservation and Colony, as well as for its tribal membership, in accordance with the Tribe's strategic plans.
- (b) Tribal departments/programs will not make any purchases in excess of the budgeted line. Budget modifications can be made to transfer funds from one line item to another so long as the modifications do not exceed available funding, as well as meeting any guidelines imposed by funding agencies.
- (c) Budget modifications are processed by using the Budget Modification Form which shows the line items that are being modified (moving funds from one line item to another) and submitting to the Finance Department for approval and processing. Any budget modifications that exceed the revenues allocated and/or approved for a program will be denied, unless the program submit documentation that additional revenue has been approved and/or allocated to the program.

6.30 BUDGET COMMITTEE MISSION, PURPOSE AND STRUCTURE

- (a) **Purpose.** The Budget Committee is advisory in nature and serves the Tribal Treasurer and Fallon Business Council in the following manner:
 1. Advises the Tribal Chairman and Tribal Treasurer in long-range planning to meet overall goals and objectives set by the Council.

2. Assists policy makers (Council, committees, etc.) in a better understanding of the nature of staff and/or department responsibilities; works to avoid duplication of efforts.
 3. Assists in identifying a greater number of approaches to problem-solving for the organization's infrastructure and attainment of Tribal goals.
 4. Assist in the development and review of annual budgets and budget processes and to submit a formal set of recommendations to the Council for adoption of the annual budget.
 5. Matching of goals and priorities to available funding (performance-based budgeting principles).
- (b) **Composition.** The Budget Committee shall consist of seven (7) members comprised of the:
- Tribal Treasurer
 - Finance Director/Comptroller
 - Tribal Administrator
 - Human Resources Manager
 - One (1) Council member appointed by the Council; and
 - Two (2) tribal members (who are not current employees/officials of the Tribe) appointed by the Council.
- (c) **Budget Committee Terms.** The terms of the budget committee members are:
1. The Treasurer and Council Member appointees remain on the committee until the end of their respective Council terms;
 2. The tribal employee positions remain on the committee unless they are no longer employed by the Tribe then their successor takes the positions;
 3. The two tribal member positions shall be appointed to two year terms beginning April 1st. The tribal member positions appointed to the Board may be removed by a majority vote of the Council upon recommendation of the Budget Committee.
- (d) **Coordination.** The Finance Department will provide assistance in facilitation and coordination of committee activities, while clerical support will be provided by the Finance Department and/or the Tribal Administration.

6.35 AUTHORITIES AND RESPONSIBILITIES

- (a) **Fallon Business Council.** The Council has the authority and responsibility to establish priorities for needed and desired programs and facilities. The Council has the authority to prepare its own budget and to approve, adopt, and amend the annual fiscal year budget and budget process. The Council is responsible for overseeing and reviewing actual revenues and expenditures and budget variances throughout the fiscal year. Additionally, the Council has the authority to ensure compliance with the budget process, as well as the appointment of the tribal members to serve on the Budget Committee.

- (b) **Tribal Treasurer.** The Treasurer has the responsibility to prepare an annual tribal budget for approval by the Council and to manage the operations of the Tribe's finances in accordance with the approved budget. The Treasurer is responsible for reviewing and/or amending all tribal program budgets including estimated revenue and expenditures to ensure compliance with overall budget guidelines. The Treasurer shall monitor and analyze expenditures and review variances with departments and programs, as well as assisting them in the preparation of annual budget proposals.
- (c) **Budget Committee.** The Budget Committee is responsible for reviewing and making recommendations of the program budgets to the Treasurer for submittal to the Council for approval. It is the responsibility of the Committee to review historical financial data, forecasted data, and other information deemed necessary in reviewing annual fiscal year program budgets and appropriation requests. The Treasurer shall submit proposed budget recommendations, along with their own recommendations and conclusions, to the Council for adoption of the annual tribal operating budget, the allocation of general and special funds, and changes to long-range planning goals.
- (d) **Department Directors.** All Department Directors have the authority and responsibility to develop their annual program budgets based on a consistent format as outlined in this budget process. Annual budgets shall include program description and anticipated goals/objectives for the upcoming finding cycle, anticipated line item expenditures, grant or other revenues, tribal funding requests, and budget justifications. The Treasurer and Comptroller shall provide technical assistance and financial information to Department Directors as needed in order for Department Directors to prepare their budgets.
- (e) **Finance Department.** It is the responsibility of the Finance Department to maintain and adhere to all adopted budget policies and procedures. The Treasurer will provide monthly financial statements detailing actual expenditures versus budgeted amounts and provide line item variances. The Finance Department is authorized to pay obligations only as outlined in the approved budget and the procurement procedures/approvals are received. The Finance Department may also provide historical budget data as requested by the Treasurer and/or Budget Committee.
- (f) **Budget Fiscal Process.** The Tribe's fiscal year begins each year on January 1 and ends twelve months later on December 31. The budget process established herein is an ongoing and continuing process involving the Council, Treasurer, Budget Committee, Finance Department, and individual Department Directors.

6.40 PREPARATION OF DRAFT FISCAL YEAR PROGRAM BUDGETS

- (a) **Budget Preparation.** Each department/program shall prepare preliminary program budgets for the upcoming fiscal year based on prior years' financial information, estimation of all grants/contracts, and through internal program analysis, and with any directives issued by the Budget Committee or Treasurer.

Revenues will be based on estimated amount using the prior years' collection as a baseline. Historical financial data and technical assistance shall be provided by the Finance Department to departments/programs.

- (b) **Budgets with Non-Tribal Funding.** Budgets for continuing contract/grant programs will be estimated through communication with the funding agency. Programs which do not operate on the Tribe's fiscal year calendar will be analyzed in order to prepare an estimate of the amount of carryover into the next fiscal year. Estimates of new programs which will commence in the succeeding fiscal year will be incorporated into the draft budgets if they have received final approval by the funding agency or have a high probability of receipt of funding.
- (c) **Draft Budgets.** Draft budgets will include line item dollar amounts, budget justifications, identification of any restricted funds, personnel, operating and indirect costs, program functions, and goals/objectives. All draft budgets will be prepared and completed in accordance with the budget submittal guidelines issued by the Treasurer.

6.45 INDIRECT COST RATE PROPOSAL

- (a) **Proposal Development.** The Comptroller shall estimate administrative overhead costs for the next fiscal year and review these estimates with the Treasurer. Utilizing this expense projection, the findings of the audit for the previous fiscal year, and the estimated total grant and contract revenues and expenditures, the Comptroller shall prepare an indirect cost rate proposal. The proposal document shall be reviewed by the Treasurer and authorized for submittal for approval to the Chairman prior to submission to the U.S. Department of Interior, National Business Center (NBC). The Indirect Cost Rate Proposal shall be submitted to the NBC by the end of the second quarter of the current fiscal year or by the NBC's established due date.
- (b) **Tribal Notification and Budget Development/Adjustment.** All Department Directors shall be notified of the proposed indirect cost rate in order to request the correct amount of indirect costs with other Federal/State grant and contract budgets. Upon approval of the Tribe's indirect cost rate, Department Directors will be notified of the final approved indirect cost rate.

6.50 BUDGET REVIEW AND APPROVAL PROCESS

- (a) **Review of Proposed Budgets.** Upon completion of draft budgets by departments/programs, the Budget Committee shall meet to review overall needs, funding availability to meet those needs, and proposed program budgets. The proposed budgets shall be reviewed by the Budget Committee and their recommendations will be incorporated into a preliminary tribal budget package. This package shall be prepared and presented to the Council. Each director may be required to present their budget(s) to the committee to answer question or to justify budgets. Budget Committee meeting shall be closed to the public to protect employees' privacy and confidential rights under tribal and federal law.

The Tribal Treasurer shall review the preliminary budget package. Any additional modifications and changes shall be incorporated prior to presentation to the Council. A special Tribal Council Budget Session shall be scheduled by the Tribal Secretary to review the budget packets. Directors may be required to attend such Council meeting to give a presentation to the Council on targeted needs (as determined by the Council). This meeting shall be open to the public to gather community and tribal members input into tribal priorities and direction.

Once program presentations are complete, the Council shall meet, discuss priorities, and provide recommendations to the Treasurer and Budget Committee. The Treasurer and Finance Department shall compile the information and recommendations provided by the Council into a revised annual budget plan. The new budget plan shall then be shared with directors in preparation for a final Budget Committee session. The Budget Committee shall review the final budget package and provide input on Council recommendations.

(b) **Approval of Final Recommended Budget.** The final budget package, approved by the Budget Committee, shall be presented to the Council prior to the beginning of the fiscal year for their review. A final budget must be approved and in place by January 1st.

(c) **Budget Process Timeline.** The following is the tentative schedule for the Tribe’s Budget Process and is provided as a reference tool for departments/programs. The Treasurer will issue an annual notice containing specific dates, times, and submission instructions. This schedule will provide programs and departments with a timeframe of how the budget process will operate.

- AugustStart of the Tribal Budget Process
Budget Process Trainings/Meetings
- September.....Submittal of Initial Budget Packages
Compilation & Internal Review of Budgets
- OctoberBudget Committee Meetings
Tribal Council Budget Session
Submittal of Revisions to Budget Packages
- NovemberBudget Committee Meeting (final budget package)
- December.....Submit to Fallon Business Council for review, approval, and adoption of the new budget

6.55 BUDGET MONITORING AND REPORTING

The Tribal Treasurer, along with the Finance Department, is responsible for maintaining and monitoring the budget revenues and expenditures, including the recording of all budget modifications. Monthly statements or revenues and expenditure reports shall be prepared by the Finance Department and distributed to the Council, while the individual reports sent to the appropriate departments/programs within 30 days of the end of the reported month. These reports shall include approved budget amounts, actual revenues and expenditures, and line item variances.

Departments/Programs will review the reports and inform the Finance Department of any problems or discrepancies along with any supporting documentation – this should be done within 15 days after receiving the report. This will allow the Finance Department sufficient time to remedy any incorrect postings, or prepare any necessary budget modifications. The Budget Committee will conduct quarterly reviews, at minimum, on the Tribe’s current year-to-date expenditures and discuss any emergency over-expenditures, under-expenditures, unplanned expenditures, and other deviations from the originally approved budget. If necessary, recommendations for budget adjustments will be made to the Tribal Treasurer who will review and authorize the requests and then process for approval to the Council.

6.60 ROLES & RESPONSIBILITIES OF DIVISION/DEPARTMENT HEADS

(a) **The Role of a Division/Department Head as a budget manager.** Division/Department heads also serve as the budget manager for each and all funds/accounts under their supervision and must make budget decisions in the best interest of the Tribe and within applicable regulatory requirements. Some decisions may be legally binding and may require an entry into the Tribe’s accounting system impacting its budget and financial statements. In performance of their duties to manage tribal and tribally-awarded funds, division/department heads are managing “public” or “tribal member” funds. In this role, division/department heads are expected to:

- Not spend the authorized budget just for the sake of spending. The Tribe does not support a “use it or lose it” philosophy;
- Know what you are approving—never sign anything you don’t understand;
- Do not let anyone sign your name on your behalf;
- Exercise fiscal prudence;
- Ask for help if you need it and to continue to ask questions until you understand this issue.

(b) **The Responsibilities of a Division/Department Head as a budget manager.**

- Exercise responsibility in the shared financial decision making of the Tribe;
- Communicate information to the Treasurer, Comptroller, and Tribal Administrator that may impact the Tribe’s financial statements;
- Be knowledgeable of and ensure compliance with the applicable financial policies and procedures of the Tribe;
- Provide oversight of financial activities in your division/department to ensure such activities are proper and accurate;
- Spend funds as authorized through the budget process and for their intended purpose;
- Immediately seek to remedy actual or potential budget deficits;

- Immediately report fraud or suspicions of fraud to Tribal Treasurer, Tribal Administrator, or Tribal Chairman or if necessary using the Tribe’s Whistleblower Procedures.

(c) **Examples of Financial Roles & Responsibilities**

1. Budget Management

- Ensure line items have sufficient budget available balances before commitment of expenditures;
- Clear potential line item budget deficits immediately;

2. Purchasing and Procurement

- Secure the best price and value for procured goods and services;
- All goods and/or services require prior approval either through a purchase order, check request, and/or credit card use form;
- Secure a purchase order number before an order is placed with the vendor;
- Periodically review purchase orders to ensure encumbrances are adequate and necessary;

3. Cash Receipts

- Make timely deposits of receipts (minimum weekly);
- Gifts and Grant Funds – deposit directly with the Finance Department;

4. Accounts Payable

- Timely review and approve invoices and check requests – know what is being bought and what is being authorized for the Tribe to pay for. Also be aware of the deadlines in the Finance Department for submitting invoices and check requests.
- Properly classify expenses (for example, do not charge printing charges to supplies – program just because that line item has funds available);
- Properly confirm the receipt of goods and services;
- Ensure compliance with funding agency terms and conditions when utilizing these funds to pay for expenses.

5. Payroll

- Ensure employees are authorized by Human Resources **PRIOR** to the start date of an employee, that all necessary signatures are on the Personnel Action Form (PAF), that the appropriate program/fund budget is to be charged, and that the Payroll Office in Finance has a copy of the Personnel Action Form.
- Be aware of the payroll processing deadlines to ensure that employees are paid on schedule for the hours worked (PAF’s received after Tuesday of a payroll week will cause a delay in payroll processing for an employee to the next pay period).

- Review, approve and submit employee timesheets and their time & effort certifications (if applicable) in the pay period worked;
- Report errors in pay immediately to the Accountant in the Payroll Office (Finance), the Comptroller, or Human Resources.

6. Review and Monitor Activities

- Periodically review all of the financial statements provided by the Finance Department to ensure accuracy, as well when working with procurement requests to ensure need and sufficiency;
- Be aware of the year-end close deadlines for each of your fund accounts (they may have different fiscal years) and submit invoices/accruals prior the closing period.
- Work with Finance to ensure financial reporting requirements of funding awards are complied with.



Chapter 7 – Financial Accounting Provisions

7.10 PURCHASES OF CAPITAL ASSETS

Procurement for capital assets are initiated by departments/programs after obtaining required approvals and the information regarding the capital asset(s) is submitted to the Finance Department to be included in its capital asset record-keeping system. After the capital asset has been purchased and the information, above, has been received the Finance Department will forward the transaction information to other necessary entities for further processing (i.e., insurance coverage's, addition to the Tribe's fixed or capital asset records and ledger, etc.). The departments/program should submit model numbers, identifying information, etc., (at minimum) regarding the product information to the Finance Department for documentation and inventory purposes.

7.15 ALLOWABLE AND UNALLOWABLE COSTS

Purchases and procurements by tribal departments/programs with non-tribal funds, including indirect programs shall be handled in accordance with the following general table of allowable and unallowable costs, and in accordance with current federal requirements under 2CFR Part 200 or applicable guidance as required by funding agency. Tribally-funded departments/program, in whole or part, must also comply with any other provisions from their applicable funding budgets. Questions regarding allowable costs should be directed to the Tribal Treasurer who has care and custody of all tribal funds as provided in the Tribe's Constitution and Bylaws.

Table A. Chart of Costs

	NON-TRIBAL FUNDS		TRIBAL/PROGRAM FUNDS	
	Allowable	Unallowable	Allowable	Unallowable
Accounting	✓		✓	
Advertising	✓ ¹		✓	
Advisory Councils	✓ ³		✓	
Alcoholic Beverages		✓		✓
Audit Services	✓		✓	
Automated Data Processing	✓		✓	
Bad Debts		✓ ⁴		✓ ⁶
Bonding	✓		✓	
Budgeting	✓		✓	
Communication	✓		✓	
Compensation, personnel services	✓ ¹		✓	
Contingency provisions/reserves		✓	✓	
Legal Costs	✓ ^{1,6}		✓ ⁶	
Depreciation, use allowance	✓		✓	
Disbursing Services	✓		✓	
Donations/Contributions **		✓ ²	✓ ⁶	

Employee Morale, Health, Welfare	✓		✓	
Table A. Chart of Costs (continued)	NON-TRIBAL FUNDS		TRIBAL/PROGRAM FUNDS	
	Allowable	Unallowable	Allowable	Unallowable
Entertainment		✓	✓ ⁶	
Equipment (> \$5,000)	✓ ¹		✓	
Food	✓ ²		✓	
Fines, penalties		✓ ²	✓	
Fringe Benefits	✓		✓	
Fund Raising		✓	✓ ⁶	
Gains/Losses on property disposition	✓		✓	
General Governmental Expenses		✓ ⁵	✓	
Goods or Services for Personal Use		✓		✓
Housing & Personal Living Expenses		✓ ^{3,4}	✓ ⁶	
Idle facility, idle capacity	✓		✓	
Insurance, Indemnification, Interest	✓		✓	
Interest	✓		✓	
Investment Management	✓ ¹		✓	
Labor Relations	✓		✓	
Rearrangement, facility alteration	✓ ¹		✓ ⁶	
Reconversion Costs	✓ ¹		✓	
Rental	✓ ¹		✓	
Selling and Marketing	✓		✓	
Supplies (less than \$5,000)	✓		✓	
Taxes	✓ ¹		✓	
Training, Education	✓		✓	
Transportation	✓		✓	
Travel	✓		✓	
Under recovery of costs		✓	✓	

¹ Allowable under limited circumstances

³ Allowable only as a direct cost with grantee permission

⁵ Does not apply to costs covered under Indirect Costs

² Allowable only with prior grantee permission

⁴ Unallowable unless provided for in grant award

⁶ Requires Special Approvals (consult Finance)

7.20 TAX EXEMPT CERTIFICATE & PROCUREMENT/PURCHASING

The Tribe is exempt from paying certain federal and state sales taxes. According to the IRS, the buyer (the Tribe) is to provide to the seller (the vendor) a certificate with this information. Many of the Tribe’s regular vendors already have a copy of the tax-exempt certification, but for new vendors, these certificates are available from the Finance Department.

7.25 USE OF CREDIT CARDS

(a) **Limitations.** Departments/programs or tribal employee/officials may not use credit cards registered in the name of the Tribe, its elected officials, and/or any of

its departments/programs to create an obligation of the Tribe, except as specifically and duly authorized on a Credit Card Use Form for each transaction.

- (b) **Authorized Uses.** Procurement using a credit card must comply with Chapter 17 – Tribal Credit Cards. The Tribe grants authority to forego standard procurement requirements for needs arising from unforeseen causes upon approval of either the Tribal Chairman or the Tribal Treasurer. In cases involving the welfare of the general public, extreme weather conditions, or official declared emergencies, programs/department may contact either the Chairman or the Treasurer to obtain use of one of the Tribe’s credit cards. The director is allowed to obtain after-the-fact approval for exceptions to this Policy by completing the Credit Card Use Form and attaching documentation of the emergency situation.

7.30 DISBURSEMENTS

- (a) **Authorizations.** The Treasurer, as outlined in the Tribe’s Constitution, is responsible for care and custody of tribal funds, as well as for the safeguarding and systemizing the expenditure of tribal funds. Tribal monies may only be expended to carry out the functions of tribal department/programs. The Treasurer oversees the Finance Department which is responsible for directing departments/programs in the manner and method in which forms of indebtedness are presented, including salaries of officers and employees. Monies drawn from funds to pay employee salaries and expenses, to defray the expense of any department/program, on account of any contract for building or repairs, to purchase property, for work and labor performed, or for materials or supplies furnished to any department or tribal entity must be presented to, reviewed, and approved by an approving official of the department/program being charged. There are two levels of approvals: financial approvals from the Treasurer and Finance Department; and administrative approvals as outlined in Chapters 8 and 9. Specific information regarding the required approvals for processing purchases and expenditures is located in Chapter 8, while the required approvals for contractual services is located in Chapter 9. Additional approvals for financial transactions are also detailed in Section 3.55 of this policy.
- (b) **Limitations.** The Treasurer, though, may refuse to approve payment for an invoice or bill and submit it for Council review, if the invoice or bill:
1. more than exhausts the appropriation from which it must be paid or has not been properly budgeted for in any account code;
 2. has not been presented in accordance with this Policy & Procedures Manual and other applicable laws, policies, ordinances, and grant awards;
 3. is of a matter that may raise concern of legality or properness of the action;
 4. is not in accordance with the contract under which the indebtedness was created; and/or
 5. does not have required supporting documentation or information.

7.35 TRIBE-ISSUED REFUNDS

This section details the requirements for tribal-issued refunds. Departments/programs should also refer to Chapter 11 – Receipt of Funds, for policies pertaining to refunds received by the Tribe. In the event any department/program collects fees or receipts that become revenue in any of the Tribe’s accounts, the Finance Department, with approval of the Treasurer/Comptroller, has the authority, except as otherwise provided specifically by law, to make a refund from the appropriate account (or if not allowable from that account to utilize the Tribe’s unrestricted funds when properly approved). This is done after the Finance Department certifies, in writing, with the collecting department/program that the fee or receipt was collected and deposited. After this is received, the Finance Department will issue a check to the entity/individual who paid the collected fee/receipts in accordance with the normal procurement process of the Tribe.

7.40 PAYMENT DATES

- (a) **Overview.** The payment date of an invoice or bill will be the date appearing on the vendor check issued by the Tribe. The Tribe shall make every effort to issue payments to vendors within 30 days of the presentation of a valid invoice on which a tribal department/program is liable to make payment; or receipt of goods or services, if received after the invoice or bill. For purposes of this section, “received” shall be mean that date that bill/invoice is placed into the appropriate department/program’s internal mailbox.
- (b) **Procedures.** Departments/programs should date and time stamp all incoming invoices or bills. Transactions will be processed in the order received and there is no guarantee of same day processing. A fax or copy of a document will not be accepted for processing unless an emergency situation exists and with the approval of the Comptroller or Treasurer. The emergency situation must be documented in writing by the department/program.
- (c) **Contested Invoices or Bills.** Departments/programs do not have to make payments on portions of an invoice or bill which is contested on reasonable grounds by the department/program, provided the department/program notifies the vendor, in writing and within a 30-day period, detailing the reasons for contesting the invoice or bill.
- (d) **Vendor Discounts.** Every effort must be made to take all discounts allowed by vendors. This policy requires vendors' invoices to be processed as expeditiously as possible. All departments/programs should seek to obtain discount terms when negotiating purchases with a vendor.
- (e) **Advance Payments to Vendor.** Payments to vendors are to be made only after goods or services are received. The only exceptions to this policy are where:
 1. Advance payments are standard business practices (e.g. maintenance contracts, subscriptions, registration fees, airline reservations).
 2. An advanced payment is in the Tribe's best interests. Requests for such advance payments must be in writing to the Treasurer, and receive the concurrent approval of the Treasurer, and the Comptroller.

7.45**ACCOUNTING RECORDS AND SOURCE DOCUMENTATION**

(a) **Introduction.** As noted in the previous chapters and sections, an essential element of the Tribe's financial management system is maintaining adequate accounting records and source documents. Accounting documents and records are the physical or stored electronic objects upon which transactions are entered and summarized. Examples include such items as cancelled checks, paid bills, payrolls, subsidiary ledgers, bank reconciliations, etc. This section discusses a number of general & specific principles governing accounting records and source documents that must be met – a few of the broad, essential requirements are:

1. Accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, contract and subcontract awards, etc;
2. The Tribe's accounting records must contain information pertaining to fund/program codes and/or grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income;
3. The Tribe must maintain records which adequately identify the source and application of funds provided for with all tribal funds; and
4. The documents must be adequate to provide reasonable assurance that all assets are properly controlled and that all transactions and events are properly identified and recorded.

(b) **Purpose.** The Tribe using these and other standards for adequate accounting records for several reasons. Both the accounting documents of original entry and the records upon which transactions are entered are essential elements of the internal control structure. Without adequate records, the Tribe cannot effectively control fiscal operations through standard budgetary and fiscal reporting processes. Not maintaining adequate records also increases an entity's risk of being subject to fraud. In addition, maintaining adequate accounting records is required to meet basic, widely accepted standards of accountability. The Tribe's independent auditor will examine and test accounting records and source documentation as a part of the audit in order to substantiate the information that appears in the financial statements. In a Single Audit or federally mandated program audit, expenditures and other transactions that are not supported by adequate documentation may result in questioned and/or disallowed costs, which the grantee may have to pay back to the grantor agency, typically with tribal funds/resources. To provide departments/programs with a greater understanding of the standards for accounting records and source documentation required by the Finance Department, the following sections discusses in further detail the:

1. criteria for accounting documents and records;
2. the chart of accounts; and
3. the nine essential principles for accounting records which the Tribe believes are necessary for properly recording and reporting financial transactions.

- (c) **Criteria for Accounting Documents and Records.** To ensure the Tribe's accounting system effectively meets the established accounting, fiscal control, and financial reporting needs, the Tribe's accounting records and source documents should be:
1. pre-numbered consecutively and accounted for by someone other than the preparer to facilitate control over missing documents and to aid in locating documents when they are needed at a later date;
 2. prepared at the time of the transaction or as soon afterward as possible in order to reduce the likelihood of error;
 3. constructed in a manner that encourages correct preparation and transfer of information through internal checks within the form or record, for example including instructions for proper routing, spaces for authorizations and approvals, footing and cross-footing, and pre-printed data;
 4. sufficiently simple so that they can be readily understood;
 5. designed for multiple use whenever possible, which can help minimize the number of different forms and reduce the duplication of effort; and
 6. designed to illustrate/document compliance with requirements applicable to the Tribe's laws, policies, and procedures, as well as any financial assistance programs.
- (d) **Chart of Accounts.** The chart of accounts, which classifies transactions into individual balance sheet and income statement accounts is closely related to documents and records. The chart of accounts provides the framework for gathering the information necessary for management to make effective decisions and for the preparation of the financial statements in accordance with generally accepted accounting principles. The chart of accounts also facilitates the preparation of budget to actual reports, and financial reports sent to grantor agencies for claiming reimbursement of expenses, reporting program results, etc. The chart of accounts accurately and comprehensively describes where the types of transactions which should be in a particular account to help prevent misclassification of transactions. The chart of accounts for The Tribe was developed based on organizational structure, budgeting practices, the accounting system, and types of reports to be generated. The Tribe's chart of accounts classifies revenues by fund and source and classifies expenditures by fund, function (or program), organizational unit, activity (specific type of expenditure), character (operating, capital, transfer), and object class (type of item or service). Some of the chart of accounts major account groups include: Assets; Liabilities; Fund Balance; Revenues; Operating Expenditures; Payroll Expenses; and Fixed Assets and Notes Payable.
- (e) **Principles Governing Accounting Records.** The Tribe has identified nine principles for accounting records drawn largely from generally accepted accounting principles that it believes are necessary for properly recording and reporting financial transactions.

1. **Double-Entry Bookkeeping.** A double-entry accounting system establishes essential controls to protect, in part, against unauthorized or inappropriate transactions and to provide a sound basis for financial reporting in accordance with generally accepted accounting principles. A double-entry accounting system:
 - maintains a balance between assets on one hand and liabilities and fund balance on the other to produce a balance sheet;
 - maintains a balance between revenues and other resources on one hand and expenditures and fund balance on the other to produce a statement of revenues and expenditures; and
 - requires maintaining this balance by making a debit entry, to an account(s) for every credit entry made to a corresponding account(s).
2. **Fund Accounting.** A fund is a separate self-balancing set of accounts recording financial resources and the related liabilities and equity that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with applicable laws, regulations, restrictions or limitations. For the Tribe, governmental generally-accepted accounting principles require fund accounting. The fund categories used by the Tribe determine the basis of accounting. Governmental funds use modified accrual accounting, while proprietary (enterprise/revenue generating) funds may use accrual accounting.
3. **Accounting on an Accrual or Modified Accrual Basis.** The accrual basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable. Expenses should be recognized in the period incurred, if measurable. The modified accrual basis of accounting recognizes revenues in the period when they become both measurable and available to finance expenditures of the current period. Under the modified accrual basis of accounting, expenditures should be recognized when measurable and generally when the liability is incurred and will be liquidated with current resources. For the liability to be incurred the goods must be received in satisfactory condition and/or the service must be performed.
 - **Waivers.** The Tribe, upon approval by the Treasurer and Comptroller, may allow a departure from the accrual basis accounting for client fee receivables, as that the reason for this departure is that in many cases it is not possible to reasonably estimate client fees that will actually be received.
4. **Distinguishing Between Revenue and Expenditure Accounts.** Many kinds of economic events may lead to a reduced cost of goods and services used in operating programs. Three of these are listed below along with the different accounting treatment that each should receive.
 - Expenditure transactions which include taking a purchase discount or a quantity discount should be booked and reported net of these kinds of applicable credits.

- When a vendor returns an amount that was overpaid, or offers an after-the-fact rebate or refund which is conditional upon first sending in a payment, such amounts should be treated as refunds of expenditures, which reduce previously recorded expenditures.
 - Refunds of expenditures pertaining to current-year transactions should be credited to expenditure accounts.
 - Refunds of expenditures to be received in a subsequent year should be accrued as a receivable.
 - Separate accounts should be used for significant refunds related to a prior year.
 - Typically, any fees paid by program clients are revenues and should be credited to current-year revenue accounts.
5. **Treatment of Unearned Revenue.** Under generally-accepted accounting principles, advances for grants are considered deferred revenue (unearned income) until expenditures are accrued. Revenue (earned income) is accrued as expenditures are made and reported to the funding agency. Advances received from funding sources in excess of net reimbursable expenditures should be set up as a deferred liability to the funding source (deferred revenue or accounts payable) and should not lapse to the general fund or be expended in a future accounting or contract period unless specifically authorized by the grantor in writing and a copy submitted to the Finance Department.
 6. **Maintaining Control over Receivables.** Accounts receivable should be accrued and recorded on the books to maintain control and to report asset balances. Adequate subsidiary records should be maintained for documentation and for collection efforts. A subsidiary journal should be maintained for accounts receivable which records invoices and collections for billable services provided. Control totals should be maintained, and an aging schedule of uncollected amounts should be periodically prepared. A write-off must be approved by a person independent of the accounting records – typically the Council.
 7. **Maintaining Inventory Records.** Inventory purchases and issuances should be posted to inventory accounts. Perpetual inventory records should be maintained, and an annual physical inventory should be taken. Discrepancies between recorded inventory and counted inventory should be investigated, and inventory records should be adjusted as necessary. The cost of inventory used in the current fiscal year should be recorded as an operating expense.
 8. **Fixed Assets and Depreciation.**
 - a. **Fixed Assets.** To be considered a fixed asset, property must have three attributes: be of a tangible nature; have a life longer than current fiscal year; and must be of a significant value (over \$5,000). Fixed assets are generally classified as land, land improvements, buildings, machinery and equipment, and construction in progress.

Maintaining accurate and complete records of fixed assets is required by generally accepted accounting principles, by federal regulations and GASB standards, and by good business practice. This is more clearly outlined in the Asset section of this policy & procedures manual. Fixed assets should be recorded at cost. Donated assets should be recorded at fair market value at the date of donation. Historical cost estimates may be made for equipment purchased so long ago that records are not available. Improvements which result in an increase in future service potential should be capitalized. Expenditures that keep the item in ordinary efficient operating condition should be classified as maintenance or repair expense.

- b. **Depreciation.** Depreciation may be charged as a reimbursable expense. Under generally accepted accounting principles, depreciation is an allocation of the cost of an asset over the estimated useful value of the asset in a systematic and rational manner. Depreciation for the year is the portion of the total charge that is allocated to a particular year. Depreciation may be charged to grant programs providing that it meets the conditions of allowable cost requirements for depreciation and is allowable under the grant award. Under no circumstances should depreciation be charged to a grant for equipment that had been expensed to the grant at the time of purchase. Depreciation shall be determined and calculated based current federal guidelines when asset is placed into service and must be:
 - identifiable and recorded in the Tribe's accounting records;
 - based on the historical cost of the asset or fair market value at the time of donation; and
 - pro-rated over the estimated useful life of the asset using straight-line method.
9. **Record Retention.** All financial and programmatic records should be maintained for the period specified by the contract or in accordance with the Tribe's Records Retention Policy.

7.50 VOUCHER PROCESSING – PAYMENT CONSOLIDATIONS

Voucher processing in the Tribe's financial system offers a number of options to increase the efficiency, cost-effectiveness, and timeliness of payments. Multiple payments to the same vendor are automatically consolidated by the Tribe's financial system, whenever possible, during processing runs. The Finance Department may manually override system default settings for a transaction to stop a single payment from being consolidated. Departments/programs that want individual checks for vendors or separate checks for the same vendor must submit a memo to the Tribal Treasurer or Comptroller along with the procurement documents. For additional information on this matter contact the Finance Department.

7.55**IRS FORM 1099 REPORTING**

- (a) **General Provisions.** Payments for services, including legal and medical, to independent contractors, other individuals, or unincorporated businesses of \$600 or more in a calendar year or as specified by the IRS are reportable to the IRS on IRS Form 1099. The Tribe is required to withhold a set percentage tax from reportable supplier payments if a taxpayer identification number (“SSN” or “Employer Identification Number, EIN”) is not provided in advance of payment.
- (b) **Required Issuance.** The IRS requires the all entities, including the Tribe, to issue a Form 1099 reporting certain payments made to individuals and/or organizations other than corporations, governmental agencies, and tax-exempt organizations such as colleges and universities. Whether a payment is reportable on Form 1099 depends upon the payment amount, payment type and the supplier’s business entity type. Types of reportable payments include, but are not limited to:
- Independent contractor services
 - Consultant services
 - Professional services (e.g., accounting and legal services)
 - Medical services (e.g., lab tests, physician services, billing/collection)
 - Commissions to non-employees
 - Rent
 - Royalties (reduced reporting threshold of \$10)
 - Copyright payments
 - Prizes and awards to non-employees
 - Honoraria to non-employees

A Form 1099 is required if the total payments made to a supplier within the calendar year are equal to or greater than \$600. However, royalty payments have a lower reporting threshold of \$10.

- (c) **Exceptions.** The IRS allows for an exception to the requirement of producing a Form 1099 for most payments if the supplier’s business type is a corporation -- this is called the “corporate exception.” However, the corporate exception never applies to suppliers that provide medical and legal services. Medical services include: Ambulatory services; Medical technician services; Nursing services; Physician treatment/care; Therapy (all types); Lab exams; Consultations; and/or Billing and Collections. Suppliers will be classified as 1099 Reportable Suppliers and non-1099 Reportable Suppliers. All payments to 1099 Reportable Suppliers, except a supplier’s documented business expense reimbursements will be included in the year-end tax reporting to IRS.
- (d) **Process.** Departments/Programs are responsible for obtaining correct supplier name, address, social security number/employer identification number and type of organization for tax reportable payments to new suppliers prior to making the first payment. This information should be captured upon completion of an IRS Form W-9, and submitted to the Finance Department prior to any procurement action being initiated.

If the supplier does not complete Form W-9, the IRS requires that the Tribe withhold 28% tax on payments to the supplier. The Tribe is then required to remit this backup withholding tax to the IRS on Form 945. If a department/program fails to obtain the Taxpayer Identification Number and does not withhold the 28% tax for a reportable payment, the Tribe may be liable for the amount that should have been withheld plus penalties and interest. The IRS will inform the Tribe if data provided by a supplier on Form W-9 is incorrect. If the Tribe receives notification from the IRS regarding inaccuracies, the Finance Department will request corrected data from the supplier on a Form W-9. If the Tribe receives a second notice from the IRS regarding incorrect data from the supplier, the Finance Department will send a second request for corrected data on a Form W-9 and also inform the supplier of the withholding consequences on future invoices for non-compliance. The Finance Department is responsible for mailing Forms 1099 to the individual and submitting the electronic file of the 1099s to the IRS.

7.60 EMPLOYEE/CONTRACTOR PROVISIONS

- (a) **Purpose.** Human Resources and Finance Department must correctly classify workers who provide services to the Tribe. The status of a worker as either an independent contractor or employee must be determined accurately to ensure the worker and the Tribe meet tax obligations in a timely and accurate manner. The Tribe withholds income taxes, withholds and pays Social Security and Medicare taxes, and pays unemployment taxes on wages paid to an employee. The Tribe does not make tax payments on behalf of independent contractors. Therefore, due diligence must be applied when hiring individuals to ensure workers are appropriately classified in accordance with IRS guidelines. In accordance with IRS guidelines, if a worker has been misclassified as a contractor, the employer is responsible for the employer and employee shares of Social Security and Medicare and may also incur penalties in the form of fines and interest for each instance the worker was paid incorrectly.
- (b) **IRS Regulations.** The IRS may submit an inquiry for a worker who receives both a W-2 and a 1099 from the same employer.
- (c) **Policy.** The Fallon Paiute-Shoshone Tribe is one employer, paying employees at various departments/programs and buildings with differing name. An employee who has separated from tribal service may not be hired as an independent contractor within two years of separation. Exceptions may be made if the services being provided are not related to the field of the former tribal employment and subject to review and approval by the Council.
- (d) **Section Definitions.**
 1. **Contractor.** An individual hired to do a specific task with little or no direction from the Tribe and/or its departments/programs. The worker has the control over how the job will be accomplished. Contract includes language of when and how payment for services will be made.

2. **Employee.** An individual hired to do a specific task with direction from the employer on when and how the task is to be performed and when and how payment for services is made.
- (e) **IRS Worker Classification Tests.** For additional information, refer to IRS Publication 1779, Independent Contractor or Employee:
1. **Common Law Test.** Focuses on the “right to control” which is grouped into three factors. No one factor stands alone, all must be considered:
 - Behavioral Control – the right to direct and control the details and means by which the worker performs the work to be done; to the extent of instructions given regarding how, when and where to do the work; what tools and equipment to use; what assistants to hire to help with the work; where to purchase supplies and services; and any training provided about required procedures and methods.
 - Financial Control – the right to direct and control the economic aspects of the worker’s job; whether business expenses are reimbursed; if there is a significant investment in the work; how the worker is paid; whether there is a profit or a loss; and whether services are offered to public.
 - Relationship of the Parties – looks at such things as are there written agreements; are employee benefits offered; the length of the relationship; and the importance of the services to Tribe’s operations.
 2. **Reasonable Basis Test.** This test takes court decisions, IRS rulings, past IRS audits, and longstanding industry practices into account.
 3. **IRS 20-Factor Test.** The IRS test often is termed the “right-to-control test” because each factor is designed to evaluate who controls how work is performed. Under IRS rules and common-law doctrine, independent contractors control the manner and means by which contracted services, products, or results are achieved. The more control an entity exercises over how, when, where, and by whom work is performed, the more likely the workers are employees, not independent contractors. A worker does not have to meet all 20 criteria to qualify as an employee or independent contractor, and no single factor is decisive in determining a worker's status. The individual circumstances of each case determine the weight IRS assigns different factors. If after completing this test, as well as the other provisions under the Common Law and Reasonable basis test, there remain an uncertainty about how to classify an employee, the Human Resources or Finance Departments can request an IRS determination by filing Form SS-8, “Determination of Employee Work Status for Purposes of Federal Employment Taxes and Income Tax Withholding.”. The 20 factors used to evaluate right to control and the validity of independent contractor classifications include:

- **Level of Instruction.** If the organization directs when, where, and how work is done, this control indicates a possible employment relationship.
- **Amount of Training.** Requesting workers to undergo training provided by the organization suggests an employment relationship since the organization is directing the methods by which work is accomplished.
- **Degree of Business Integration.** Workers whose services are integrated into the organization's operations or significantly affect the organization's success are likely to be considered employees.
- **Extent of Personal Services.** Organizations that insist on a particular person performing the work assert a degree of control that suggests an employment relationship. In contrast, independent contractors typically are free to assign work to anyone.
- **Control of Assistants.** If an organization hires, supervises, and pays a worker's assistants, this control indicates a possible employment relationship. If the worker retains control over hiring, supervising, and paying helpers, this arrangement suggests an independent contractor relationship.
- **Continuity of Relationship.** A continuous relationship between an organization and a worker indicates a possible employment relationship. However, an independent contractor arrangement can involve an ongoing relationship for multiple, sequential projects.
- **Flexibility of Schedule.** People whose hours or days of work are dictated by an organization are apt to qualify as its employees.
- **Demands for Full-Time Work.** Full-time work gives an organization control over most of a person's time, which supports a finding of an employment relationship.
- **Need for On-Site Services.** Requiring someone to work on the organization's premises—particularly if the work can be performed elsewhere—indicates a possible employment relationship.
- **Sequence of Work.** If an organization requires work to be performed in specific order or sequence, this control suggests an employment relationship.
- **Requirements for Reports.** If a worker regularly must provide written or oral reports on the status of a project, this arrangement indicates a possible employment relationship.
- **Method of Payment.** Hourly, weekly, or monthly pay schedules are characteristic of employment relationships, unless the payments simply are a convenient way of distributing a lump-sum fee. Payment on commission or project completion is more characteristic of independent contractor relationships.

- **Payment of Business or Travel Expenses.** Independent contractors typically bear the cost of travel or business expenses, and most contractors set their fees high enough to cover these costs. Direct reimbursement of travel and other business costs by an organization suggests an employment relationship.
 - **Provision of Tools and Materials.** Workers who perform most of their work using organization-provided equipment, tools, and materials are more likely to be considered employees. Work largely done using independently obtained supplies or tools supports an independent contractor finding.
 - **Investment in Facilities.** Independent contractors typically invest in and maintain their own work facilities. In contrast, most employees rely on their employer to provide work facilities.
 - **Realization of Profit or Loss.** Workers who receive predetermined earnings and have little chance to realize significant profit or loss through their work generally are employees.
 - **Work for Multiple Companies.** People who simultaneously provide services for several unrelated companies are likely to qualify as independent contractors.
 - **Availability to Public.** If a worker regularly makes services available to the general public, this supports an independent contractor determination.
 - **Control over Discharge.** An organization’s unilateral right to discharge a worker suggests an employment relationship. In contrast, a entity’s ability to terminate independent contractor relationships generally depends on contract terms.
 - **Right of Termination.** Most employees unilaterally can terminate their work for an organization without liability. Independent contractors cannot terminate services without liability, except as allowed under their contracts.
- (f) **Procedure.** Prior to awarding a bid, or hiring a contractor, tribal departments/programs must follow these steps:
1. Determine if the worker is currently employed by or has previously been employed by the Tribe. Consult with the Tribe’s Human Resources Department to determine if a past employee relationship exists. If the worker is a tribal employee, ask the following questions:
 - Is the employee relationship and the contractor relationship the same?
 - If yes, the worker must be hired as an employee.
 - If no, the worker may be hired as a contractor.
 - Does the independent contractor have a valid business license?

- If yes, obtain a copy for submittal with procurement documents.
 - If no, a determination needs to be made as to whether a license should be obtained through tribal, federal, or state licensure entities.
2. Apply the Common Law Test.
 - Look at the entire relationship and the length of the relationship.
 - Consider the degree or extent of the right to direct and control.
 - Consider written agreements and how important the services to operations.
 3. Document each of the factors used in making determination.
 4. Is the work being contracted substantially different from the work performed as an employee of the Tribe?
 5. If after completing and evaluation the results from the IRS 20 Factor Test, complete IRS Form SS-8, if a classification is still unclear.
- (g) **Additional Considerations.** The following questions can help determine if an individual is an employee or a contractor:
1. What services are performed?
 2. Are these services essential to the Tribe?
 3. Is there a written contract between the worker and the Tribe?
 4. Who directs and controls the details of how the work is to be performed?
 5. Does the worker have a current business license?



Chapter 8 – Purchasing & Procurement

8.10

PURPOSE

- (a) This section is to assist employees/officials who directly buy goods and services with the proper process and procedures to follow. The Finance Department will assist with procedural questions and processing of paperwork, but the individual department/program is responsible for following these policies in purchase and procurement decisions. The purpose of this Chapter is to provide a framework for efficient and cost effective purchasing for all tribal operations. The contents of these policies and procedures do not create any property or contractual rights between the Tribe and any supplier of goods and services.
- (b) Except when specifically authorized by law or regulation to act otherwise, this policy shall apply to all elected officials, department/program heads, employees, contractors, and agents for the Tribe. The ultimate authority to purchase items or contract for services lies with the Fallon Business Council and may only be delegated or authorized pursuant to the provisions of this section.
- (c) The primary purpose of this Chapter is to communicate policies and give guidance to personnel with delegated purchasing authority. This policy has been designed to: encourage maximum competition on a basis of fair and equal opportunity to qualified and interested suppliers/bidders; provide a uniform procedure for the procurement of material, equipment, supplies and services; and ensure that the Tribe is getting the best overall value based on such factors as price, warranty, service, availability, past performance, and references.
- (d) The Tribe's goal is to procure materials, supplies, equipment, and services at the lowest possible cost and with the required quality. All authorized employees purchasing on behalf of the Tribe are expected to use monies wisely, regardless of their source (tribal, grant, or other funds); therefore, any employee making any purchases must buy in an honest and prudent manner that results in getting the best product or service while minimizing costs.

8.15

RESPONSIBILITIES, REQUIREMENTS, AND EXCEPTIONS

- (a) An approved procurement form (check request, purchase order, credit card use forms) must be submitted for all procurement actions and must have all required administrative and financial approvals before any purchasing can be initiated.
- (b) The initiating department will conduct all correspondence with suppliers involving prices or quotations. In cases where technical details are necessary, the initiating department may correspond with suppliers regarding technical issues. In such cases, copies of all such correspondence should be attached to the purchase order requisition.

- (c) Some items may require additional review and approval prior to purchase. Examples of these items, although not all inclusive, are: computer equipment/software, vehicle purchases/leases, communication equipment (cell phones, usage plans, etc.), and contracts.
- (d) Initiating departments shall work with the Finance Office to ensure budgetary compliance. A purchase may not be made without a prior approvals.
- (e) The provisions of this policy are mandatory on all purchases and contracts unless other tribal law or funding agency requirements mandate a more stringent procedure. In addition, exceptions may be allowed for purchases or services necessary due to general maintenance or repairs of buildings, equipment, and/or vehicles.
- (f) Any purchase which does not follow the provisions of this policy may become the personal responsibility of the individual who authorized the purchase or signed the procurement form. Failure to follow the provisions of this policy may be grounds for disciplinary action or modification of budgets.

8.20 OBLIGATING FUNDS

- (a) Departments/programs, or individuals thereof, may only obligate available funds, and correct amounts must be charged at the time of the issuance of a purchase orders requisitions, credit card requests, or a check request payment. The department/program is responsible for verifying that funds are in the proper account before obligating or expending funds. If the funds are not in the proper account, the transaction should not be processed or submitted to the Finance Department.
- (b) A department/program, or individuals thereof, may not create any indebtedness or incur any obligation for personal services, work, labor, property, materials, or supplies, except by properly executed and approved procurement documents, unless specifically exempted in this Policy & Procedures Manual and bearing the approval or approvals as prescribed by this Policy & Procedures Manual.

Any obligations incurred in any other manner will not be considered an obligation of the Tribe.

- (c) Procurement Requisitions (purchase orders, credit card requests, and check requests) are initiated at the department/program level. After receiving all required administrative approvals, department/programs must also determine if the purchase is subject to any special approvals. These special approvals must be completed prior to submittal for processing.

After all administrative and special approvals are obtained; departments/programs shall process procurement requisitions to the Finance Department. The Finance Department will coordinate the financial review and approval process of procurement requisitions.

- (d) All procurement requisitions go through a two-step approval – administrative and financial process to ensure that there is a separate, distinct, and independent check and balance system. Procurement requisitions that do not have both administrative and financial approvals as set forth in this chapter will not be considered an obligation of the Tribe and the employee initiating such action may be personally financially liable for such costs, as well as subject to disciplinary action in accordance with the Tribe’s Personnel Policies.

8.25 PURCHASING GUIDELINES

- To first promote the success and growth of tribal-owned businesses and tribal member-owned businesses and individual tribal members through application of preference in the procurement of goods and/or services.
- To utilize a Purchase Order system as the primary method for the purchase and procurement of all goods and/or services.
- That no agreements may be reached, nor funds committed in the procurement of goods and/or services without the participation of the appropriate personnel and approval process, as outlined within this manual.
- These provisions shall apply to all procurement of supplies, services, and construction, purchased or entered into by the Tribe. It shall apply to expenditures of funds by Tribal entities regardless of the source of the funds.
- Purchases made with federal and/or state grant and contract funding are subject to this Financial Management Policy & Procedures Manual. In addition, any general or special conditions contained in the contract or grant agreement must also be followed as they affect particular procurements.
- That after tribal-owned and tribal member-owned businesses and individual tribal members, it is the Tribe’s policy to give preference to other Native Americans (businesses/individuals) in the procuring of goods/services, based on competitive pricing (within 10% cost difference is considered competitive).

8.30 PROCUREMENT AUTHORITY AND ADMINISTRATION

- (a) **Administration.** Responsibility for financial control and stewardship rests primarily with the Tribe’s Finance Department, but responsibility also rests with each department, program, tribal-owned business and/or program that authorizes the use of tribal funds to procure goods and/or services. Each director/manager is responsible for:
1. Reviewing the nature and appropriateness of all authorized requests for proposals or quotes and subsequent expenditures for such department, program, tribal-owned business and/or program;
 2. Reviewing the accuracy of all account coding (e.g., fund, program, department, account, line item) on all procurement methods;

3. Ensuring that each person assigned tasks that involve procurement (e.g., those completing requisitions, check requests, credit card requests) is performing their duties with competence and honesty;
 4. Ensuring that any other procurement laws, rules, prerequisites, regulations or policies which are applicable to the expenditure because of the funding source are complied with fully.
- (b) **Procurement Assistance.** The Tribal Treasurer and/or Finance Department shall be available as resources to facilitate procurement of goods and/or services for the benefit of the Tribe in accordance with this Policy.
- (c) **Contracts and Grants Procurement.** The Grants Accountant, along with the grants writer (or equivalent), shall be responsible for providing assistance to Directors to ensure compliance with applicable governing procurement policies, laws, rules, prerequisites or regulations (when applicable).
- (d) **Procurement Facilitation.** The procurement officer (or equivalent) in the Finance Department shall facilitate:
1. An annual planning process to ensure timely, efficient and economical purchasing or routine, annual purchases (i.e., maintenance agreements, utilities, insurance agreements, etc.);
 2. Creation of Purchase Orders and other procurement documents which are in writing and clearly specify the desired goods and/or services which are supported by sufficient documentation.
 3. Reviewing contract awards to ensure compliance with this provisions, especially when lowest-price is not used and that there is sufficient documentation to justify selections;
 4. Ensuring that unsuccessful firms for bids and competitive proposals are notified by the Council Secretary or the applicable department/program in writing after contract award;
 5. Ensuring that the authority to obligate tribal funds is commensurate with designated signature and approval levels.

8.35 PROCESSING REQUIREMENTS

- (a) **General Requirements.** Each department/program is responsible for processing their transactions and documents: in a timely manner; in proper sequence; and in accordance with established procedures. Purchases Orders, including credit card requests, may not be presented simultaneously with Check Requests. "After-the-fact" purchase orders will not be accepted, unless accompanied by a waiver, and violations will be handled in accordance with the Personnel Policies & Procedures of the Tribe.
- (b) **Waivers.** Ordinarily, the Treasurer will not approve transactions where either the documentation or the transactions reflected therein are not in accordance with the law, this Policy & Procedures Manual, or funding agency requirements (if applicable). Under extraordinary circumstances, the Treasurer, upon consultation

with the Comptroller, may waive compliance and approve the transactions. To secure a waiver of procedures, the department head must receive prior approval from the Chairman and Treasurer. The request should include the following:

- the reason(s) the accounting procedures should be waived; or
- the cause for the failure to adhere to normal accounting procedures; and
- a showing that the best interests of the Tribe will be served by a waiver of the procedures.

In the event the waiver request is approved, a copy of the request and the approval must be maintained in a special file in the Finance Department and provided to the Tribe's auditors for review. In the event the waiver request is not approved, the Treasurer shall notify the submitter and their supervisor.

8.40 REQUIRED USE OF FORMS & FINANCIAL REVIEW

Purchasing and Procurement shall be done through the use of approved forms (check request, purchase order, credit card use requests) and require review and approval in the financial system to create an encumbrance. All proposed purchases require review and approval in addition to any administrative and financial level approvals. The Treasurer and Finance Department reviews transaction requests to determine that:

- the request is considered an allowable cost as set forth in this policy;
- the request is for items that are necessary and reasonable for the operations of the department/program;
- the request is properly coded;
- the procedures set forth in this Policy & Procedures Manual and other applicable laws, codes, or policies have been followed;
- funds are available and in the budget of the department/program; and
- all authorized approvals have been granted.

If all these conditions are met, the transaction will be approved and the necessary funds will be encumbered. If the proposed purchase is not approved, it will be returned to the originator with an explanation. Only approved purchase orders and change orders may be dispatched to vendors. Departments/programs are responsible for dispatching the approved purchase orders and change orders to vendors.

8.45 PURCHASING/PROCUREMENT FORMS

- (a) **Purchase Order and Credit Card Use Requests.** A purchase order or credit card use form must be completed for all purchases of goods and services on behalf of the Tribe. The use of this form ensures proper approval for the purchase and that the necessary encumbrance will be made for the purchase. Any purchase processed without having a purchase order number issued may be considered unauthorized and the Tribe may not be obligated to pay for the purchase.

Request forms will be returned to a department/program should there be inadequate budgetary funds available for the purchase. Proper approvals from the required authorizing officials must be obtained before the request forms

arrives in the Finance Department. The Finance Department cannot process any purchase order and/or credit card use requests without proper administrative approvals obtained first. **The Finance Department is not responsible for obtaining any administrative/special approvals.**

Financial approvals by the Finance Department and Treasurer will be conducted after the forms are submitted with all documentation and signatures completed. Procurement by way of requisition through purchase orders is the preferred method for procuring goods and/or services for two reasons: pre-authorization of purchases by those authorized to obligate tribal and contract/grant funds; and systematic encumbrance of funds to prevent overspending of appropriated funds. The general process once a request is approved and returned is:

1. **Ordering.** Order items on the approved procurement form. Items should be ordered only after an approved purchase order number is received. Please inform the vendor to include the purchase order number listed on the top right side of the form on all correspondence, invoices, etc.
2. **Internal Reviews.** All requests are reviewed by the Finance Department and approved by the Treasurer to ensure compliance with these procedures, as well as applicable tribal and grantor policies, as well as to prevent the misuse of fund, before approval is granted.
 - a. Purchase orders not following established procedures/policies and generally accepted accounting principles will be returned to staff for explanation or additional documentation.
 - b. Repeated violation of purchasing procedures/policies will be referred to the supervisor and/or imposition of additional purchasing restrictions from the Finance Department.

Other than delivery instructions or a description or specifications of the product and the like, nothing is to be attached to the purchase order, such as the vendor's contract, vendor requirements, limitations on warranty, and anything else that would place obligations on the Tribe or would limit the Tribe's rights under the law or would constitute a waiver of sovereign immunity. If the vendor insists that the Tribe sign anything but the Tribe's own contract or procurement documents, the Tribe's Legal Counsel must be consulted before continuing the purchase and/or entering into a contract.

- (b) **Check Requests.** The use of a check request to purchase goods or services is acceptable in the following instances: utilities, memberships, postage, registration/tuition, subscriptions, dues, contract payments (copier lease, etc.), reimbursements, and in other instances when a purchase order is not accepted. In all instances, proper documentation of the reason for the check request needs to be attached. Please note that check requests will be returned to originating department/program should there be inadequate budgetary funds available for the purchase or if there is insufficient justification to support the purchase.

Approval levels for check requests are the same as those required for purchase order requests. Proper approvals from the required authorizing officials must be

obtained before a Check Request form is submitted to the Finance Department. The Finance Department cannot process any check requests without proper administrative approvals and Finance Department personnel are not responsible for obtaining these signatures. Financial reviews/approvals will be conducted after the forms are submitted with all the necessary documentation and signatures completed. The appropriate use of the check requests process provides departments/programs with needed flexibility to make payments that are not subject to normal purchasing procedures and/or reimbursements. Please note that the check request process should not be used to circumvent normal purchase order procurement procedures. Recurring non-compliance will be referred to an employee's supervisor and the imposition of additional procurement restrictions from the Finance Department.

It is very important that receipts and back-up documents are submitted with the Check Request Form. Original receipts or proof of payment such as a canceled check or original credit card receipt are required for all reimbursements. A copy of the check and/or deposit slip from the cashier is required on refunds. Original invoices are required for membership dues, payments to doctors, premiums, utilities and any other payments on an invoice. Quotes are not acceptable proofs of documentation, but may be used to pay an initial deposit and the completed sales contract must be submitted to Finance.

For contract payments, attach a copy of the contract if not already on file with the Finance Department. When the documentation submitted must be sent to the vendor (i.e., registration/membership forms) attach a copy of the original document. Reimbursements to individuals for materials and services must be accompanied by a letter explaining why a purchase order was not used. Check requests are used for reimbursements to individuals and for procuring goods and/or services from vendors who will not accept the Tribe's purchase orders.

- (c) **Purchasing Deadlines.** The Finance Department will post a schedule detailing the deadlines for weekly submittals of purchase order, credit card use, or check request forms and provide a copy to all departments/programs. These deadlines are necessary to provide adequate time for a cursory review and approvals, data entry into our systems, and processing. If deadline for submitting of procurement forms falls on a holiday, then the deadline for submitting items is noon on the following workday. Items received after this noon deadline will be processed in the next cycle. While the Finance Department strives to work with departments/programs to address various situations and/or emergencies, please remember that the Finance Department is not responsible for lack of planning and/or coordination and is not responsible for obtaining any administrative and/or special approval needed.

8.50 AUTHORIZED APPROVERS AND THRESHOLD LEVELS

- (a) **Required Approvals.** Transactions and procurement approvals are recorded through original signatures on the appropriate procurement and financial management documents. The approval of the appropriate authorizing official is

required prior to the Finance Department’s review and approval and final process. Please note that all capital expenditures require a special approval process. Departments and/or programs may set their own internal review and approval standards, but transactions and procurements must still comply with all provisions of this policy.

- (b) **Required Approval Standards.** The approvals outlined in this section represent the minimal approval requirements required by the Tribe for transactions and procurement processing. Individual departments/programs may require additional internal approvals prior to tribal-level processing. Such internal reviews, though, must be consistent and standard across all internal programs. It is the responsibility of the departments/programs to obtain all necessary administrative signatures prior to submittal to the Finance Department. The required financial approvals, which consist of either the Procurement Officer or Grants Accountant and the Tribal Treasurer, are handled internally by the Finance Department and are done after a department/program obtains the administrative approvals (as outlined in the table below) and submits the form to Finance for processing.

Transaction Amount	Transaction Type	Minimum Admin. Approvals Required
Under \$1,000	Standard Approvals	Program Director and Department Director (if different)
\$1,000 - \$5,000	Standard Approvals	Department Director and Tribal Administrator
\$5,000.01 - \$10,000	Standard Approvals	Tribal Chairman
Over \$10,000*	Standard Approvals*	Fallon Business Council
All amounts**	Recurring Items/ Contract Payments**	Tribal Administrator (administrative) and Tribal Treasurer (financial)

* Item previously approved by Council or expenditures that are **normal and recurring** that exceeds \$5,000 does not require Council approval. The procurement forms may be signed off by the Tribal Treasurer.

** Recurring Items means items that occur on a regular schedule basis (i.e., insurance payments, tax payments, utilities, etc.) and Contract Payments means approved FBC contracts in which payments are set out on a fixed rate or on a set time schedule laid in the contract.

- (c) **Waivers.** Unless stated otherwise in this policy, the above approval requirements may only be waived with the expressed written permission of the Council. To request a waiver, department directors must submit written justification and agenda request to be on a meeting of the Council.
- (d) **Special Approvals.** Some items require additional approvals which are detailed in Section 8.55 below. If the approvals are different than those in above, the department/program shall have the special approver sign off on the procurement form prior to obtaining the required approvals from above.

- (e) **Council Resolution.** Micro and small purchases (Sections 8.65 and 8.70) that require Council approval may be done by motion. Large Purchases (Section 8.75) must adopted by a resolution of the Council.

8.55 SPECIAL APPROVALS

- (a) **Goods and Services.** Certain purchases of goods and services and various tribal contracts require special approvals. The following table lists the purchase types subject to these additional approvals and the appropriate approving entities.

Item	Special Approver(s)	Comments
Information Technology (IT)	Tribal Information Technology/Network Department	Approval of project plans; connections; etc., excludes routine procurement (i.e., parts, systems, or education/training)
Construction and Renovation Projects	Fallon Business Council	Prior to contract execution to ensure Council approval of locations, project location, etc.
Capital Improvements	Fallon Business Council	For all procurement documents.
Vehicles Purchased for Tribal Use	Fallon Business Council	
Contractual Services with individuals and/or firms ²	Fallon Business Council	If, applicable, written legal opinions must be on file prior to contract execution.
Legal Counsel	Fallon Business Council; Legal Counsel; Bureau of Indian Affairs (WNA)	Must be approved by resolution and submitted to BIA for approval as required pursuant to Tribal Constitution
Capital Equipment or Assets (over \$5,000) ¹	Fallon Business Council	
Travel/Relocation Assistance for tribal interviewees	Fallon Business Council	Should only be used for management and director positions or for medical professions

- (b) **Technology Purchases.** No new information technology purchases and projects may be initiated unless consultation has been conducted with the Tribe’s IT/Network program/consultant or the appropriate IT personnel in the charge of a department/program to ensure compatibility with existing tribal resources. These procurements include hardware, software, & communications equipment, including telephone systems. Exceptions to the consultation process include:

¹ Assets and Equipment under \$5,000 do not fit into the Capital Asset and Equipment category, but are rather to be considered as programs materials and supplies or under the line item of “Equipment less than \$5,000”.

² Contracts under \$500 per year that do not otherwise require FBC approval may be signed by the Chairman.

1. Hardware maintenance (support contract) renewals;
 2. Software support/maintenance contract renewals, including arrangements with third party contractors who provide continuing application support services;
 3. Additional software licenses. Software product must already be in use;
 4. Daily operational components, including:
 - Supplies to support IT operations (e.g. paper stock, preprinted forms, ink cartridges, tape cartridges, etc.);
 - Spare parts for equipment supporting day-to-day operations (e.g. memory, hard drives, monitors, etc.);
 - On-demand repair services to operational equipment; and
 - IT-related training/education, unless it is directly related to a project that requires tribal review.
- (c) **Individual Consultants.** There are legal distinctions and ramifications between retaining a consultant and hiring an employee. For example, the Tribe incurs liabilities for withholding and/or the payment of income taxes, FICA, workers compensation, unemployment compensation, and medical insurance, and medical/retirement contributions for employees. To prevent any liability, the Tribe may determine from time to time to hire consultants to perform various activities. Special care must be exercised to distinguish between a "consultant" and an "employee" prior to executing any contract for services with prospective consultants. The Tribe reviews prospective consulting contracts using the IRS 20-Factor Test (common-law control test) to determine whether an employer/employee relationship will exist. Generally, an employer/employee relationship exists when the Tribe as the employer has the right to control. Control of the workplace is met when the employer determines when the employee works, where he/she works, and how he/she works. Control does not need to be exercised for an employer/employee relationship to exist – the right to control is sufficient. See Section 6.35 for more information.
- (d) **Insurance.** The Tribe's Finance Department has the centralized responsibility for the operation of the Tribe's insurance coverage programs. The Housing Department may place insurance as required for individual housing units. All other programs are limited to Notary Bonds only.
- (e) **Proposed Architectural, Structural, Electrical, and Mechanical Plans, Specifications, and Cost Estimates.** All departments/programs must submit all proposed contracts for architectural services and all architectural, structural, electrical, and mechanical plans, specifications, and cost estimates to Tribal Administration Offices for review and archival. The department director and Tribal Administrator are responsible for reviewing and approving such proposed contracts, plans, specifications, and cost estimates prior to bid advertisement (a copy of bid notices, advertisements, etc. must be submitted to the Finance

Department). No contracts for construction or reconstruction projects will be executed without the prior approval of Fallon Business Council.

- (f) **Capital Improvements.** The department director and Tribal Administrator are responsible for reviewing and approving such proposed contracts, plans, specifications, and cost estimates prior to RFP, bid solicitation, or advertisement. A copy of bid notices, advertisements, etc. must be submitted to the Finance Department. No contracts for capital improvement projects will be executed without the prior approval of Fallon Business Council. Purchases of material or work paid from previously approved budget appropriations do not require re-approval from the Council, except as noted in this Policy & Procedures Manual.
- (g) **Legal Counsel.** No department/program may employ any person to act as an attorney except with approval of the Fallon Business Council and subsequent approval from the U.S. Bureau of Indian Affairs – Western Nevada Agency, in accordance with the Tribe’s Constitution.

8.60 ARTIFICIALLY DIVIDED PROCUREMENTS

- (a) **Artificially Divided Procurements.** No purchase shall be ARTIFICIALLY DIVIDED so as to constitute a small purchase or to reduce a solicitation to a lesser or no bid requirement. In the absence of a good faith business basis, no purchase or procurement shall be artificially divided within a department/program, an account code, or its equivalent. In other words, a department/program cannot submit two or more requisitions to the same vendor or similar vendors (within a short-time period) in order to avoid competitive bid requirements or to avoid the formal solicitation of competitive sealed bids. Artificial division of purchases can be outlined as follows:
1. A department/program submitting two or more requisitions of \$25,000 each or less for the identical commodity on the same day/week or within the last 2-3 weeks.
 2. A department/program submitting two or more requisitions of \$25,000 each or less to the same vendor on the same day/week or within the last 2-3 weeks.
 3. A department/program submitting two or more requisitions of \$25,000 each or less to similar vendors for identical or similar commodities on the same day/week or within the last 2-3 weeks.
 - Similar vendors are suppliers selling products within the same industry category. Similar commodities are items which possess general characteristics within the same industry category.
 4. A department/program submitting separate requisitions for the same requester totaling \$25,000 each or less which meet criteria 1, 2 or 3 above.

5. A Recurring pattern of requisitioning over the course of a fiscal year exceeding \$100,000 for the same commodity from the same or similar vendors (as defined above).

The Finance Department will combine requisitions it interprets in possible violation of this provision and return requests to the submitter to obtain the required authorizations for the appropriate level.

8.65 MICRO PURCHASES (\$5,000 OR LESS)

- (a) No competitive process or cost-price analysis is required for purchases of \$5,000 or less per single purchase transaction.
- (b) Purchases in amounts of \$5,000 or less do not require the submission of more than one price quote as long as the price is reasonable, however, competitive price quotes from multiple sources is encouraged. Purchases should be made to distribute micro-purchases equitably among qualified suppliers.
- (c) The Treasurer and/or Finance Department, though, reserve the right to ask for documentation to support a purchase that seems high or can be obtained at a lower cost for another vendor.
- (d) Purchases shall not be purposely divided into smaller components so as to avoid the additional bidding/solicitation requirements as detailed in this chapter. Refer to Section 8.60 for more information.

8.70 SMALL PURCHASES (\$5,000.01 TO \$150,000)

- (a) Price quotations shall be solicited from three (3) or more bona fide, qualified vendors for purchases exceeding \$5,000 but not exceeding \$150,000.
- (b) Quotations may be made by telephone, facsimile, or other means and shall be awarded on the basis of the lowest responsive quotation. Whenever possible, at least one (1) of the bona fide, qualified vendors shall be from a Native-American owned business or entrepreneurship.
- (c) The requesting department/program shall document and list all solicited vendors and each vendor's contact person, summarize quotations received, indicate the successful vendor and state the reason why any lower quotation was rejected, as well as contain written confirmation of the quotation from the successful vendor. A copy of this information must be maintained by the department/program until the tribal-wide audit for that year is completed or until the expiration of the grant funding the purchase and as required by the granting agency.
- (d) Purchases shall not be purposely divided into smaller components so as to avoid the additional bidding/solicitation requirements as detailed in this chapter. Refer to Section 8.60 for more information.

8.75 LARGE PURCHASES (OVER \$150,000)

- (a) Large purchases are purchases over \$150,000 which require formal competitive procedures as outlined in Chapter 9 – Contractual Services.

8.80 OTHER PURCHASES

- (a) **Unique/Special Products/Services.** In cases when an item is "one of a kind" or there is little likelihood of competitive bidding, the Council, unless prohibited by law or a funding agency, by majority vote may waive the requirement of soliciting bids in accordance with the provisions of this policy.
- (b) **Motor Vehicle Purchases.** Bids shall be required on all motor vehicle purchases regardless of price, with the exception of vehicles acquired through General Services Administration (GSA), Council approval required. If a tribal-owned vehicle is available for trade-in on the purchase of a new motor vehicle, the Council may consider the value of any trade-in allowance offers from prospective vendors in making its purchasing decision, but shall not be bound to accept any trade-in offers, regardless of amount.
- (c) **Adherence to Policy.** Any purchases(s) of products or services submitted not in accordance with the provisions of this policy shall be rejected and any requests for payment shall be disallowed. Items already obtained and unable to be returned will be considered to be the personal cost of the employee who made the purchase without required approvals/authorizations.

8.85 EXCEPTIONS TO BID/QUOTE REQUIREMENTS

The following items are considered exempt from the micro and small purchase provisions and no competitive process is required for the following items (for additional information and/or clarification consult with the Treasurer or Comptroller):

- (a) Repair parts for equipment obtained from the authorized dealer while under warranty;
- (b) Vehicle body repairs covered by insurance recovery and in accordance with insurance requirements;
- (c) Food, materials, and supplies needed for emergency shelters, detention facilities, and rehabilitation facilities/homes where the number of inmates, students, or clients is unstable and unpredictable.
- (d) Purchasing or selling transactions between tribal budget account and other tribal governmental agencies;
- (e) Publications and/or copyrighted materials purchased directly from the publisher or copyright holder;
- (f) Public utilities and services, including cellular phone and internet services, provided by local governments or when the service is only provide by a single/sole vendors in the immediate area (within the county located in);
- (g) Royalties and license fees for use rights to intellectual property, such as, but not limited to: patents, trademarks, service marks, copyrights, music, artistic works, trade secrets, industrial designs, domain names, etc.;

- (h) Farm products including, but not limited to, fresh vegetables, milk, eggs, fish, or other perishable foods, when it is determined that market conditions are unstable and the competitive sealed bidding process is not conducive for obtaining the lowest prices.

8.90 EMERGENCY PURCHASES

From time to time, departments/programs may face emergency situations, in which goods or services must be acquired immediately. In these cases of emergency, these departments/programs may need to bypass normal purchasing processes and approval requirements. In instances where emergency purchases have been made, invoices received from the vendor will be processed in the same manner as for regular encumbrances. **Emergencies are generally defined as events that could not have been foreseen where immediate action is necessary to safeguard the Tribe's or public's health and safety.**

For emergency purchases, a department head will need to note either on the procurement document or as an attachment memo that identified and documents the emergency which shall be retained with the procurement documents. The notation will include a brief explanation of the emergency, a short description of the goods and services to be purchased, and space for the supervisor and Treasurer to sign in approval. The actual financial transaction must be entered by the finance department agency into the financial accounting and management system as a purchase order and the description is to include the word "EMERGENCY." For purchases that must be made immediately, a purchase order must be prepared. In cases where the purchase must be made over an extended period of time, a purchase order must be prepared. **Departments/programs that process more than five (5) emergency request per month may be subject to reviews and referral to their supervisor for failing to following proper financial and procurement procedures.**

All emergency procurement actions (purchase orders, check requests, and credit card usages) will be reviewed, at least semi-annually, by the Finance Department to determine the kinds of emergencies encountered. All departments/programs are expected to limit the use of this procedure to bona fide emergency situations, and to comply with the Tribe's procurement provisions as set forth in this Policy & Procedures Manual.

8.95 SOLE SOURCE PROCUREMENT

Procurement may be completed without solicitation/competition when the Tribal Administrator determines in writing, after conducting a good faith review of available sources, that there is only one capable and responsible source for the required supply, service, or construction item.

The determination and finding must be approved by the Tribal Chairman and the Tribal Treasurer before procurement authorizations are obtained and the commitment to purchase can be made. A record of sole source procurements shall be maintained as a Tribal record and shall list each contractor's name, the amount and type of each contract/procurement, and a listing of the item(s) procured under each contract/procurement. A completed "Single/Sole Source Justification Form" (Form FMP-23) must be completed and attached to the appropriate procurement form.

8.100 EXPENSE REIMBURSEMENTS

(a) **General Provisions.** The Tribe does not have the same level of control over expenses incurred on behalf of the Tribe by those who pay with personal funds and seek reimbursement as it does for expenses paid directly by the Tribe. The Tribe is not in as good a position to determine whether the good or service purchased might have been obtained at a lower price elsewhere, whether there is a personal benefit to the person seeking reimbursement and how the expenditure fits in with the rest of the organization's budget. In proper circumstances, tribal officials/employees are entitled to be reimbursed for expenses related to the Tribe that they incurred on behalf of the Tribe. To receive reimbursement, the following requirements must be met:

1. The expense must have been authorized in advance by the immediate supervisor and the Tribal Treasurer or Tribal Comptroller.
2. The expense must have been incurred for goods and/or services purchased for the Tribe.
3. The Tribe does not reimburse for sales taxes paid for a purchase for any items delivered to Tribal trust lands as the Tribe is a tax-exempt entity. A waiver of this provision may be done by the Tribal Chairman or the Tribal Treasurer.
4. If the expense is for travel, the travel must be for work related to and approved by the Tribe. The Tribe will reimburse no more than the standard mileage and per diem rates as established by the IRS.
5. Written justification for the necessity of the purchases of goods or services, other than normal travel costs, outside normal procurement procedures must be included with the reimbursement request.

(b) **Procedures.** To be reimbursed for expenses an employee must submit a check request form, as well as meeting the following criteria:

1. **Documentation.** The employee must provide reasonable documentation showing the date, amount and what the expense was for. Credit card receipts and store receipts that do not describe the purchase are not reasonable documentation. The receipt must describe the purchase.
2. **Other Reimbursement.** A voucher must reflect reimbursement from sources other than the employees.
3. **Timely Submission.** The employee must submit the documentation with a request for payment within 60 days from the date the expense was incurred.
4. **Overpayment.** If the Tribe overpaid an employee, the employee must return any excess reimbursement within 30 days.

8.105 PURCHASING/PROCUREMENT ETHICS

(a) **General.** The Tribe's business shall be conducted:

1. With professional standards of conduct, ethics and values;
 2. In a manner, which fosters public trust;
 3. With business practices that are intended to avoid a real or apparent conflict of interest or the appearance of a conflict of interest; and
 4. In compliance with applicable Federal, State and Local laws, statutes, rules regulations and codes.
- (b) **Ethical Standards.** It is the policy of the Tribe for employees to maintain high standards of honesty, integrity, impartiality, courtesy and conduct. Such policy is implemented by prescribing essential standards of ethical conduct without creating unnecessary obstacles to entering tribal service. Tribal employees must discharge their duties impartially so as to assure fair competitive access to governmental procurement and to avoid the appearance of impropriety. Moreover, they should conduct themselves in such a manner as to foster public confidence in the integrity of the Tribe’s procurement operation. To achieve the purpose of section, it is essential that those doing business with the Tribe also observe the ethical standards prescribed herein.
- (c) **Influencing Government Officials.** Any attempt to realize personal gain through tribal employment by conduct inconsistent with the proper discharge of the employee’s duty is a breach of public trust. Any effort to influence any tribal official, employee or agent to breach the standards of ethical conduct, may be grounds for disbarment or suspension.
1. The Tribe or its representatives shall not use Federally appropriated funds, including grant or contract funds, whether received directly or indirectly, to pay any person or organization to influence or attempt to influence:
 - a. An officer or employee of any agency; or
 - b. A member of Congress; or
 - c. An officer or employee of Congress; or
 - d. An employee of a member of Congress.
 2. The Tribe or its representatives shall not, for the purpose of obtaining or attempting to obtain direct or indirect Federally appropriated funds, solicit, offer, accept, give or promise to give money, gratuities, favors, or any other thing of monetary value to:
 - a. An officer or employee of any Federal or awarding agency; or
 - b. A member of Congress; or
 - c. An officer or employee of Congress; or
 - d. An employee of a member of Congress.
- (d) **Conflict of Interest.** No employee, Council member or officer, or agent of the Tribe shall participate directly or indirectly in the selection or award if a conflict, real or apparent, would be involved. No vendor or provider shall participate in any conflicts of interest or violate or assist in violating this Section in any way.

Such conflict would arise when a financial or other interest in a firm selected for award is held by:

1. An employee, officer or agent involved in making the award;
2. His/her immediate family as currently defined in the Tribe's Constitution (husband, wife, brother, sister, father, mother, son or daughter) or his/her partner; or
3. An organization which employs or contracts with, is negotiating to employ or contract with, or has an arrangement concerning prospective awards with any of the above.

- (e) **Gratuities and Kickbacks.** No person shall offer, give or agree to give, any employee, former employee or Council Member, or for any employee, former employee or Council Member to solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation of any part of a program requirement or a purchase request, influencing content of any specification or procurement standard, rendering of advice, investigation, auditing or in any advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter, pertaining to any program requirement of a contract or subcontract, or to any solicitation or proposal thereof.
- (f) **Contingent Fees.** It is a violation of this policy for a person to be retained, or to retain a person, to solicit or secure a tribal contract upon an agreement or understanding for a commission, percentages, brokerage, or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies for the purpose of securing business.
- (g) **Confidential Information.** It is a violation of this policy for any employee, former employee, or Council Member knowingly to use confidential information for actual or anticipated personal gain, or for the actual or anticipated personal gain of any other person.



Chapter 9 – Contractual Services

9.10 INTRODUCTION

This chapter of the Tribe’s Financial Management Policy & Procedures Manual contains the policies relating to the Fallon Paiute-Shoshone Tribe’s solicitation and contracting processes. These policies reflect the Tribe’s commitment to establishing an open and competitive process for individuals and organizations that do business with the Tribe; ensuring fairness and equal access to business opportunities in the Tribe; and promoting the most cost-effective use of tribal dollars and resources in its contracting and solicitation processes. By implementing these policies, the Tribe’s goal is to ensure that all tribal departments/programs comply with applicable laws, regulations, and contractual obligations and follow established best practices that result in the best outcome for the Tribe. These policies set the framework by which all official representatives of the Tribe should conduct their solicitation and contracting processes.

9.15 SOLICITATING/CONTRACTING PROVISIONS

- (a) **Overview.** This Chapter addresses the conflicts of interest, disclosure, disqualification requirements and ethical business practices that relate to soliciting and contracting with the Tribe.
- (b) **Policy.** It is the policy of the Tribe to promote contracting practices that facilitate compliance with conflicts of interest, disclosure and disqualification laws and requirements pertaining to Council members, other elected officials, appointed officials, commissioners and committee members, and employees, contractors, consultants and agents, in their solicitation and contracting processes, and to ensure that the Tribe conducts its contracting and solicitation processes in a legal and ethical manner while aiming to achieve the best outcome for the Tribe.
- (c) **Background & Purpose.** Tribal entities, officials, employees and contractors are required to engage in fair and ethical business practices in their contracting process. The Tribe is accountable to its members, as well as federal agencies, on how tribal and grant funds are spent. The purpose of this chapter is to set forth a procedure that safeguards against favoritism, fraud, and corruption and that prevents the misuse of tribal and grant funds. Employees who knowingly fail to follow this policy may be subject to legal and/or disciplinary action.
- (d) **Application of the Policy.**
 1. **Conflicts of Interest, Disclosure and Disqualification Requirements.** Establishing conflict of interest, disclosure and disqualification requirements create the framework for how the Tribe will conduct its contracting process. Examples of these requirements include, but are not limited to:

- Tribal officials (elected or appointed), employees, and consultants must not make contracts in which they are financially interested, unless the financial interest at issue falls under an exception approved by the Council after consulting with its legal counsel.
 - Certain tribal officials are required to disclose assets, income, business positions and/or real property that may be materially affected by their official actions. In appropriate circumstances, such officials are disqualified from acting in order to avoid a conflict of interest.
 - A Council member is prohibited from participating “in a governmental decision in which he or she has a close personal interest that would tend to impair the exercise of independent judgment in the public interest.” “Personal interest” includes interest arising from blood or marriage relationships or very close personal associations that would constitute a conflict of interest under common law.
 - A Council member is prohibited from taking action that would result in a financial conflict of interest.
 - An official, employee, or consultant must exercise the powers & authorities conferred on him or her with disinterested skill and diligence and primarily for the benefit of the Tribe and its members.
2. **Ethical and Best Business Practices.** Examples of practices that are prohibited and are also consistent with best solicitation and contracting practices include:
- **Segmenting or Splitting Contracts.** Efforts to segment or split a contract (also commonly referred to as “incremental contracting”) into two or more contracts for the purpose of circumventing dollar limits on approval processes or other requirements are prohibited. To prevent incremental contracting, contracts for related and interdependent goods or services on a given project must be consolidated whenever feasible.
 - **Awarding Contracts to Unqualified Entities or Individuals.** Departments/Programs are prohibited from recommending the awarding of contracts to any entity or individual that does not meet the required solicitation criteria for the award. If no entity or individual meets the required solicitation criteria, the Department/Program must reevaluate its needs and the solicitation process that was conducted and engage in another solicitation process, if appropriate, that will result in the award of the contract to a qualified entity or individual. This prohibition includes the award of contracts to family members, friends or business associates who do not meet the established criteria for a given procurement process but are given an unfair advantage based on their pre-existing relationship with the Tribe or an employee.

In order to prevent these types of unfair awards, tribal officials, employees and/or consultants are required to disclose any relationship to potential contract awardees as soon as they learn of such a relationship.

- **Circumventing the Solicitation Process.** Departments/Programs are prohibited from selecting an inappropriate solicitation method as detailed in this chapter, in order to circumvent the process, cut corners, or award the contract to a particular entity or individual.
- **Contractor Conflict of Interest.** A contractor that is awarded a contract to assist the Tribe with drafting the selection requirements and/or criteria for a particular solicitation is prohibited from being awarded a contract resulting from that solicitation or any subsequent solicitation that is required, suggested, anticipated, or otherwise related to the original solicitation, unless the contractor was awarded a contract to do both the drafting of the selection requirements and criteria for the solicitation and performing the work resulting from that particular solicitation.
- **Tribal Employee's Travel Expenses.** If a tribal employee has to travel to review and evaluate a vendor's proposal, the vendor bidding on that tribal contract is prohibited from paying the travel expenses of the tribal employee.
- **Prohibition on Supervision.** No tribal employee may negotiate or supervise a contract between the Tribe and the employee's former private sector employer, or supervise work to be performed by the former private sector employer, within one year of leaving that employer. These restrictions do not prevent the tribal employee from providing information to the Tribe, unless otherwise prohibited.
- **Former Tribal Employees.** A former tribal employee is prohibited from engaging in certain activities related to a judicial, quasi-judicial or other legal proceeding if the subject contract of the proceeding is one in which the former employee participated, unless it falls within an exception approved by Council.
- **Accepting Gifts.** Tribal employees that are involved in the review and/or recommendation of awarding of a contract, including monitoring the contract, are prohibited from accepting gifts from the contractor under that contract, unless it falls under an exception approved by the council after consultation with its legal counsel. These gifts include, but are not limited to, tickets to events hosted by the vendor.

- (e) **Compliance with Policy.** To ensure compliance with this policy, if a tribal official or employee is considering an action, matter or decision that may raise any issues related to conflict of interest, disclosures or disqualification, that individual should contact the Tribal Chairman or Tribal Treasurer immediately for advice.

To avoid violation of any of this manual or its practices, tribal officials and employees must complete all required documentation and make all required disclosures, as well as refrain from participating in the decision-making process if there is a conflict of interest issue. Failure to comply with the applicable laws may result in the imposition of administrative, civil and/or criminal penalties on the individual. Also, a contract may be deemed void or voidable and/or a solicitation canceled due to violation of this policy and/or its practices.

9.20 CONTRACTING AUTHORITY

- (a) **Approvals.** It is the policy of the Council that Departments/Programs conduct their contracting and soliciting processes pursuant to the contracting authority established in this policy. The Fallon Business Council is the only body that has authority to enter into contract on behalf of the Tribe. The Council has the sole authority to enter into contracts and to delegate the Chairman (or his/her designee) to sign any contracts made on behalf of the Tribe. If the vendor is doing business with the Tribe for the first time, a completed IRS Form W-9 from the vendor must be submitted to the Finance Department prior to any payment. All original bid documents will be retained by the department and the Grants Department, if applicable, where they will be kept on file in accordance with applicable records retention procedures.
- (b) **Limited Authority of Chairman and Treasurer.** Departments/Programs are required to bring all contracts to the Council for: (1) initial approval and authorization to sign; (2) termination; and (3) amendments/change orders to the term, scope of services/products being provided, or the Tribe's financial obligation. An amendment to the scope of services/products refers to a change that affects the performance of the contract. The Tribal Chairman, upon concurrence of the Treasurer and the Tribe's legal counsel, has authority to take all other actions related to the contract without obtaining further Council approval, for example, changes that are clerical, non-substantive, or not material to the performance of the contract.
- (c) **Retention of Signed Contracts.** Signed contracts are to be maintained by the Secretary of the Fallon Business Council with a copies provided to the Tribe's Finance Department and the Tax/TERO Department. Departments/programs must ensure that the Tribal Secretary received one original copy of any contract entered into by the Tribe within ten (10) days after finalized and approved.

9.25 APPLICATION OF THE POLICY

- (a) **Definitions.**
 1. **Tribal Contract.** A contract is an agreement between the Tribe and a non-tribal entity or individual that contains a promise or set of promises or the mutual obligations of the parties. A document need not be entitled "contract" or "agreement" to be considered a contract. Examples of contracts include, but are not limited to, a legally-binding MOU with a non-Tribal entity, an amendment to a contract, a field purchase order, and Non-

Disclosure Agreements. A document can be considered a contract even if there is no exchange of money.

2. **Grants.** Funds provided by a government or other organization (grantor) for specified purposes to an eligible recipient (grantee). Grants are usually conditional upon certain qualifications, for example, use, maintenance of specified standards, and/or a proportional contribution by the grantee or other grantor(s).
3. **Goods and Related Services.** Goods and Related Services refer to the goods, materials, software, equipment, and related services procured by the Tribe, such as furniture and office supplies.
4. **Professional Services.** Professional Services are any technical or consultant services that provide support to and facilitate department operations and the governmental functions of the tribal administration/management, program management or innovation. Professional services for purposes of the Tribe’s contracting process include, but are not limited to the following:
 - (1) Licensed Professional services, such as Physicians, Psychologists, Marriage and Family Therapist; (2) Consulting Services; (3) Trainer Services; (4) Medical Services; (5) Legal Services; (6) Information Technology and Communications Consulting Services; (7) Fiscal Consulting Services; and (8) Human Services as described further in this chapter. Professional Services are typically not furnished with the acquisition of goods and materials.
5. **Architect-Engineer-Construction Project Management Services.**
 - “Architectural, landscape architectural, engineering, environmental, and land surveying services” includes those professional services of an architectural, landscape architectural, engineering, environmental, or land surveying nature as well as incidental services that members of these professions and those in their employ may logically or justifiably perform;
 - “Construction project management” means those services provided by a licensed architect, registered engineer, or licensed general contractor which have the requisite expertise and experience for management and supervision of work performed on tribal construction projects; and
 - “Environmental services” means those services performed in connection with project development and permit processing in order to comply with federal, tribal, and/or state environmental laws.
6. **Non-Professional Services.** Non-Professional Services are all services not within the scope of the definitions of Professional Services, Architect-Engineer-Construction Project Management and Goods and Related Services above. They are non-technical or non-consultant services that provide support to and facilitate department operations. Non-

Professional Services for the purposes of the Tribe's contracting process include, but are not limited to the following:

(1) Laboratory Services; (2) Courier Services; (3) Equipment Maintenance Services; (4) Maintenance and Repair Operations Services; (5) Laundry Services; (6) Landscape Services; (7) Garbage and Recycling Services; (8) Records Retention and Destruction Services; and (9) Printing Services. Non-professional services may be rendered with or without furnishing of goods and materials.

If a Department/Program needs assistance in identifying the appropriate category of services being procured, it should consult with the Treasurer and/or Comptroller.

7. Responsive. A responsive bid is one that materially complies with the form or content requirements of the bidding documents. Material irregularities may not be waived and may appear in the form or content of a bid which affects the bid price or time and gives the bidder making the irregularity an advantage or benefit over another bidder. Irregularities that could make a bid nonresponsive include but are not limited to the following;
 - a. Incomplete submittals.
 - b. Unsigned bids.
 - c. Stipulations made on the bid form.
 - d. Discrepancies
 - e. Late or mishandled bids.
8. Responsible. A responsible bidder is one who is able to satisfactorily perform the work. Qualification may be used by ascertaining the extent of the bidders experience on similar projects, the financial ability to complete the work, list of references, etc., and by using a predefined scoring system to rank the responsibility of the bidder.
9. Bid Price. The bid price is the total bid amount provided by the bidder plus any TERO fees.
10. Total Contract Price. The total contract price is the bid price plus any taxes, fees, etc., as it is written in the contract.
11. Revised Bid Price. A revised bid price usually occurs after bid prices are received. A revised bid price can be caused by a number of situations, however, all prospective bidders must be in agreement that a revised bid price is required and also all prospective bidders must be allowed the same information including revised bid schedule if any, all prospective bidders who submitted bid prices must be allowed to submit revised bid prices.

- (b) **Length of Term of Contracts.** The length of the contract term (beginning and ending date) may vary depending on the type of contract, but the term must not be more than four (4) years, unless the contract falls under one of the exceptions below and the exception is approved by the Council. The maximum 4-year term includes any amendments to the contract term. The exceptions to the maximum four (4) year term are:
1. When the funding source for a contract provides that the contract term must exceed four years. Such funding sources may include the Federal or State government or outside funding source (private/foundation grant);
 2. When the Tribe “piggybacks” on another jurisdiction’s contract that is more than four years or that is subsequently extended for more than the initial four-year term;
 3. When a specific law, code or regulation requires that a particular type of contract includes certain contract term(s) that exceed 4 years;
 4. Contracts for goods, which includes equipment, that have a lifespan that exceeds four years and the benefits to the Tribe of exceeding a four-year term outweigh the benefits of creating and executing a new contract after four years;
 5. Contracts for technology software or hardware that have a lifespan exceeding four years and the benefits to the Tribe of exceeding a four-year term outweigh the benefits of creating and executing a new contract after four years;
 6. Proprietary maintenance contracts;
 7. Contracts with other governmental agencies; and
 8. When a department/program is otherwise able to justify that it is in the Tribe’s best interest to exceed the maximum 4-year term requirement (subject to a public comment and hearing process).
- (c) **Monitoring, Administration, and Evaluation of Contracts.** Monitoring, administration and evaluation of tribal contracts are essential to promoting the most cost-effective use of tribal dollars and resources and to ensuring that the Tribe receives the goods and/or services for which it contracts.
1. The preferred method of monitoring is by a contracting team consisting of a Primary Project Manager, the Department Director, Tax/TERO Director, Finance/Tribal Treasurer representative, and a representative from the Grants Department, if applicable.

Although the method used to monitor, administer and evaluate a contract will depend on the type of contract, departments/programs are required to develop performance standards and implement a process that incorporates monitoring, administration and evaluation of contracts. For example, self-monitoring and self-

reporting may be appropriate for certain contracts. Departments/programs must also document their performance evaluations of contractors.

- (d) **Retention of Documents & Evaluations.** The retention period for this documentation should be the same as the retention period for the subject contract. These performance evaluations may be used by departments/programs to evaluate the propriety of entering into contract extensions or future agreements with the same contractor. The Council or tribal committees/commissions may also request copies of evaluations from time to time.
- (e) **Contract Payment Terms.** If applicable, payment terms should be tied to performance or level of effort, and expense reimbursements for consulting contracts must be consistent with the Tribe's travel/expense provisions, unless it is a fixed price contract, in which case no expense reimbursement above the fixed price is authorized. All consultant contracts where travel and per diem cost or other identified direct cost are reimbursed must also be consistent with the Tribe's travel/expense provisions, unless such costs are included in either a fixed unit price or a firm fixed price. This policy does not require the Tribe to pay for travel and does not prohibit departments/programs from negotiating better terms for the Tribe than what is contained in the travel/expense provisions of this Financial Policy & Procedures Manual.
- (f) **Legal Review by Tribal Counsel.** All contracts must be reviewed and approved by the Tribe's legal counsel as to form and legality. This does not include any Standard Tribal Contract Form that has been adopted and approved for use by the Council because it has already been reviewed and approved by legal counsel. Attachments to the standard tribal contract form, such as a statement of work, must not conflict with the terms and conditions of the standard form. If a department/program believes there is a potential conflict, it should ask the Tribe's legal counsel to review the standard form and relevant attachment(s). If departments/programs make changes to the standard form, including attaching additional terms and conditions, then the entire agreement and forms need to be reviewed and approved by the Tribe's legal counsel.
- (g) **Contract Clauses.** All contracts shall include any clauses required by tribal law, Federal Statutes, executive orders, and their implementing regulations, or grant requirements including but not limited to the following:
1. Administrative, contracted, or legal remedies in instances where contractors violate or breach terms, and provide for such sanctions and penalties as may be appropriate.
 2. Termination for cause and for convenience.
 3. Termination for default.
 4. Equal Employment Opportunity.
 5. Anti-Kickback Act.

6. Davis-Bacon Act (if applicable).
7. Contract Work Hours and Safety Standards Act.
8. Reporting requirements.
9. Patent rights and rights in data and copyrights.
10. Examination of records by and retention of records for three years after closeout.
11. Environmental Protection provisions (as applicable).
12. Bid protests and contract claims.
13. Value engineering.
14. Payment of funds to influence certain Federal Transactions.
15. Insurance requirements and indemnification responsibilities.
16. Applicable warranties.
17. Compliance with the laws of the Fallon Paiute-Shoshone Tribe.
18. Submission to the jurisdiction of the Tribal Court of the Fallon Paiute-Shoshone Tribe.
19. Express retention of the sovereign immunity of the Fallon Paiute-Shoshone Tribe.

If all required clauses are not included on the contract form, then the Tribe shall attach any additional clauses to the contract forms used in contract documents. The Tribe shall include the contract clauses and solicitation notices for Indian Preference as described in this chapter. All expenditures in proposed contracts must be reviewed by the Treasurer and/or Comptroller to ensure sufficient funds have been budgeted to satisfy the Tribe's obligations under the proposed contract.

- (h) **Contract Approval.** Contracts must be presented for review and approval to the Fallon Business Council (after legal review has been obtained), excluding Letters of Agreement. It is the responsibility of the department/programs seeking the contract to place the proposed contract on the appropriate regular council meeting agenda and to ensure the proposed contract has been reviewed by legal counsel and the Treasurer or Comptroller prior to the presentation of the contract to Council. The department/program is responsible for notifying the Council of any contract containing a waiver of sovereign immunity, agreement to arbitration or submission to a jurisdiction other than the Tribal Court. All contracts, including renewals or modifications, must be approved by Council resolution.
- (i) **Payment Methods.** Payments based on approved contracts with the Tribe shall be done through check requests which are submitted based on the payment schedule in the contract. The originating department/program must attach a copy

of the contract on the initial check request and note on the future request that a contract was previously submitted.

- (j) **FBC Approval of Solicitations.** All Solicitations, whether for RFB's or RFP's, must be approved by the Fallon Business Council prior to advertisement. Except in circumstances involving regular contract services, such as Audit Services, in which case, such RFP's shall be reviewed by the Department Director and Tribal Administration for completeness and compliance.
- (k) **Formal Competitive Procurement, Notice Inviting.** Notice inviting bids or proposals shall be provided in the manner and utilizing such media as is most appropriate to the subject matter of the procurement and the applicable time line available with the objective of encouraging fair and unbiased competition. The notice shall be designed to secure a reasonable distribution and a competitive process and may include direct mail, electronic mail, online listing services, newspaper advertisements, and/or such other means as may be deemed appropriate. In addition to any other solicitation, all bids/proposals shall also be advertised by notices posted on public bulletin boards in the Tribal Administration Building.
- (l) **Notice of Solicitation, Content, Timing.** The notice inviting competitive bids/proposals shall be distributed and/or posted at least fourteen (14) business days but not less than five (5) business days preceding the last day for receipt of bids or proposals and shall include a general description of the products or services to be leased or purchased and state where bid specifications/forms may be obtained and the deadline for submitting bids/proposals.
 - 1. Pre-Bid meetings should be used and published in the solicitation. The solicitation should give the date, time and location of the pre-bid meeting. Pre-Bid meetings help the Tribe receive responsive and responsible bids by giving potential bidders the chance to clarify the scope of work, scheduling, Tax & TERO, which help decrease the number of change orders, scheduling changes and may help in lowering costs.
 - 2. Requests for projects that are comprised of severable components should request component pricing in the solicitation and state if not all components may be completed. Eliminated or delayed components may require a new solicitation after 12 months or the timeframe stated in the solicitation, whichever is less.
- (m) **Procedure for Receiving and Opening Bids.** The following applies to bids submitted under the formal competitive bid procedure:
 - 1. Sealed and Identified. All bids shall be submitted in sealed envelopes to the Tribal Treasurer and shall be identified as bids on the envelope.
 - 2. Bid Opening and Evaluation. The bid opening process is not a public matter. The bids shall be opened and reviewed by a panel comprised of at

least a representative of the requesting department/program and the Treasurer or a member of the Finance Department. The review panel shall evaluate the bids submitted in accordance with the provisions of this chapter.

3. Rejection of Bids. The review panel shall have the authority to reject all bids, parts of bids or all bids for any one or more supplies or services included in the proposed contract, for failure to comply with the requirements of the invitation for bids or when the public interest will be served thereby, and require the solicitation of new bids.
 4. Recommend Award of Bid. The review panel shall recommend to the Fallon Business Council the award of the contract to the most responsive and responsible bidder, unless all bids have been rejected and a new solicitation is being done.
- (n) **Determining Factors.** Factors Which Shall Be Considered When Determining Most Responsive and Most Responsible Bidder. The following factors shall be considered in determining the most responsive and most responsible bidder that best provides the products and/or services required by the solicitation.
1. Cost and Future Maintenance. The purchase cost of the product or service, the anticipated cost of maintenance or service (including applicable warranties), the ability of the bidder to provide future maintenance and service, the longevity of the product or service, and the cost of disposal;
 2. Ability to Perform. The ability, capacity, skill or financial resources of the bidder to provide the product/services under the contract;
 3. Timely Performance. Whether the bidder can perform the contract or provide the service promptly or within the time specified without delay or interference;
 4. Character and Reputation. The character, integrity, reputation, judgment, experience, and efficiency of the bidder;
 5. Quality of Prior Performance. The quality of the bidder's performance of previous products or services;
 6. Quality and Availability. The quality, availability, and adaptability of the products or services to the particular use required;
 7. Compliance with Bid Specification. Whether the bid as submitted fully complies with minimum requirements of the bid specifications;
 8. Indian Preference. To the greatest extent feasible, preference will be given to qualified Indian-owned economic enterprises and Indian organizations for products or services.

- (o) **Final Award.** The final award shall be made by the Fallon Business Council based on the best interests of the Tribe. The Council has the authority to accept or reject any or all bids and waive any required procedures except those which would create an unfair advantage to a bidder or as required by law. Should no award be made, letters of rejection will be mailed from the Tribal Secretary or initiating department/program.
- (p) **Unique/Special Products/Services.** In cases when an item is “one of a kind” or there is little likelihood of competitive bidding, the Council, unless prohibited by law or a funding agency, by majority vote may waive the requirement of soliciting bids in accordance with the provisions of this policy.
- (q) **Adherence to Policy.** Any purchase(s) of products or services submitted not in accordance with the provisions of this policy shall be rejected and any requests for payment shall be disallowed. Items already obtained and unable to be returned will be considered to be the personal cost of the employee who made the purchase without required approvals/authorizations.
- (r) **Artificially Divided Purchases.** Purchases shall not be purposely divided into smaller components so as to avoid the additional bidding/solicitation requirements as detailed in this chapter. Refer to Section 8.60 for more information. See also Section 9 (15) (d) (2).
- (s) **Maintenance of Records.** Copies of bids and public notices, as well as any other pertinent information, must be maintained by the department/program until the tribal-wide audit for the year is completed or until the expiration of the grant funding the purchase and as required by the granting agency.

9.30 CONTRACTING PROCESS

- (a) **General Provision.** The purpose of a written contractual agreement is to protect the Tribe from adverse legal and financial exposure among other things. In most cases a formal written agreement shall be required. Depending on the scope of work, value of a particular level of effort (dollars involved) as well as the associated risk, the contract originator may follow one of several processes as outlined below. To this end, the Tribe initiates contracts for services and goods and related services by conducting one of the following contracting methods, which are described in this section: Letter of Agreement; Sealed Bids; Competitive Proposals; or Non-Competitive Proposals.
- (b) **Letter of Agreement (\$2,500 and under).** If a contracted effort is below the \$2,500 threshold, funds are available, and there is limited risk to the Tribe, a Letter of Agreement (LOA) may be utilized. Signature authority will be with the Tribal Chairman. A letter of agreement:
 1. May not be used for contract amounts exceeding \$2,500

2. May not be used for services where the vendor will have direct access to private, confidential, non-public and protected non-public data;
3. May only be used where the Tribe has determined after consultation with Tribal legal counsel that the risk is minimal;
4. May be used for a limited duration, not in excess of one (1) year.
5. May not be used for services for which the contractor is required to be licensed.
6. May not be used when the Tribe's sovereign immunity is waived or when the legal venue for resolving conflicts is in another jurisdiction other than the Fallon Paiute-Shoshone Tribe.

Examples of potential Letters of Agreement include: renting conference rooms/facilities; guest speakers; renting equipment. The requesting department/program is responsible for drafting the letter of agreement and submitting to the Tribe's legal counsel ~~and Treasurer~~ for their approval before processing to the Chairman for signature. A letter of agreement that is developed by a party other than the Tribe can be used with the approval of the Chairman, Treasurer, and Tribal legal counsel and must meet items 1 through 6 outlined in this section.

(c) **Requests for Bids (RFB)**

1. Conditions for Use. Contracts shall be awarded based on competitive sealed bidding if the following conditions are present: a complete, adequate, and realistic specification or purchase description is available; two or more responsible bidders are willing and able to compete effectively for the work, the procurement lends itself to a firm fixed price contract; and the selection of the successful bidder can be made principally on the basis of price.
2. Solicitations and Receipt of Bids.
 - a. Issuance and Amendment. The invitation to bid must be publically advertised. An invitation for bids shall be issued including specifications and all contractual terms and conditions applicable to the procurement. Any amendments to the invitation shall be in writing, and if it is necessary to issue an amendment within seven days of the bid opening, the bid opening shall be postponed until at least seven days after issuance of the amendment. The invitation for bids shall state the time and place for the receipt of bids. The Fallon Business Council does not provide for public bid openings except as required by applicable funding agency requirement or if the issuing department/program provides for such process. All bids received shall be time-stamped but not opened and shall be stored in a secure place

until bid opening. A bidder may withdraw its bid at any time prior to bid opening.

- b. Solicitations. The Tribe shall solicit bids from non-Indian as well as Indian, Indian Organizations or Indian-Owned economic enterprises unless the Tribe decides to restrict the solicitation. The Tribe shall also solicit bids from non-Indian as well as Indian Organizations or Indian-Owned economic enterprises when an insufficient number of qualified Indians, Indian Organizations or Indian-Owned economic enterprises submit responsive bids in response to a restricted solicitation or a single bid is not accepted. In all unrestricted bid solicitations Indian Preference shall be applied in accordance with this chapter.
- c. Restricting Solicitations. The invitation may be restricted to qualified Indians, Indian Organizations or Indian-Owned economic enterprises if the Tribe has a reasonable expectation of receiving the required minimum number of bids from them (below). To qualify as Indian or Indian-owned, the business must demonstrate to the satisfaction of the Tribe (which shall be made at the Tribe's sole discretion) that the majority owners of the company are members of Federally Recognized Indian tribes. The business may be required to complete specific Tribal forms documenting Indian ownership of the business.
- d. Bid-Opening. Bids may be opened in a public or non-public venue and in the presence of the requesting department/program, a member of the Tribal Administration, and one representative from the Finance Department.
- e. Award. Award shall be made to the lowest responsive and responsible bidder. Awards made pursuant to restricted solicitations shall be made as follows:
 - Restricted Solicitations. If the solicitation is restricted to Indians, Indian Organizations or Indian-Owned economic enterprises, and two or more (or a greater number determined by the Tribe as stated in the invitation) qualified Indians, Indian Organizations or Indian-Owned economic enterprises submit responsive bids, the award shall be made to the qualified Indian, Indian Organization or Indian-Owned economic enterprise with the lowest responsive bid. If equal low bids are received, bid award shall be made by drawing lots or similar random method, unless otherwise provided by the laws of the Tribe.
 - If fewer than the minimum number of qualified Indians, Indian Organizations or Indian-Owned economic enterprises submit responsive bids, all bids shall be rejected, and the Tribe shall cancel the solicitation and re-solicit, inviting bids from non-Indian as well

as Indian, Indian Organizations or Indian-Owned economic enterprises. The Tribe may accept a single bid received from a responsible bidder in unusual circumstances, such as if the Tribe determines that, based on a cost or price analysis, the bid price is fair and reasonable, or the Tribe determines that the delay of re-soliciting would subject the project to higher construction costs.

f. Mistakes in Bids.

- Correction or withdrawal of inadvertently erroneous bids may be permitted, where appropriate, before bid opening by written or telegraphic notice received in the office designated in the invitation for bids prior to the time set for bid opening. After bid opening, corrections in bids shall be permitted only if the bidder can show by clear and convincing evidence that mistake of a non-judgmental character (i.e. clerical error) was made, the nature of the mistake, and the bid price actually intended. A low bidder alleging a non-judgmental mistake may be permitted to withdraw its bid if the mistake is clearly evident on the face of the bid document but the intended bid is unclear or the bidder submits convincing evidence that a mistake was made.
- All decisions to allow correction or withdrawal of bid mistakes shall be supported by a determination by the Council. After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the Tribe or fair competition shall be permitted.
- Any and all bids may be rejected if there is a sound documented reason or at the discretion of the Fallon Business Council.

(d) **Requests for Proposals (RFP)**

1. General. The invitation to bid must be publically advertised. The Tribe shall use a competitive proposal procurement method when the use of the sealed bid method is not appropriate due to the specialized skills required. The use of competitive proposals is appropriate where the award is normally made on the basis of the proposal that represents the best overall value to the Tribe, considering price & other factors, e.g., technical expertise, past experience, quality of proposed staffing, etc., set forth in the solicitation and not solely lowest price. A minimum of three (3) proposals from qualified sources is typically required (i.e., vendors decline to bid, less than three proposals after at least one round of advertisement)
2. Conditions for Use. Competitive proposals (including turnkey proposals for development) may be used if there is an adequate method of evaluating technical proposals and where the Tribe determines that conditions are not appropriate for the use of sealed bidding. An adequate number of qualified sources shall be solicited.

3. Solicitations.

- a. General. The Tribe shall invite or otherwise solicit responses to a Request for Proposals (RFP). A mechanism for fairly and thoroughly evaluating the technical and price proposals shall be established before the solicitation is issued. Proposals shall be handled so as to prevent disclosure of the number of proposers, identity of the proposers, and the contents of their proposals.
- b. Evaluation of Factors. The RFP shall clearly identify the relative importance of price and other evaluation factors and sub-factors, including the weight given to each technical factor and sub-factor. The Tribe shall reserve 10% of the total number of available rating points in unrestricted solicitations for the provision of Indian Preference in the award of contracts and sub-contracts. The proposals shall be evaluated only on the criteria stated in the request for proposals.
- c. Restricted Solicitations. The invitation may be restricted to qualified Indians, Indian Organizations or Indian-Owned economic enterprises if the Tribe has a reasonable expectation of receiving the required minimum number of statements of intent. The Tribe shall solicit bids from non-Indian as well as Indian, Indian Organizations or Indian-Owned economic enterprises if the Tribe decides not to restrict the solicitation; or, an insufficient number of qualified Indians, Indian Organizations or Indian-Owned economic enterprises submit responsive proposals in response to a solicitation; or, a single proposal is not accepted.
 - To qualify as Indian or Indian-owned, the business must demonstrate to the satisfaction of the Tribe (which shall be made at the Tribe's sole discretion) that the majority owners of the company are members of Federally Recognized Indian tribes. The business may be required to complete specific Tribal forms documenting Indian ownership of the business.
- d. Negotiations. In those situations where negotiations are deemed necessary, negotiations shall be conducted with proposers who submit proposals determined to have a reasonable chance of being selected for award, based on evaluation against the technical and price factors as specified in the RFP.

Such proposers shall be accorded fair and equal treatment with respect to any opportunity for negotiation and revision of proposals. The purpose of negotiations shall be to seek clarification with regard to and to advise proposers of the deficiencies in both the technical and price aspects of their proposals so as to assure full understanding of and conformance to the solicitation requirements.

No proposer shall be provided information about any other proposer's proposals, and no proposer shall be assisted in bringing its proposal up to the level of any other proposal. Proposers shall not be directed to reduce their proposal price to specific amount in order to be considered for award. A common deadline shall be established for receipt of proposal revisions based on negotiations.

- e. Award. After evaluation of proposal revisions, if any, the contract shall be awarded to the most responsive and responsible firm whose qualifications, price and other factors considered, are the most advantageous to the Tribe, provided that the price is within the maximum total contract price established for the specific property or activity. For solicitations restricted to qualified Indians, Indian Organizations or Indian-Owned economic enterprises, if two (or a greater number stated in the RFP) such entities submit acceptable proposals, award shall be made to the qualified Indians, Indian Organizations or Indian-Owned economic enterprises with the best proposal, provided that the price is within the maximum total price established for the specific project or activity.
 - If fewer than two Indians, Indian Organizations or Indian-Owned economic enterprises submit acceptable proposals, the Tribe shall re-solicit or otherwise proceed with awarding a project as described above. The Tribe may accept the sole proposal received, when the Tribe determines that the delays caused by re-soliciting would cause higher costs, or where the Tribe determines that the proposal has a fair and reasonable price.
4. Architect/Engineer, Legal, or Other Highly Specialized Professional Services. Architect/Engineer, legal, or other highly specialized professional services may be obtained by either the competitive proposal method or qualifications-based selection procedures, unless applicable law mandates the specific procedure. Sealed bidding shall not be used to obtain architect/engineer, legal or other highly specialized professional services. Under qualifications-based selection procedures, competitors' qualifications are evaluated and the most qualified competitor is selected, subject to the negotiation of fair and reasonable compensation.
- (e) **Non-Competitive Proposals.**
1. Conditions for Use. Procurement shall be conducted competitively to the maximum extent possible. Procurement by non-competitive proposals may only be used when the award of a contract is not feasible using either sealed bids or competitive proposals, **AND** one of the following apply:
 - a. An emergency exists that seriously threatens the public health, welfare, or safety, or endangers property, or would otherwise cause serious injury to the Tribe, as may arise by reason of a flood, earthquake, epidemic, riot, equipment failure, litigation or similar

- event. In such cases, there must be an immediate and serious need for supplies, services, or construction such that the need cannot be met through any other purchasing/contracting methods, and the emergency procurement shall be limited to those supplies, services, or construction necessary to meet the emergency; (See Section 8.85 for more information) or
- b. Only one contractor for the service/materials to be provided is available and the head of the department/program so certifies in writing by completing the Single-Sole Source Justification Form in this policy;
 - c. The procurement is for the renewal of a professional services agreement for legal, or other highly specialized professional services (subject to that the total length of a contract including renewals cannot exceed eight years prior to any competitive solicitation); or
 - d. After solicitation of a number of sources, competition is determined inadequate.
 - e. The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the Tribe.
2. Justification. Each contracting opportunity based on non-competitive proposals shall be supported by a written justification for using such procedures. Said justifications shall be prepared by the head of the department/program seeking a contract based on non-competitive proposals and submitted to the Council for consideration using the appropriate form. Procurement may not be made by non-competitive proposals unless approved by the Business Council.
 3. Price Reasonableness: The reasonableness of the price for all procurements based on noncompetitive proposals shall be determined by performing a cost analysis, as described in Section 9.40 below.

9.35 CONTRACT RENEWALS

Contracts may be renewed for a period that may not exceed 2 years or the term of the original contract, whichever is longer. The renewal of a contract must be in writing and is subject to the same terms and conditions set forth in the initial contract and any written amendments signed by the parties. If the product/service was contracted as a result of the solicitation of bids or proposals, the price of the product/service to be renewed must be specified in the renewal offer, except that the Tribe may negotiate lower pricing.

A renewal contract may not include any compensation for costs associated with the renewal. Renewals are contingent upon satisfactory performance evaluations by the Tribe and subject to the availability of funds. Request to renew a contract must be submitted by the vendor and department/program overseeing the contract at least 90 days before the end of the contract. All renewals must be approved by the Council.

9.40 COST AND PRICE ANALYSIS

(a) **General.** A cost or price analysis shall be performed for all contracting actions, including new contracts, renewals, and contract modifications. The method of analysis shall be determined as set forth below. The degree of analysis shall depend on the facts surrounding the procurement.

(b) **Submissions of Cost of Pricing Information.** If the procurement is based on non-competitive proposals, or when only one offer is received, or for other procurements as deemed necessary by the Tribe (e.g., when contracting for professional, consulting, or architect/engineer services) the proposer shall be required to submit:

1. A cost breakdown showing project costs and profit; and
2. Commercial pricing and sales information, sufficient to enable the Tribe to verify the reasonableness of the proposed price as a catalog or market price of a commercial product sold in substantial quantities to the general public; or
3. Documentation showing that the offered price is set by law or regulation.

(c) **Cost Analysis.** Cost analysis shall be performed if a proposer/contractor is required to submit a cost breakdown as part of its proposal. When a cost breakdown is submitted:

1. A cost analysis shall be performed on each individual cost element;
2. The Tribe shall have a right to audit the contractor's books and records pertinent to such costs; and,
3. Profit shall be analyzed separately.

Costs shall be allowable only to the extent that they are consistent with applicable Federal cost principles. In establishing profit, the Tribe shall consider factors such as the complexity and risk of the work involved, the contractor's investment and productivity, the amount of subcontracting, the quality of past performance, and industry profit rates in the area for similar work.

(d) **Price Analysis.** A comparison of price shall be used in all cases other than those described in Section 9.30(d) above.

9.45 CANCELLATION OF SOLICITATIONS

(a) An invitation for bids, request for proposals, or other solicitation may be canceled before offers are due if:

1. The Tribe no longer requires the supplies, services or construction; or,
 2. The Tribe can no longer reasonably expect to find the procurement; or,
 3. Proposed amendments to the solicitation would be of such magnitude that a new solicitation would be desirable; or
 4. Similar reasons.
- (b) A solicitation may be canceled and all bids or proposals that have already been received may be rejected if:
1. The supplies, services, or construction are no longer required; or
 2. Ambiguous or otherwise inadequate specifications were part of the solicitation; or
 3. The solicitation did not provide for consideration of all factors of significance to the Tribe; or
 4. Prices exceed available funds and it would not be appropriate to adjust quantities to come within available funds; or
 5. There is reason to believe that bids or proposals may not have been independently arrived at in open competition, may have been collusive, or may have been submitted in bad faith; or
 6. Loss or significant delay of funding for the project;
 7. There is direction from the agency funding a project to cancel a solicitation or reject bids; or
 8. For good cause of a similar nature when it is in the Tribe's best interest.
- (c) The reasons for cancellation shall be documented in the procurement file and the reasons for cancellation and/or rejection shall be provided upon request to any proposer solicited.
- (d) A notice of cancellation shall be sent to all proposers solicited and, if appropriate, shall explain that they will be given an opportunity to compete on any re-solicitations or future procurement of similar items.
- (e) For solicitation that are not restricted to Indians, Indian Organizations or Indian-Owned economic enterprises, if all otherwise acceptable bids received in response to any invitation for bids are at unreasonable prices, or only one bid is received and the price is reasonable. The Tribe shall cancel the solicitation and either:
1. Re-solicit using a request for proposals; or
 2. Complete the procurement by using the competitive proposals method, following Section 9.30(d) above (when more than one otherwise acceptable bid has been received), or by using the non-competitive proposals method and following Section 9.30(e) above (when only one bid is received at an unreasonable price); provided, that the Council determines in writing that such actions are appropriate, that all bidders

are informed of the Tribe's intent to negotiate, and that each responsible bidder is given a reasonable opportunity to negotiate.

9.50 PREFERENCES IN CONTRACTS/SUBCONTRACTS

- (a) **Federal Indian Provision Standards.** If funding provisions with an outside funding source has a non-discrimination clause that requires compliance with the non-discrimination laws, regulations, polices or executive orders, Tribal Member of Native American preference may be used only if the agreement/contract/grant with the outside funding source provides for the allowance of Indian Preference provisions as provided in applicable federal regulations, such as 25 or 42 CFR.
- (b) **Indian Preference and Priority in Contracting and Subcontracting.** Preference for the award of contracts and subcontracts shall be given to Certified Tribal or Indian-owned businesses which are responsible bidders and make responsive bids in the award of any contract or subcontract to which this policy applies. Tribal and Indian-owned businesses must complete the Certification of Indian Preference Firm Application (Form FMP-03) and submit the original application with their contracting bids, quotes, proposal or other contracting documents. Preference for contracting and subcontracting shall be granted according to the following priority:
1. **First preference is a FPST business or a FPST member-owned business.** If a FPST-owned or FPST member-owned business comes within 10% of the low bid or price quote, the FPST business shall have the opportunity to meet that figure.
 2. **Second Preference is any other Indian-owned business.** If no FPST-owned or FPST member-owned business makes or meets the low bid or price quote, any other Tribe or Indian-owned business which comes within 10% of the low bid or price quote shall have the opportunity to meet that figure.

9.55 CONTRACTOR QUALIFICATION AND DUTIES

- (a) **Contractor Responsibility.** The Tribe will only contract with responsible contractors (i.e., those who have the technical and financial competence to perform and who have a satisfactory record for integrity.) Before awarding a contract, the Tribe shall review the proposed contractor's ability to perform the contract successfully, considering factors such as the contractor's integrity (including a review of the List of Parties Excluded from Federal Procurement and Non-Procurement Programs published by the U.S. General Services Administration, as well as its own list of debarred/suspended entities), record of past performance (including contracting previous clients of the contractor), and financial, administrative, and technical capability to perform contract work of the size and type involved and within the time provided under the contract. A proposed contractor shall not be considered responsible if they have a history of non-compliance with said laws. If a prospective contractor is found to be non-responsible, a written determination of non-responsibility shall be prepared and

included in the contract file, and the prospective contractor shall be advised of the reasons for the determination.

- (b) **Qualified Bidder's Lists.** Interested businesses shall be given an opportunity to be included on qualified bidder's lists. Any prequalified lists of persons, firms, or products, which are used in the procurement of supplies and services, shall be kept current and shall include enough qualified sources to ensure competition. Lists of pre-qualified Indians, Indian Organizations or Indian-Owned economic enterprises may be maintained by the Tribe's TERO Office. Firms shall not be precluded from qualifying during the solicitation period. Solicitation mailing lists of potential contractors shall include, but not be limited to, such qualified businesses.
- (c) **Business Licenses.** Contracts shall not be awarded to businesses until they obtain a Business License in accordance with the requirements of the Tribe's Taxation Ordinance (Title 11).
- (d) **Tax Compliance.** All contracts must include language that the successful contract will comply with all provisions of the Tribe's Tax ordinances.
- (e) **Bonds.** The standards under this section shall apply to construction contracts that exceed \$100,000 awarded under sealed bidding. There are no bonding requirements for other purchases or awards. However, the Tribe may require bonds in other purchases and contracts, including construction contracts which are less than \$100,000, when deemed appropriate. Bonding requirements shall be prescribed in the notice of invitation
 - 1. **Bid Bonds.** For construction contracts exceeding \$100,000, proposers shall be required to submit a bid guarantee from each bidder equivalent to 5% of the bid prices.
 - a. Successful bidders will have their Bid Bonds returned after the construction contract is signed.
 - b. Unsuccessful bidders who stand ready to preform according to the terms of its bid shall be entitled to the return of their Bid Bond.
 - 2. **Payment Bonds.** For construction contracts exceeding \$100,000, the successful bidder shall furnish an assurance of satisfactory completion. This assurance may be any one of the following five methods:
 - a. The performance and payment bond or alternative for of security must be in an amount sufficient to secure the contractual obligations including;
 - i. 100% of the contract price
 - ii. The construction of any required permanent improvements

- b. The performance bond and payment or other security will be made payable to the Tribe, and may not be modified without the approval of the Tribe.
 - c. The contract must specify the conditions under which the Tribe may adjust security or performance bond requirements to reflect changing conditions including consultation with the contractor before adjustment.
 - d. The Tribe may require that the surety provide any supporting documents (i.e., financial strength, how long the surety has been in business, etc.) needed to show that the performance bond or alternative forms of security will be enforceable, and that the surety will be able to perform the guaranteed obligations.
 - e. The performance and payment bond or other security instrument must require the surety to provide notice to the Tribe at least 120 days before cancelling a performance and payment bond or other security. This will allow the Tribe to notify the Contractor of its obligation to provide a substitute performance and payment bond or other security and require collection of the bond or other security before the cancellation date. During this period, the Tribe has the right to determine if partial or full work stoppage is needed. Failure to provide a substitute performance and payment bond or security can be considered cause to sever the contract.
 - f. The Tribe may waive the requirement for a performance and payment bond or alternative form of security.
 3. The Tribe will accept a performance and payment bond only in one of the following forms;
 - a. Certificates of Deposit issued by a federally insured financial institution authorized to do business in the United States;
 - b. Irrevocable letters of credit issued by a federally insured financial institution authorized to do business in the United States;
 - c. Negotiable Treasury Securities, or;
 - d. Surety bond issued by a company approved by the U.S. Department of the Treasury.
 4. The Tribe may accept an alternative form of security that provides adequate protection for the Tribe, including but not limited to an escrow agreement and assigned savings account.
 5. All forms of performance and payment bonds or alternative security will be made payable to the Tribe and may not be modified without the approval of the Tribe and must, if applicable;

- a. Indicate on their face that Tribal approval is required for redemption;
 - b. Be accompanied by a statement granting full authority to the Tribe to make an immediate claim upon or sell them if the Contractor violates the contract;
 - c. Be irrevocable during the term of the performance and payment bond or alternative security, and;
 - d. Be automatically renewable during the term of ~~the lease or~~ contract.
6. Release process for a performance and payment bond or alternative form of security.
- a. Upon expiration, termination, cancellation of the contract ~~or lease~~ or expiration of the Warranty period, the Contractor ~~or lessee~~ may ask the Tribe in writing to release the performance and payment bond or alternative form of security.

The determination of which assurance to require shall be in the discretion of the Tribe based upon the scope, complexity, cost or risk of any construction or facility improvements. The determination shall be in accordance with any funding agency requirements under federal or state law or regulation. These bonds must be obtained from guarantee or surety companies acceptable to the U.S. Government and authorized to do business in the State where the work is to be performed. Individual sureties shall not be considered.

9.60 SOVEREIGN IMMUNITY AND CONTRACTED SERVICES

- (a) **Purpose and Intent.** The preservation and recognition of the principle of tribal sovereign immunity is necessary to the functioning of the Tribe and its agencies, arms, entities and enterprises, to preserve scarce tribal assets and to ensure that tribal assets, to the greatest extent possible, are preserved for programs and services that will benefit the tribal membership and their families.

The Tribe also recognizes, however, that the limited waiver of the Tribe's sovereign immunity is necessary to conduct tribal governmental business and to engage in contracts and agreements with non-tribal governments, persons, entities or enterprises that will further the objectives and goals of the Tribe because, without a valid waiver of tribal sovereign immunity, agreements and contracts entered into by the Tribe cannot be enforced by the non-tribal contracting party.

Waiver of the Tribe's sovereign immunity for specific transactions is an exercise of the Tribe's sovereign authority because only sovereign nations possess the authority to waive their sovereign immunity. The Tribe has a critical interest in approving limited waivers of its sovereign immunity and in ensuring that companies, governments and other entities that contract with the Tribe have the right to exercise the contractual remedies they have bargained for.

- (b) **Scope of Sovereign Immunity Protection.** The sovereign immunity of the Tribe extends to the Tribe, to tribal agencies, enterprises, arms and entities of the Tribe, and to Officers, employees and agents of the Tribe. The sovereign immunity of the Tribe, in respect to contractual services as governed by this Chapter, may only be waived as provided in this section. No other provisions of this Policy shall constitute a waiver of the Tribe’s sovereign immunity.
- (c) **Scope of Waiver.**
1. **Authorization to Waive Tribe’s Sovereign Immunity.** The power and authority to waive the Tribe’s sovereign immunity resides exclusively in the first instance with the Council.
 2. **Grant of Waiver of Tribe’s Sovereign Immunity.** The Council may approve and grant a waiver of the Tribe’s sovereign immunity in such scope as the Council determines is in the best interest of the Tribe.
 3. **Immunity of Tribal Officers, Employees and Agents.** No contract approved by the Tribe shall waive the immunity of tribal officers, employees, and agents.
 4. **Written Waivers Only.** All waivers of the Tribe’s sovereign immunity must be in writing and properly approved by the Council, by resolution, to be valid and effective. Waivers cannot be written into the resolution approving contracts but must be a separate resolution.
- (d) **Form of Waiver.** Pursuant to subsection (c) 4, above, any waiver of the Tribe’s sovereign immunity must be in writing to be valid and effective. The actual waiver of sovereign immunity must be set forth with specificity in the contract or agreement waiving immunity, and the Resolution approving the waiver of sovereign immunity must specifically refer to the waiver and its details, or in the alternative, the Resolution may expressly refer to the specific provision, contract or agreement containing the waiver of sovereign immunity that is being approved, with the provision, contract or agreement attached to the Resolution. No particular form of waiver is required to waive the Tribe’s sovereign immunity, except that a waiver of the Tribe’s sovereign immunity must be express, must use the words in any sequence “waiver of sovereign immunity” and must be set out in detail. It is the intent of the Tribe that waivers of sovereign immunity shall be narrowly construed by any court or arbitrator having jurisdiction to interpret a purported waiver of sovereign immunity by the Tribe, and the burden of proof shall lie with the party advocating the existence of a waiver.

9.65 CONTRACT PROVISIONS

- (a) **TERO and Indian Preference.** At minimum, all contracts involving the Fallon Paiute-Shoshone Tribe shall contain the following provisions:
1. Ensuring preference is given to qualified Native American applicants and Native-American majority-owned firms, including any subcontractors used

- by a contractor in accordance with the Code of Federal Regulations, Part 25.
2. That all contractors ensure that the provisions of the Tribal Employment Rights Ordinance (TERO) are incorporated directly or by reference, including the provision of payment of TERO fees and the hiring percentage of personnel for projects; and
 3. That any award is conditional on compliance with the applicable tribal and/or federal equal opportunity laws and that a contractor is not tribally or federally suspended/debarred.
- (b) **Fiscal Year.** Contracts and agreements should coincide with the Tribe's fiscal year, whenever possible. The fiscal year begins each year on January 1 and concludes on the following December 31. Any agreement or contract which does not coincide with the Tribe's fiscal year must contain a "funding out" clause, nullifying the Tribe's obligations in the event of a reduction to a department/program's appropriation. The following is an example of an acceptable "funding out" clause:
- "If sufficient funds are not appropriated by the Fallon Business Council, or other appropriate federal or state funding agency, to sustain in whole or in part the **{name of department/program}'s** performance under this agreement; or if such appropriation is reduced such that the amount of the appropriation is insufficient to sustain said performance; this agreement shall be null and void at the insistence of the Fallon Paiute-Shoshone Tribe."
- (c) **Contract Documentation.** Each department/program shall ensure that the original of any contract, including any changes/modifications, are maintained in the Finance Department. Additionally each department/program must retain in their own files copies of the original contract and all pertinent documents and correspondence relating to the contract bid process, in order that these supporting documents may be available for audit or review by tribal officials at all times. If a contract is awarded to a firm other than the lowest responsible and responsive bidder, the department/program must make a written determination of the reason or reasons for rejecting the lower bid(s) which must be kept in the department/program's files. If a purchase is supported by a contract, the contract number must be listed on the requisition/purchase order/check request forms.
- (d) **Pre-Construction Meeting.** A pre-construction meeting should always be held before construction begins to allow the successful bidder the chance to clarify any questions/concerns regarding the project. This meeting should also be used by the Tribe to clarify its goals and objectives.

9.70 DEBARMENTS AND SUSPENSIONS

- (a) **Debarment and Suspension of Contractors.** The Tribe adopts these rules providing for the suspension and debarment of any person from consideration for award of contracts pursuant to this chapter. If there are reasonable grounds for debarment, the Council may provide for the suspension of any person for not to

exceed six months. A debarment shall not exceed three years. The causes for debarment or suspension include the following:

1. Conviction of any person or any subsidiary or affiliate of any person for commission of a criminal offense arising out of obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract.
 2. Conviction of any person or any subsidiary or affiliate of any person under any statutes of the federal government or any tribal/state government for embezzlement, theft, fraudulent schemes and artifices, fraudulent schemes and practices, bid rigging, perjury, forgery, bribery, falsification or destruction of records, receiving stolen property or any other offense indicating a lack of business integrity or business honesty which affects responsibility as a contractor.
 3. Conviction or civil judgment finding a violation by any person or any subsidiary or affiliate of any person under federal, tribal, or state antitrust statutes.
 4. Violations of contract provisions of a character which are deemed to be so serious as to justify debarment action, such as either of the following:
 - a. Knowingly fails without good cause to perform in accordance with the specification or within the time limit provided in the contract.
 - b. Failure to perform or unsatisfactory performance in accordance with the terms of contract(s), except that failure to perform or unsatisfactory performance caused by acts beyond the control of the contractor shall not be considered as a basis for debarment.
 5. Any other cause deemed to affect responsibility as a contractor, including suspension or debarment of such person or any subsidiary or affiliate of such person by another governmental entity.
- (b) **Written Determination and Notice.** A written determination to debar or suspend shall be issued pursuant to the following rules which shall state the reasons for the action taken and inform any debarred or suspended person involved of the right to administrative review as provided in this section. A copy of the decision under this subsection shall be mailed or otherwise furnished to any debarred or suspended person and to any intervening party.
- (c) **Authority to Debar or Suspend.** The Council has the sole authority to debar or suspend a person from participating in direct (tribal-funded) or indirect (non-tribal funded) procurements of the Tribe.
- (d) **Initiation of Debarment.** Upon receipt of information concerning a possible cause for debarment, the Council will designate an employee to investigate the possible cause. If the employee reports that there is a reasonable basis to believe that a cause for debarment exists, the Council may propose debarment under this Policy & Procedures Manual.

- (e) **Period of Debarment.** The Council shall not establish a period of time for a debarment action that exceeds three (3) years from the date of the debarment determination. If debarment is based solely upon debarment by another governmental agency, the Council may establish that the period of debarment is to run concurrently with the period established by the other debarring agency, but cannot set a shorter period if done by a federal agency.
- (f) **Notice of Debarment and Hearing.** If debarment is proposed, the Council Secretary shall notify the person and affected affiliates in writing within seven days by certified mail, return receipt requested, or any other method that provides evidence of receipt. The notice shall state that the person and affected affiliates have the right to a hearing to contest the proposed debarment. The person proposed for debarment and any affected affiliates shall file a written request with the Council Secretary for a hearing within 10 days of receipt of the Council's notice of proposed debarment. A hearing shall be conducted by the Council based the investigation that was completed and each side shall be given an opportunity to present testify and/or witnesses prior to the final decision of the Council. At least five (5) affirmative votes from the Council are required to debar a person and affected affiliates.
- (g) **Imputed Knowledge.** The Council may attribute improper conduct to an affiliate for purposes of debarment where the impropriety occurred in connection with the affiliate's duties for or on behalf of, or with the knowledge, approval, or acquiescence of, the contractor. The Council may attribute improper conduct of a person or its affiliate having a contract with a contractor to the contractor for purposes of debarment where the impropriety occurred in connection with the person's duties for or on behalf of, or with the knowledge, approval, or acquiescence of, the contractor.
- (h) **Reinstatement.** The Council may at any time after a final decision on a debarment reinstate a debarred person or rescind the debarment upon a determination that the cause upon which the debarment is based no longer exists. Any debarred person may request reinstatement by submitting a petition to the Council supported by documentary evidence showing that the cause for debarment no longer exists or has been substantially mitigated. The Council may require a hearing on the request for reinstatement. The Council shall make a written decision on reinstatement within 30 days after the request is filed and specify the factors on which it is based. Reinstatement decisions by the Council are not subject to appeal.
- (i) **Limited Participation.** The Council may allow a debarred person to participate in tribal contracts on a limited basis during the debarment period upon a written determination that participation is advantageous to the Tribe. The determination shall specify the factors on which it is based and define the extent of the limits imposed.

- (j) **Suspension.** If the Council determines that reasonable grounds for debarment exist, the Council may suspend a person from receiving any award from the Tribe and its departments/programs. For purposes of suspension, a person’s conduct may be attributed to an affiliate or another person. The Council shall not suspend a person pending debarment unless compelling reasons require suspension to protect tribal interests.
- (k) **Period and Scope of Suspension.** Unless otherwise agreed to by the parties, the Council shall not implement a period of suspension of more than 30 days which shall be provided in writing within seven days by certified mail, return receipt requested, or any other method that provides evidence of receipt.
- (l) **Notice, Hearing, Determination, and Appeal.** The Council Secretary shall notify persons by certified mail, return receipt requested, or by any other method that provides evidence of receipt of the suspension decision. The notice of suspension shall state:
1. The basis for suspension;
 2. The period, including dates, of the suspension;
 3. That offers received from the person will not be considered; and
 4. That the person is entitled to a hearing on the suspension if the person files a written request for a hearing with the director within 30 days after receipt of the notice.
- (m) **Appealing Suspensions.** Within 30 days receipt of the notice of suspension, the suspended party may file a written request with the Council Secretary for a hearing with the Council. The appeal shall include the following information: a copy of the decision of the Council; and the precise factual or legal error in the decision from which the appeal is taken.
- (n) **Master List of Debarments/Suspensions.** The Council Secretary, as well as the Finance Department, shall maintain a master list of debarments, suspensions, and voluntary exclusions under this Policy & Procedures Manual. The master list shall show at a minimum, the following information:
1. The names and vendor numbers of those persons whom the Tribe has debarred or suspended under this section;
 2. The statutory authority for the action and the period of debarment or suspension, including the expiration date;
 3. The name of the debarring or suspending agency if the Tribe’s debarment or suspension is based on debarment or suspension by another governmental agency; and
 4. A separate section listing persons voluntarily excluded from participation in tribal contracts.

9.75 CONTRACT PROTESTS, DISPUTES, AND COMPLAINTS

- (a) **Authorities/Responsibilities.** The Council has the final authority to resolve protests, disputes, and complaints arising from the solicitation, award, or performance of a contract; in all instances where a legal representative of the bidder, vendor, or contractor has initiated correspondence or formal action, departments/programs shall contact the Tribal Chairman and Tribe's Legal Counsel prior to taking any action. Solicitation documents must contain provisions for the resolution of protests and disputes.
- (b) **Protest of Solicitation Requirements.** The solicitation document shall provide potential bidders with the opportunity to protest the specifications and/or requirements that the bidder feels may be unfair or unreasonable. Such protests must be submitted prior to the scheduled submittal deadline. The Tribe shall within a reasonable period of time issue a decision to the bidder. The decision of the Tribe is final.
- (c) **Protest of Contract Award.**
1. **Bidder Protest Procedures.** Any bidder who is determined non-responsive or who is otherwise not awarded a contract may protest the award of such contract to another bidder, under the following conditions:
 - a. A bidder may submit a protest if they believe that:
 - the rating factors and/or evaluation criteria put them at an unjust disadvantage;
 - the Tribe erred in its conclusion that the bidder's proposal was non-responsive or failed to follow procedures set forth in the project specifications and therefore was unfairly disqualified; or
 - the Tribe failed to follow laws, statutes, written policy and/or procedures.
 - b. Bidder must submit the protest in writing to the Tribal Secretary within five (5) days of the awarding of the contract or within five (5) days of the bidder receiving written notice that it was not awarded the contract, whichever date is earliest.
 - c. The protest must reference the project name and issuing tribal department or program.
 - d. The protest must detail the basis for the protest with reference, as applicable, and any other relevant documentation in support of the protest.
 - e. Bidders have an obligation to adhere to review timeframes and to submit appropriate documentation to support their concerns.
 - f. Throughout the review process, the Tribe has no obligation to delay or otherwise postpone an award of a contract based on a bidder's protest.

2. **Protest Review Guidelines.** Protest reviews shall be completed in a reasonable time, and a determination shall be provided in writing to the bidder. A review may be granted if:
 - a. The protest is timely submitted in writing;
 - b. The firm/person submitting the protest has responded to the contract in question;
 - c. The protest alleges that the bidder submitted the lowest, responsive bid from a responsible bidder, and the bid was erroneously disqualified; and
 - d. The protest itemizes in appropriate detail and with factual reasons, the grounds for protest.
3. **Protest Review and Conclusion.** The Council shall perform a review of the protest. The Council, in consultation with its legal counsel, shall review the merits and timeliness of the protest and submit a decision in writing within a reasonable period of time following receipt of the detailed statement of protest. The Tribal Secretary shall issue the Council’s decision in writing or otherwise furnish to the protesting firm the decision in such a manner as to ensure receipt. The decision of the Council is final, and is not reviewable for any other entity.
4. **Disputes Subsequent to Award.** Disputes subsequent to award may include, but not be limited to, contention over terms, pricing, payment, scope and/or deliverables. A dispute resolution and escalation clause, describing resolution procedures and the appropriate parties to which the matter may be escalated, shall be included in solicitation documents and contracts, as applicable.

9.80 CONTRACTING DURING AN EMERGENCY

- (a) **Background.** For the purpose of contracting for professional and non-professional services, or goods and related services, an emergency is a sudden, generally unexpected occurrence or set of circumstances that demands immediate action, the absence of which would undermine essential Tribal services, represent a serious health/safety risk to tribal members/residents, or cause a significant economic loss to the Tribe. An emergency does not include an urgency that results from an department/program’s delay in engaging in a solicitation process to procure services or goods
- (b) **Application of Policy.** In an emergency, departments/programs are required to submit a written request with sufficient justification to the Fallon Business Council, the Chairman, or the Treasurer to forego the normal bid solicitation and contracting process for goods and services. All emergency procurement and contracts that are approved without the benefit of a public meeting must be

brought by the Tribal Administrator to the Council, as soon as practicable, for ratification at a public meeting.



Chapter 10 – Cash Handling and Receipting

10.10 PURPOSE

This section, applicable to all tribal departments/programs that handle cash receipts, provides procedures and guidelines with respect to cash receipts collections, processing and reporting. This section is designed to protect the Tribe's financial resources, as well as federal and state financial resources entrusted to the Tribe, and to guide departments/programs in implementing stringent cash controls. Control procedures, including tracking, recording and accountability measures, must be implemented to ensure that funds are properly managed and cash is deposited in a timely manner.

For purposes of this Chapter, cash receipts include cash, checks and credit card charges received in payment for a variety of departmental fees (e.g. admissions, concessions, registrations, license, various tribal application/service fees, fines, bail, etc.) and revenues (e.g. state and federal aid, intergovernmental transfer payments, reimbursements, taxes, and medical payments/reimbursements, etc.).

10.15 INTERNAL CONTROLS FOR CASH

A good system of internal control for cash should provide adequate procedures for protecting both cash receipts and cash disbursements. In addition to the broad internal controls identified in Chapter 2, there are two basic principles that should always be observed: all cash receipts should be deposited daily, intact; and all disbursements should be made by check (typically with an approved purchase order already on file). Requiring the prompt deposit of receipts intact prevents a person from making use of the money for a few days before depositing it. Requiring all disbursements to be made by check provides a separate and external record of all cash transactions.

10.20 CASH CONTROL PRACTICES

- (a) An employee other than the employee performing the functions of issuing receipts should make deposits to the Tribe's bank account.
- (b) Bank accounts should be reconciled not less than monthly by someone other than the employee performing the functions of the person who makes the bank deposits.
- (c) The daily cash receipts (consecutive and pre-numbered) should be posted to the appropriate ledger or accounts receivable journal from the duplicate receipts or from the cash register tape by the employee performing the function. The duties of those employees performing the functions of receipting cash and reconciling records should be independent, with neither person having access to the other's records.

- (d) No adjustments should be made to ledger accounts without the express approval of the Comptroller, or in his/her absence the Tribal Treasurer, and any adjustments should be made as per journal entry standards as per Chapter 5. The Comptroller, though, shall be notified as soon as possible.
- (e) Employees shall not commingle private monies with tribal funds. Therefore, tribal funds shall not be used to cash payroll checks or other personal checks. Employees shall not borrow money or issue personal IOU's in exchange for tribal funds of any kind. Furthermore, employee personal funds shall not be used to reimburse shortages in cash funds nor shall overages be retained to "make up" future shortages or for non-tribal purposes.
- (f) Accepting personal checks for payments is the primary method for payment with the Tribe. Departments may accept payments for services in the form of personal checks, bank checks and drafts, money orders, and cashier's checks for the exact amount of purchase.
- (g) Nationally recognized traveler's checks may be accepted for payments, subject to supervisory approval. Traveler's checks accepted in excess of the amount due should be so noted on the receipt. The difference shall be applied as a credit to the individual's account. In no case shall a cash refund be made for the balance.
- (h) When accepting checks the following safeguards should be followed:
1. Accept checks only for the exact amount of the payment.
 2. Ask for more than one kind of identification.
 3. Compare the person with the description on the identification as to age, height, etc., and take notice of a photograph, if one is provided.
 4. Have personal checks made out in your presence and made payable to "FPST" along with the name of the tribal department/program that will receive the revenue.
 5. Note the address, phone number, and other pertinent data about the maker on the front of the check, as well as the serial number and expiration date of the identification. Also, note the receipt number on the face of the check for later reference.
 6. Do not honor a check that is stale-dated or post-dated.
 7. Do not accept third party checks.
- (i) A restricted endorsement stamp must be used on all checks and money orders at the time they are received. For checks and money orders to be deposited in the Tribe's bank accounts, the endorsement stamp should read:

**FOR DEPOSIT ONLY
TO THE FALLON PAIUTE-SHOSHONE TRIBE**

For control purposes, only one endorsement stamp is available, contact the Finance Department for the appropriate stamp.

- (j) When payment is received in more than one form (check, money order, and currency), only one receipt should be issued for the total amount of the payment. A notation should be made on the receipt indicating the different forms of payment and the corresponding amount of each.
- (k) When a check or other instrument is received which covers payment for the accounts of more than one person or entity, a separate receipt should be issued for each person or entity. Exceptions to this policy may be indicated as a result of variations in a department's operations and needs and upon approval of the Treasurer and Comptroller.
- (l) All cash should be deposited in a locked, secure depository (a safe, drawer, or cabinet) and access should be restricted to as few employees as possible. When a written safe combination is maintained, it must be kept in a secure location. The combination to the safe should be changed, at minimum, biannually or whenever an employee who has knowledge of the combination terminates tribal employment or is transferred to another tribal department/program.
- (m) Offices and desks should be locked during non-working hours and keys should be restricted to the minimum possible number of employees. A written record of office keys should be maintained, and it should be the responsibility of a management employee to ensure that office keys are returned by terminated or transferred employees.
- (n) During working hours, cash must be kept in a cash drawer, cash box, or cash register that is not accessible to unauthorized persons. Cash drawers or cash boxes must be closed and locked when not in use. In order to segregate responsibility for cash overages and shortages, each employee should be assigned a separate cash drawer, box, or register till.
- (o) When making change, count out the coins to the nearest dollar, and then count out the bills. Count the cash twice before paying out; once when removing it from the cash drawer and again as it is given to the customer.
- (p) Never count currency directly into the cash drawer. Always place it on the counter away from the customer's reach, make the necessary change, and complete the transaction. Then, place the customer's payment in the proper compartments of the cash drawer. Keeping the money in sight until the transaction is completed will avoid controversies that might arise as to the amount given by the customer.
- (q) All cash receipts shall be deposited intact into the Tribe's bank account at least weekly and preferably daily, if the revenue volume warrants. Do not allow large amounts of cash to accumulate. Depositing intact means that the deposit must consist of the same checks and/or money orders and the same amount of currency and coins as indicated in the receipts for the deposit. This is an integral feature of the internal cash control system.

- (r) Where it is practical or mandated to do so, a list of departmental services and costs should be conspicuously posted at each cash collection point. The cost of infrequently provided services need not be posted but should be available upon customer inquiry.

10.25 CASH RECEIPT PROCESS

- (a) **Requirements.** At a minimum, departments/programs should implement the following cash receipt processing measures, but are also encouraged to develop additional control measures. Assistance and guidance may also be requested from the Finance Department.
- (b) **Procedures.** To ensure the integrity of cash receipts collections, processing and reporting, departments/programs must establish and document comprehensive procedures for the life cycle of cash receipt transactions. There are a few situations where departments/programs may collect cash receipts, but are not recorded in the Tribe's finance software system. Instead, the transactions are recorded in other accounting based applications. In these situations, at least the same standard controls described in this section must be implemented. These procedures must:
 1. be established, at a minimum, for the receipt of cash, preparation of daily/weekly cash collection reports, cash deposits, reconciliation of cash deposits to cash collection reports, and recording of cash transactions in the Tribe's financial software system;
 2. identify the titles of responsible personnel at every aspect of the life cycle;
 3. be approved by the Treasurer and Comptroller prior to promulgation to ensure compliance with these policies;
 4. the Treasurer and Comptroller shall maintain a listing of all locations/departments that collect cash receipts, and have oversight responsibility to ensure adequate controls are followed and in place.
- (c) **Segregation of Duties.** Departments/programs should segregate cash receipt and processing duties conducted by employees to reduce the risk of fraudulent activity. No one employee should control the receipt of cash and/or checks, preparation and reconciliation of daily summaries, depositing of the cash and/or checks, and recording of the transaction in Tribe's financial software system. Where departments cannot segregate duties, they should rotate responsibilities and increase supervision. The Finance Department is responsible for reconciling cash balances to bank statements, and accordingly, this duty is adequately segregated.
- (d) **Cash Receipts.** Whenever possible, departments/programs should centralize the receipt of cash. The initial record of cash receipts may be a cash register tape, a press-numbered receipts form, or remittance advice, depending on the department/program and the nature of its revenues.

1. **Manual/Computerized Cash Registers.** Manual cash registers should be equipped with a tape on which cash collected is listed and accumulated. Two methods can ensure against tampering with manual cash register tapes: “locking” the machine so that the cumulative total cannot be cleared and turned back or using a register that prints a consecutive, non-resettable, sequential number for each transaction. Computerized cash registers automatically generate receipts for each transaction and produce summary totals at the end of the day.

At the close of each business day, an employee other than the employee collecting cash receipts should count the cash and verify the amount to the cash register tape (for manual cash register) or summary total sheet (for computerized cash register). This employee should ensure that any voided transactions are properly explained. If applicable, the register tape should be removed and attached to a daily/weekly cash collection summary report.

2. **Press-numbered Receipt Forms.** Tribal departments and programs must use standard forms to record cash receipts. Serially press-numbered forms and/or cash receipt books must be printed in duplicate and in sequentially numbered order. Forms should include space for employees to record the purpose and type of currency received (e.g. cash, check, or money order). Departments/programs must safeguard and track their inventory of forms and ensure the continuance of their forms’ numerical sequence.

Voided or cancelled receipts must be marked in a manner so that they cannot be reused. Voided receipts should be maintained on file to account for the sequence during a reconciliation process. A system of cash control that uses press-numbered receipt forms cannot be effective unless a strict accounting is made of all forms.

At the close of each business day, an employee other than the cashier should count the cash and verify the amount to the total of the sequentially ordered individual duplicate receipt forms. Explanations should be provided for the forms that are missing and/or not in sequence. A reconciliation of cash receipts with the total amount and the numbers and dates of receipts shall be verified, signed and dated by the employee that counts the cash receipt funds.

3. **Credit card payments.** An employee other than the employee who originally accepted the credit card payments should tally all the credit card receipts. The employee should compare the tally to the credit card terminal summary report and the daily/weekly cash collection reports. The department/program must maintain on file supporting documentation, such as the credit card receipts and credit card terminal summary reports. The department/program must submit information to the Finance Department to record the total amount of charges in Tribe’s financial software system.

This information must also be forwarded to the Comptroller or Senior Accountant, who in turn will validate and reconcile the information within two working days to on-line bank records (note: some credit card companies will automatically deposit funds into the Tribe's bank accounts the day after charges are recorded). The Comptroller, or designated accounting personnel, will later reconcile daily submissions to monthly bank statements.

10.30 DEPOSIT OF CASH RECEIPTS

Cash receipts must be deposited promptly to the Finance Department. All cash receipts received from the time of the prior deposit should be deposited at the same time to facilitate reconciliation of deposited amounts to amounts recorded in accounting records. Independent lists of checks deposited and dates of deposit must be maintained so that it is possible to compare deposits with receipt details, thereby identifying potential cash receipt manipulations. Upon verification of checks to the cash receipt listing, accounting personnel should prepare bank deposit tickets. Departments/agencies must deposit the cash receipts with the Finance Department at times designated by the Treasurer or in no instance less frequently than once a week, or when funds exceed \$5,000. Department/program heads must verify that physical and recorded amounts match, and must approve the cash report before the checks and/or cash are forwarded to the Finance Department or the designated financial institution (for those departments that directly deposit their own cash). The department/program head should make certain that employees adhere to scheduled drop-off or deposit times. Credit card companies will automatically deposit credit card receipts into bank accounts the business day following the day the credit card charge is incurred. Therefore, it is critical that this information be reported and the credit card activity posted into Tribe's financial software system on the same day it occurs so that bank statements can be reconciled accurately. Undeposited cash receipts must be adequately safeguarded. Pending deposit, cash must be secured in a safe accessible only to authorized personnel. The Tribe's banking entities will return uncollectible checks to Finance Department. When the Finance Department receives uncollectible checks, it will record the reasons for the lack of collectability and send a copy to the department. Returned checks should be redeposited using a separate deposit tickets from deposits of current receipts so that redeposited checks will appear separately on bank statements and facilitate orderly bank reconciliations. If the uncollectible check is returned by the bank again, a copy will be made to the Department who will work with Finance to make the collection. Finance will maintain a listing of all uncollectible checks in order to review for appropriate adjustment to the general ledger and disposition.

10.35 SUPERVISION/MONITORING OF CASH RECEIPTS

Departments and programs must prepare daily/weekly cash collection reports to account for the daily/cash receipts, to facilitate independent verification to deposit, and to monitor revenues trends. On a monthly basis, departments/programs should review collection activity to determine whether any changes in weekly revenues warrant additional scrutiny.

Management personnel in the Finance Department (i.e., Treasurer, Comptroller, and Senior Accountants) should conduct surprise audits of cash receipt locations to ensure adherence to control procedures. Lastly, departments should implement monthly performance metric reporting. It should include the comparison of cash receipts against specific statistics (i.e., number of rentals, patient billing numbers, etc.), thus enabling personnel to track trends and substantiate the reasonableness of cash receipts. Departments/agencies must notify the Finance Department of any issues, who should then review and/or investigate where cash receipts are not in accordance with expected department transaction volume.

10.40 RECORDING OF CASH RECEIPT TRANSACTIONS

An employee who physically receives the cash should not record the transaction in Tribe's financial software system (i.e., segregation of duties). Employees responsible for recording transactions in the Tribe's financial software system should pay special attention to the recording of cash receipts. There are three transactions types that should be used for inputting into the Tribe's financial software system for the recording cash received and are noted as follows:

- Cash received in recognition of earned revenue. When monies are received as planned (budgeted) or unanticipated (not budgeted), the receipt should be recorded as a cash receipt distribution to revenue.
- Cash advances. When the federal and/or state governments advance monies to the Tribe for contracts/grants which are considered as services being rendered and eventually invoiced, the transaction should be recorded as deferred revenue for the advance cash receipts. After the transaction is posted, the Tribe's Finance Department must periodically review these outstanding deferred revenue balances to ensure that the services have not yet been rendered. If services have been rendered, the department must record an offset to the original advance transaction by recording the transaction as a reduction of deferred revenue and recognizing the earned part of or the entire advance as realized revenue.
- Cash receipts to satisfy outstanding receivable accounts. Where departments/programs receive cash for services rendered after billing another entity (in most cases, reimbursement from the federal and/or state government), the transaction must be as payment received on accounts receivable invoice.

10.45 DEPARTMENTAL BANK ACCOUNTS

The unauthorized use of tribal bank accounts for depositing of and/or safekeeping of tribal funds is strictly prohibited. Any special handling of tribal funds which waives from this Policy & Procedures Manual must be documented in writing and approved by the Tribal Treasurer and a copy of the written documentation forwarded to the Fallon Business Council and Comptroller.



Chapter 11 – Investments

11.10 PURPOSE

The purpose of an investment policy is to safe guard the investment of all Tribal funds. The purpose of this process is to:

- Ensure the Tribe’s investments are in accordance with the applicable tribal and applicable federal laws.
- Ensure the Tribe’s investment funds maximize a high rate of return with minimal risk and that its investments are diversified.
- Ensure the Tribe’s investments are not invested in any instrument exposed to foreign currency risk.

11.15 INVESTMENT AND DEPOSITORY MINIMUM STANDARDS

In accordance with the By-Laws of the Tribe, Article I, Section 4, the Treasurer shall deposit all funds in an approved depository. It is the purpose of this section that all tribal funds be invested in a depository or depositories which provide the Tribe with the highest possible rate of interest reasonable available, while taking into account acceptable levels of safety, liquidity, and yield while meeting the daily cash requirements for the operation of the Tribe. The following are the minimal guidelines that must be utilized to meet these requirements.

- Safety.** The safety of tribal funds must be the main objective in any investment program(s) or in depositories where tribal funds are deposited. Investments shall be made in a manner that seeks to preserve principal through the mitigation of credit risk and interest rate risk. These risks shall be mitigated by the diversification and prudent selection of investment instruments, and choice of depository. Credit risk is the risk of loss due to the failure of the security issuer or backer. Interest rate risk is the risk that the market value of the security will fall due to changes in general interest rates.
- Liquidity.** The overall investment and deposit portfolio(s) shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. Since all possible cash demands cannot be anticipated, the Treasurer shall carry out investment activities in a manner that provides for meeting unusual cash demands without the liquidation of investments that could result in forfeiture of accrued interest earnings, and unnecessary loss of principal.
- Yield.** Investments shall be made to achieve a fair average market rate of return taking into account the safety and liquidity constraints mentioned above as well as any legal requirements imposed by the Tribe, its Settlement Fund Plan, and other applicable tribal/federal laws or grant regulations.

11.20 INVESTMENT RISK GUIDELINES

The Tribe, through its Treasurer and Finance Department, will adhere to the following risk guidelines for all depository and investments of Tribal funds:

- (a) **Custodial Credit Risk.** The custodial credit risk for deposits is the risk that, in the event of a failure of a depository institution, the Tribe would not be able to recover deposits or the securities used to collateralize the deposits from the institution or third party. For investments, the risk occurs if the Tribe is unable to recover the value of an investment or collateral in possession of a third party. The Treasurer and Comptroller will review each financial institution conducting business with the Tribe on a quarterly basis to determine if there is any potential for a custodial risk to the Tribe's funds. All securities or pledged collateral for deposits above insured amounts for depository institutions and not held directly by the Tribe will be held in the Tribe's name and tax identification number by a third-party custodian approved by the Council. The Treasurer will receive monthly safekeeping reports from the custodian as well as safekeeping receipts detailing each transaction from the account.
- (b) **Interest Rate Risk.** Interest rate risk is the risk that changes in interest rates which will adversely affect the fair value of the investment. Short-term investments for funds covered in this process are considered to be those that are of a term of one year or less in maturity with all securities held to maturity. Longer term investments will be made for periods not longer than seven years and maintaining an average maturity no greater than three years for the portfolio. Exemptions are made for long-term investments which are used to secure loans and/or lines of credit.
- (c) **Credit Risk.** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Short term investments for funds covered in this section are limited to US Treasury or agency securities which carry "AAA" ratings and only when specified by either the Council or the applicable funding agency. Longer term investments in fixed income securities will be made principally for capital preservation and income potential. Corporate debt must be rate "A" or better by either S&P or Moody's rating services. If a security falls below the "A" rating, the security will be monitored by the Treasurer and Comptroller. The security will be noted as an exception to the policy if held in the portfolio. The Council, in consultation with its investment managers or banking representatives, may sell the security if a further decline in value is expected.
- (d) **Concentration of Credit Risk.** Concentration of Credit Risk is the risk of loss attributed to the magnitude of the Tribe's investment in a single issuer. The Tribe will minimize any concentration of credit risk by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. Specific investment amounts and/or issuer limitations are addressed in the Investment Instruments section of this policy.

- (e) **Foreign Currency Risk.** Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment or deposit. The Tribe will not invest in any instrument exposed to foreign currency risk, except as approved by the Council upon recommendation of its investment managers and/or bank representatives, and within the objectives of this policy.

11.25 INVESTMENT ETHICAL GUIDELINES

Members of the Fallon Business Council, as well as those involved in the day-to-day management of the Tribe's finances shall refrain from any personal activity that may conflict with the proper execution of the investment program or which could impair or appear to impair their ability to make impartial investment decisions. Individuals shall disclose, at least annually, to the Fallon Business Council any material personal depository relationship in financial institutions that do business with the Tribe (excluding basic checking and saving account relationships), as well as any material personal financial investment positions or loans with these same institutions. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs; not for speculations but for investment considering the probable safety of their capital as well as the probably income to be derived.

11.30 ANNUAL INVESTMENT REPORTING

On an annual basis (as part of the Chairman's Annual Meeting in December), the Treasurer and the Tribal Finance Department shall issue a report which shall contain the following information:

- (a) A listing of Total Funds on deposit by financial institution or advisor showing percentage of total deposits to each institution, type of insurance coverage or collateral and approximate value of uninsured or uncollateralized funds held by the Tribe.
- (b) A listing of Total Funds on deposit by financial institution or advisor by type of deposits or investment showing percentage of total deposits in each institution.
- (c) A summary of interest income, realized and unrealized gains and losses earned on investments from the Tribe's Settlement Fund based on a federal fiscal year period (October 1st – September 30th).
- (d) A detail listing of any exceptions to policy stating reason for exception and anticipated date of correction, if applicable.

11.35 INVESTMENTS OF OPERATING FUNDS

- (a) **General Provision.** This section of the investment policy pertains to short term operating funds such as those required by the general funds, special revenue funds, enterprise funds, bond proceeds and non-tribal grant/contract funds. The following are types of instruments that may be utilized by the Tribe for the investment of tribal funds.

- (b) **U.S. Treasury Obligations.** Treasury obligations must be held to maturity. The maturity date of these securities must be no greater than one year from the date of purchase.
- (c) **U.S. Agency Obligations.** Agency obligations must be held to maturity. The maturity date of these securities must be no greater than one year from the date of purchase.
- (d) **Bank accounts or Certificate of Deposit Accounts (CD's).** These investment types with a final maturity no greater than one year from the date of purchase may be made for unlimited amounts if the deposit is fully collateralized by a third party agreement or securities owned by a depository institution that have been segregated from the day to day assets of the institution in order to provide collateralization.
- (e) **Bank Accounts, Certificate of Deposit Accounts (CD's) and/or Brokered CD's.** These types may be held with a final maturity no greater than one year from the date of purchase up to the FDIC coverage limits. All account balances in a single depository institution are considered in the aggregate to determine FDIC coverage limits.
- (f) **Money Market Mutual Funds.** Money Market Mutual Funds that are registered with the Securities & Exchange Commission that have received the highest possible rating from at least one nationally recognized statistical rating organization.
- (g) **Uninsured or Unsecured Bank Accounts or Certificates of Deposit Accounts (CD's).** These investments types with a final maturity no greater than one year from the date of purchase are allowed to be held by the Tribe subject to the following limitations:
 1. The aggregate uninsured portion of deposits held at any one institution cannot exceed 5% of the institutions total deposits reflected on the bank's last filed FDIC Call Report.
 2. No more than 25% of the Tribe's funds may be held in uninsured accounts. This percentage may be increased for no more than 30 days during times of heavy collections or in anticipation of large payments to be made by the Tribe such as debt service, payroll and related expenses, or other expenses determined by the Treasurer as necessitating special cash handling.

11.40 FUND DIVERSIFICATION

Diversification of funds between financial institutions is another important tool available to the Tribe to ensure the safety of funds on deposit. Given the limitations for investments of operating funds as detailed in Section 11.35, as well as insurance coverage requirements, the need to place further limitations on the funds placed in one financial institution is not necessary provided the following:

- (a) All financial institutions with which the Tribe conducts business will be reviewed on an annual basis utilizing the Veribanc® ratings report. In addition, the Tribe will review the Call Reports and/or the Uniform Bank Performance Report of any institution receiving a “Yellow” classification or receiving less than three stars on the previous quarter’s Veribanc report, noting trends in capital ratios, net income, operating expenses, loan losses and loan delinquencies, or any other determining factors which may have resulting in the lower rating. The Treasurer will meet with the representatives of the institution, as necessary, to further enforce the financial review.
- (b) The Council, after conducting this review, will direct the Treasurer to determine the proper deposit levels to maintain at such institutions or implement an “exit” plan, if necessary, for the eventual removal of Tribal funds from the institution.

As a sound practice, however, the Treasurer will attempt to maintain no more than 40% of the Tribe’s total funds in one financial institution or 50% with a single advisor. The Tribe will not at any one time have on deposit in a bank or trust company or banking company an amount exceeding 60% of the capital and surplus of each bank or trust company or banking company unless satisfactory security is given for such excess.

11.45 TRUST AND OTHER SPECIAL FUND INVESTMENTS

- (a) **Purpose.** Invested Funds of the Tribe are an investment portfolio of monies that the Tribe has received and/or set-aside as a trust or other special designated purpose. The purpose of these funds is to preserve the capital and produce current income for the express purposes of providing realized investment income to support the programs and services of the Tribe.

This investment section of the policy shall apply to these invested funds unless as otherwise provided/directed for through other adopted laws, regulations, or provisions (i.e., Settlement Fund).

It is understood that these funds shall not contain any assets which may be restricted as regards to their investment, appreciation, or disposition except as expressly required; that the Council and Tribe are responsible for the implementation of and adherence to the policies and objectives of the Fund as set forth in this document; and that the Council may retain professional investment management to manage the investments of the Fund and to provide advice and counsel in such matters.

- (b) **Investment Objectives.**
 1. **Rate of Return Objectives.** The funds are expected to achieve, over the measured period as defined by the Tribe, a Rate of Return which exceeds the combined average of the Lehman 1-3 Year Government Index, Lehman Government Credit Index, Lehman Aggregate Bond Index and a Cash Reserve Index. Total Rate of Return is defined as all interest and all realized and unrealized gains and losses net of all investment related expenses including the investment manager's retainer.

2. **Measured Period.** For purposes of measuring a rate of return over a market cycle, the measured period shall be no less than three or more than five calendar years.
3. **Fiduciary Standards.** The assets of the fund are to be invested and managed in accordance with generally accepted standards of fiduciary responsibility. The safeguards which would guide a prudent investment manager are to be strictly observed. All transactions utilizing assets of the fund are to be undertaken for the sole benefit of the specified trust fund and the Tribe.

(c) **Investment Guidelines.**

1. **Permissible Investments.** Assets of a fund may be invested only in publicly-traded common and preferred stocks, convertible bonds, and fixed income securities, whether interest bearing or purchased at discount, including money-market instruments, subject to any restrictions hereinafter specified. No other securities or instruments shall be presumed to be permissible investments without an amendment to this section of the Policy.
2. **Equity Portfolio Characteristics.** The assets of a fund invested in equity securities shall, as a group:
 - a. Have a volatility, or risk level measured as beta not exceeding that of the overall stock market as measured by the S&P 500 Index;
 - b. Reflect a decline in a falling market of a percentage decrease below that of the S&P 500 Index;
 - c. Emphasize high quality stocks, i.e. common and preferred stocks of corporations that have a minimum of ten years of market performance, and a minimum capitalization of \$250 million and that have consistently exhibited above average dividend yields;
 - d. Be sufficiently diversified so as to moderate risk but not so excessive as to preclude attainment of optimal results;
 - e. At time of purchase, not exceed 5% of the market value of the total managed portfolio in any one issuer, nor more than 20% within the same industry grouping.
3. **Fixed Income Portfolio Characteristics.** The assets of a fund invested in fixed income securities shall, as a group:
 - a. Have a weighted average maturity as measured by their market value of between 2 and 10 years;
 - b. Have a maximum maturity of any individual issue of not more than 20 years;
 - c. Have an average portfolio quality as measured by market value of "A" or better as rated by Standard and Poors;
 - d. Have no fixed income security rated at less than "B" grade by Standard & Poors;

- e. Maintain adequate diversification by issuer and sector except that this requirement shall not apply to instruments of United States government issue or backing which may be held in any amounts within this component of the Fund.
4. **Foreign Securities.** Investment in any securities whose issuer is a foreign corporation, government, or government entity shall be limited to no more than 10% of the total managed portfolio, unless authorized by the Council. Foreign equity investments shall include only those securities traded on principal United States stock exchanges. Fixed income instruments, in addition to meeting the quality standards previously set forth, shall include only securities denominated in U.S. dollars and registered with the Securities and Exchange Commission.
- (d) **Investments and Transactions Which Are Not Permitted.** The following investments are not permissible:
1. Instruments or other indebtedness which are privately placed and for which there is no public market;
 2. Corporate instruments rated at below "B" grade by Standard & Poors or an equivalent recognized bond rating agency;
 3. Commercial paper rated less than A1/P1;
 4. Master notes, unless the public debt of the issuer is rated at least "BBB" or the equivalent;
 5. Direct placement of mortgages on real property;
 6. Letters of Credit guaranteed by funds of the Tribe;
 7. Options, commodities or futures contracts of any kind.
- (e) **Investment Management.**
1. **Investment Management.** The Council, at its discretion, shall retain the services of one or more professional, licensed, investment managers to implement the policies set forth in this document. The managers will be furnished with, and expected to manage fund portfolio(s) in accordance with this policy. The Tribe will inform the manager of any amendment to the policy. The management fees shall be set forth in a letter of agreement between the Tribe and the manager(s).
 2. **Manager Discretion.** Managers retained by the Council will have full discretionary investment authority over that portion of the fund assets for which they are responsible, subject to the guidelines herein set forth.
 3. **Commingled Funds.** Managers retained by the Council may not invest assets in any commingled funds without prior specific approval of the Council, except that this provision shall not apply to money market funds where liquidity and short-term investing are prime considerations.

4. **Securities Trading.** All security trades shall be on a best execution basis emphasizing the highest proceeds to the fund, and the lowest cost, net of all transaction fees and expenses. Placement of orders shall be based on the financial viability of the brokerage firm with the assurance of prompt and efficient execution. The Council reserves the right to require directed brokerage.

11.50 REVIEW PROCEDURES

- (a) **Review and Amendments.** The Council, or its appointed Committee, shall review this policy annually to determine if amendments or modifications are desirable. Amendments, when approved by the Council, shall be communicated promptly to all investment managers and other interested parties.
- (b) **Management Reporting.** Managers retained by the Council are to be present at regular quarterly public meetings with the Council. They will review the performance of the portfolio within the context of this section of the Policy. Managers are required to provide quarterly written reports regarding portfolio activity, investment strategy, performance, and economic and market analyses. Managers are required to submit a written report to the Council addressing the pertinent factors when the performance criteria set forth in the sections above are not achieved for two consecutive quarters. Managers are also required to inform the Council regarding the investment firm's organization, decision-making process and style as well as any significant changes in the firm's personnel.
- (c) **Performance Measurement.** The Council will annually review, at a meeting in January, the performance of the fund(s) and management for the prior calendar year in accordance with the policies and objectives set forth in this document.



Chapter 12 – Credit and Accounts Receivables

12.10 PURPOSE

The purpose of this Chapter is to take all appropriate and cost effective actions to aggressively collect accounts receivable. The Tribe's objective is to improve the management over and accounting for accounts receivable owed to the Tribe and its departments/programs. Under this chapter, the Finance Department is responsible for:

- (a) Prescribing accounts receivable procedures and guidelines;
- (b) Providing technical assistance to departments/programs regarding the accounting for receivables and proper revenue recognition policies,
- (c) Preparing regular reports of the Tribe's receivables and to provide for the ongoing billing of individuals and business for current and delinquent receivables; and
- (d) Monitoring and analyzing the receivables of departments/programs; and
- (e) Ensuring that departments/agencies that have receivables are:
 1. developing systems that are adequate to properly account for and report their receivable; and
 2. reporting receivables, their age, collection status and funding source to the Finance Department on either a monthly or quarterly basis; and
 3. developing and implementing procedures that provide for the collection of accounts receivables.

12.15 CHAPTER DEFINITIONS

Accounts Receivable. Any amount owed to the Tribe and/or its departments or programs. Receivables include, but are not limited to, taxes, loans, and notes receivable, as well as amounts due for services and goods provided, for licenses and fees, from employees, from other agencies and institutions, and from the federal government for grants and contracts. Receivables also include judgments, fines, and costs and penalties imposed upon conviction for criminal and traffic offenses.

Allowance for Doubtful Accounts. An estimate of the amount of gross receivables which will be or will prove to be uncollectible.

Discharge. The compromise and settlement of disputes, claims, and controversies of the Tribe are made by the Fallon Business Council, unless otherwise provided by law. A debt may not be discharged unless the appropriate authority has authorized specifically that the debt has been discharged. After discharge, documentation relating to the debt should be retained in the Secretary's office and the Finance Department, and may require proper IRS reporting.

GAAP (Generally Accepted Accounting Principles). A widely accepted set of rules, conventions, standards, and procedures for reporting financial information, as established by the Financial Accounting Standards Board.

Grant and Contract Receivables. Grants, entitlements, and shared revenues that are susceptible to accrual, that is, both measurable and available, and expenditures/expenses that have been incurred but have not been reimbursed. Entitlements, certain grants, and shared revenues, should be recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Other receivables, such as reimbursement type grants, are recognized when the expenditure is made. Grants and contracts received as reimbursements directly from third parties should be reported as accounts receivable. Questioned costs or expenditures incurred in excess of grant and contract provisions should not be considered receivables of the Tribe unless authorized by the grantor.

Inter-departmental Receivables. Amounts owed to departments/program by another Tribal department/program for goods and services provided or any other type of transaction. These amounts are reported as inter-department receivables.

Loans/Notes Receivables. Amounts owed to the Tribe or departments/programs on loans or other notes from non-Tribal governments, individuals or organizations. These amounts are included as accounts receivables.

Long-Term Receivables Over 1 Year. The portion of a receivable that is not a current asset. The portion is due and payable beyond one year. Examples may include, but are not limited to, long-term loans and notes. These amounts are included as accounts receivables.

Other Receivables. Receivables that include amounts owed to the Tribe or a department/program for which a category has not otherwise been provided. These amounts are included as accounts receivables.

Past Due (Delinquent) Receivables. Receivables for which payment has not been received by the payment due date.

Prospective Debtor. A client making application for the delivery of goods or services in exchange for a promise to pay in the future.

Recoveries on Accounts Written Off. Amounts collected on accounts that have previously been written off the agency's accounting records.

Tribal Entity. The Tribe, its departments and/or program, and/or any tribally-owned entities, enterprises, etc.

Write-Off. A transaction that removes an account which the Council has determined to be uncollectible from the Tribe's financial accounting records. Writing off the debt for accounting purposes does not discharge the debt. The debt is still owed to the Tribe, but is no longer reported on the books as a receivable. The Tribe shall consider pursuant of legal action in its consideration of write-offs.

12.20**RECEIVABLES SYSTEM**

The Tribe shall ensure that accounting and financial management systems are adequate to properly account for, record, and manage their receivables, whether their systems are manual or automated. The Tribe's Finance Department shall:

- (a) Bill accounts timely, whether the receivables are due from private entities, the federal government or state agencies and institutions. Accounts should be billed when goods are provided or services rendered, unless contractual requirements specify other billing terms or billing terms used are in accordance with industry standards. Payment terms should be thirty days after billing unless contractual requirements specify otherwise or payment terms used are in accordance with industry standards;
- (b) Maintain an accurate record of receivables transactions and a control record that summarizes the receivables transactions;
- (c) Effectively interface with other finance-based accounting systems;
- (d) Provide an aged report of receivables (i.e., 1-30 days, 31-60 days, 61-90 days, 91-120 days, 121-180 days, 181 days - 1 year, and over 1 year); as well as maintain a record of year-end receivable balances;
- (e) Provide information relative to collection efforts on each past-due account;
- (f) Provide realistic estimates of, and properly account for, doubtful accounts and provide adequate documentation of the methodology used (e.g., allowance method, direct write-off method, etc.) to estimate doubtful accounts;
- (g) Provide management reports on the collection status of past-due accounts and properly account for receivables that are written off;
- (h) Recognize and report receivables in accordance with generally accepted accounting principles (GAAP) as required;
- (i) Comply with federal and other contractual regulations regarding the accounting, reporting, and managing of receivables; and
- (j) Provide for the accrual of interest and penalties as allowed or as required by law or established by tribal policy or Council resolution.

12.25**DEBT COLLECTION PROVISIONS**

- (a) **General Provisions.** Tribal programs/entities shall take all appropriate and cost effective actions to aggressively collect all accounts receivable. Tribal Entities shall submit to the Tribal Treasurer by the of September of each year a listing of delinquent accounts for the prior 12 months and an aging balance report for these receivables to present to the Council. A Tribal program/entity shall take all appropriate and cost-effective actions to aggressively collect accounts receivable including, but not limited to the following:

- Credit Reporting Bureaus and Collection Agencies;
 - Per Capita Garnishments for tribal members based on a resolution of the Fallon Business Council;
 - Wage Garnishments, Liens, and Judgments;
 - Court action or remediation; and
 - Administrative Offsets/Write-Off's and Payback Agreements.
- (b) **Account Receivable Amounts.** A Tribal program/entity shall forward to their appropriate governing body any accounts receivable of \$1,000 or more and/or more than 90 days past due for determination of collection methods, except as otherwise provided in this chapter. For amounts below these thresholds, the Tribal program/entity should send out statements with aging balances until they are paid in full, or a payback arrangement is worked out and approved, or the amount and/or past due period exceeds the threshold limits are exceeded.
- (c) **Minimum Prescribed Information.** A Tribal program/entity should obtain the following minimum prescribed information on prospective debtors, whenever practical:
- Full name, and any previous name(s) if applicable;
 - Home and office address(es) for the past two (2) years;
 - Telephone numbers for home and place of employment;
 - Employer Identification Number (for business entities) or Social Security Number for individuals or sole proprietorships contracting with the Tribe;
 - Place and type of employment and employer's address, and previous employer if less than two (2) years in present job; and
 - A credit bureau report may be required depending on the amount and nature of the potential receivable and the individual policies of a tribal program/entity.

12.30 USE OF SPECIFIC COLLECTION MEASURES

- (a) **General Provisions.** A Tribal program/entity shall use, but not be limited to, the following practices or procedures outlined in this section for the collection of accounts receivable that are over \$1,000 or more than 90 days delinquent. For guidance, tribal entities should contact the Finance Department.
- (b) **Garnishments, Liens, and Judgments.** When such measures are deemed to be cost effective, the Fallon Business Council or the governing body of a tribally-owned entity may authorize a Tribal Entity to obtain garnishments of debtors' wages, liens against debtors' assets, or judgments from the court of appropriate jurisdiction in an effort to collect the funds due.
- (c) **Annual Per Capita Payment Garnishment.**
1. **Authorization and Process.** Per capita payments shall not be liable for any previous obligations except those owed to a Tribal program/entity. Per capita payments are authorized to be applied, in part or in full, with or without first obtaining a judgment, toward any debt of any Tribal member owed to a Tribal program/entity.

All requests from a Tribal program/entity to withhold any per capita payment shall be made by the official of the Tribal program/entity by submitting a formal letter to the Tribal Treasurer. Such letter shall contain the following provisions:

- The name of the Tribal program/entity and Official requesting that a per capita payment be withheld from distribution to the Tribal member.
- The name and address of the debtor.
- A brief explanation of the nature and amount of the debt.
- A listing of the actions that were taken in an attempt to collect the debt prior to initiation of a per capita garnishment request (i.e., past due letter, collection notices, failed payback agreements, etc.).
- Additionally, the program/entity must also attach supporting documentation that supports the monies owed to the program/entity (i.e., logs, receipts, statements, etc.)

These letters must be submitted no later than September 30th in order for the Council to consider whether to withhold per capita payments (in whole or part) for that year. The Treasurer shall present a list of the per capita withholding requests and the Council shall hold a closed session hearing by October 31st to make a decision on the garnishment of the annual per capita payment (up to the maximum owed or the total amount of the per capita amount). Garnishment withholdings shall be adopted through a Council resolution that directs the Finance Department to garnish the debtor's per capita payment to satisfy the amount owed. A letter shall be sent the next working day after the Council's decision to the Debtor by the Official of the Tribal program/entity informing him/her of the Council's decision.

2. **Appeal by the Debtor.** A debtor may appeal such decision to the Council by submitting a request in writing by the 15th day of November. A debtor shall have the opportunity for asking the Council for reconsideration of the per capita withholding determination. The Council shall hear from the debtor and the Tribal program/entity official and shall make a final decision by the end of November. The decision of the Council is final.
3. **Payment Proportional Distribution.** In cases where the total of multiple debts exceeds the amount of the per capita payment the Finance Department shall distribute the payment on a proportional basis to each Tribal entity to which a debt is owed. When the per capita of a debtor is to be divided between two or more Tribal programs/entities, the portion to which each entity is entitled shall be calculated by multiplying the debtor's total per capita by a fraction, the numerator of which is the debt owed to each Tribal program/entity and the denominator of which is the total of all debts owed by the debtor to all Tribal program/entities entitled to a portion of the per capita.

12.35**PAYBACK AGREEMENTS**

- (a) **Purpose.** In order to avoid court actions, per capita garnishments, and other collection measures, customers and/or tribal members (debtors) who are delinquent (over \$250.00 and/or more than 90 days delinquent) may enter into a Payback Agreement with the Tribal program/entity for amounts that are owed to in order to avoid the implementation of collection measures in Section 12.30.
- (b) **Natural Resources Accounts.** In terms of utilization of tribal equipment (i.e., equipment rental), any person who is delinquent on their Natural Resources account is ineligible to rent/utilize tribal equipment until their account is current. If a payback agreement is entered into, the Council will determine if the person can rent/utilize tribal equipment during the payback period.
- (c) **Short Term Basis Only.** Payback Agreements are made available to debtors in recognition of unavoidable or unexpected financial problems, and are intended to be of a temporary and short-term nature so that the account can be brought current. Unless otherwise authorized by the Treasurer, the term of the Payback Agreement shall not exceed twelve months.
- (d) **Minimum Qualifications.** In addition to being either owing more than \$250.00 or being more than 90 days, the debtor must all meet the following conditions to enter into a Payback Agreement:
1. the debtor has not breached any other Payback Agreement with the Tribe within the last five years;
 2. a down payment is made at the time of executing the Payback Agreement (either 10% for amounts \$1,000 or less; or 5% for amounts over \$1,000);
 3. the debtor agrees to remain current on any monthly charges related to their account in addition to the monthly Payoff Agreement payments.
- (e) **Breach of Payback Agreement.** A breach of the Payback Agreement authorizes termination of the Payback Agreement at the election of the Tribal program/entity for the amount that is owed to upon written notice to the debtor. Breach of a Payback Agreement also authorizes the Tribe to pursue the collection measures as specified in Section 12.30.
- (f) **Reinstatement of Payback Agreement.** The Tribal program/entity may reinstate a terminated Payback Agreement upon appropriate payment and assurances from the debtor. After termination of a Payback Agreement, the Tribal program/entity must require the debtor to enter into a new Payback Agreement.
- (g) **Restrictions where Payback Agreements have been Breached.** For debtors who breached their last Payback Agreement, an additional down-payment of 10% of the total amount remaining is required before a new or reinstated Payback Agreement will be accepted. There is a maximum of five (5) payback agreements that will be allowed in any five year period.

12.40

PAST-DUE ACCOUNT COLLECTION GUIDELINES

- (a) **Imposition of Additional Charges.** The Council may allow a department or program to impose additional charges on past due accounts. These charges include interest, late fees, administrative costs, and attorney’s fees. Generally, charges and fees may only be assessed where the debtor has agreed in advance to pay for them (such as in a contract) or has been placed on sufficient notice before incurring the debt. The departments/programs should notify in writing anyone who receives goods and/or services from the Tribe of the intent to impose collection charges, thereby giving notice in advance. Every department/program should include the following language in its publications and service contracts, and post signs in its public areas:

NOTICE OF FEES & CHARGES

“The public is hereby placed upon notice that failure to pay in full at the time goods and/or services are rendered or when billed will result in the imposition of monthly late charge of 5% of \$1.00 (whichever is greater), unless under a payback agreement. Returned checks will incur a fee of \$25.00 per check. If the matter is referred for collection to an attorney, then the debtor may be liable for attorney’s fees or additional collection fees on the then unpaid balance. Requesting goods or services will be deemed to be acceptance of these terms.”

- (b) **Timeframes.** The following table shall be used to as a guideline to the collection of past-due accounts (unless an approved payoff agreement has been made):

Delinquent Account	Action(s) to be taken:
30 days past due <i>(1st Notice)</i>	<ul style="list-style-type: none"> • Mail a first past-due letter and attempt to make phone contact with the customer/tribal member • Initiate a payoff agreement (Section 12.35)
60 days past due <i>(2nd Notice)</i>	<ul style="list-style-type: none"> • Mail a second and final past-due letter • Whenever the payment becomes sixty (60) days late, the Official shall by first class mail send the debtor a "Second Notice" past-due account letter which shall also states that the debtor must make such immediate payment or arrange a payback agreement under Section 12.35; if not then collection proceedings under this policy will be initiated.
90 days past due <i>(Collection Notice)</i>	<ul style="list-style-type: none"> • Whenever a payment becomes ninety (90) days late, the official in charge of the account shall, by first class mail, send the debtor a "Collection Notice" that the Official is submitting the matter for collection under the provisions of Section 12.30. Failure to send the debtor a Collection Notice shall not constitute a defense that would prevent an action from being brought for collection of any debt. • Refer matter to Tribal Legal Counsel (with Council approval) for initiation of actions under Section 12.30(a) and/or to the Council for action under Section 12.30(b). • Refuse additional service to delinquent debtor where this does not conflict with tribal laws/policies or where does not impact the health and safety of a customer or residence.

- (c) **Collection-Related Charges & Fees.** The additional collection fees specified in the prior section may include the following items:
 - a. Late Penalty Fees: Late penalty fees of \$5.00 per month or 1% on balance, whichever is greater, for each month that the amount remains past due.
 - b. Attorneys' Fees: Attorneys' fees incurred in pursuing and collecting past-due amounts, whether billed by the Tribe's Legal Counsel or by an outside attorney that has been approved by the Fallon Business Council.

12.45 ESTABLISHING AN ALLOWANCE FOR DOUBTFUL ACCOUNTS

The Finance Department, in consultation with departments/programs that have past-due accounts, should establish an allowance for doubtful accounts to reflect the amount of the receivables that the Tribe estimates will be uncollectible. The establishment of an allowance account ensures that the Tribe's receivables are not overstated for financial reporting purposes. The estimated allowance should be based upon historical data or other pertinent information relative to the receivables in question.

12.50 UNCOLLECTIBLE ACCOUNTS

- (a) **Write-Off of Uncollectible Accounts.** Accounts should be written off the Tribe's financial accounting records when all collection procedures, as set forth in this policy, have been conducted without results and Tribe deems the accounts uncollectible and recorded to the allowance as per 12.45. Accounts due from individuals or vendors must have gone through the collection processes at least once prior to write off. The Council must approve, by resolution, the write-off of uncollectible accounts. A copy of the resolution must be kept, on file, in the Finance Department along with the written documentation that supports the reasons for writing-off an account and that the write-off was done in compliance of this policy. Such documentation must be readily available for audit.
- (b) **Accounting for Receivables Written Off in the Allowance for Doubtful Accounts.** Uncollectible accounts may be written off and recorded in the Tribe's financial accounting records and no longer recognized as collectible receivables for financial reporting purposes, but the legal obligation to pay the debt and the receivable still remains on the books. Accounts written off remain debts due to the Tribe until discharged by the Fallon Business Council (after a period of not less than five (5) years) or collected.
- (c) **Guidelines for Uncollectible Receivables Written Off.** The guidelines to account for uncollectible receivables that have been written off are outlined below:

Amount	Action
\$25.00 and more	Summary level record of the accounts sufficient to substantiate the receivable or debt is to be retained indefinitely or until the account has been collected or discharged.
\$25.00 or less	Records must be retained for two years

- (d) **Discharging a Debt.** When a debt is nearing expiration of a 5-year period, or at any time after write-off, the Finance Department shall make a recommendation to the Council as to whether retaining an inactive receivable for collection is futile. If so, the receivable will be removed and closed out. A debt discharge may occur at the same time as a write-off, or a closeout may follow a write-off after a substantial period of time. Once a receivable/debt discharge is closed-out, it cannot be reactivated and the Tribe cannot take any further administrative or legal action to collect the debt. The Tribe may also be obligated to appropriately report to IRS such debts discharged.

12.55 CUSTOMERS WHO BECOME DECEASED

Upon the death of any individual who has an account with the Tribe, the administrator of the deceased customer's estate or relative of the deceased customer has 45 calendar days from the date of death to change the name on the account to the relative or administrator of the estate and pay any required deposits; to pay off the remaining balance; or to entire into a payoff agreement for any outstanding balances.



Chapter 13 – Grants Management

13.10 PURPOSE

The purpose of this chapter is to serve as the framework for the Tribe to follow when applying for grants and negotiating the terms and conditions of the award and/or contracts to ensure optimum financial and administrative arrangements are met. The Tribe receives significant funding from Federal, state, and other funding agencies annually and this chapter will ensure proper disbursement of and accounting for Federal and State funds, property and assets by:

- Establishing internal controls to safeguard assets and ensure their proper use.
- Maintaining source documentation to support accounting records.
- Monitoring proper charging of costs and cost allocation.
- Providing a comparison of actual expenditures with budgeted amounts for each grant and contract.
- Providing regular financial compliance reviews of all grant-funded programs to determine compliance with grantor standards as well as the requirements of federal, state and tribal laws and the grant agreement, as applicable.

13.15 GENERAL GRANT MANAGEMENT PROVISIONS

- (a) **Tribal Need, Approval, and Acceptance for Funding.** Departments and program will consistently write proposals and negotiate grant agreements to meet tribal goals and policies. This may include conducting a cost/benefit study to determine the appropriateness of the Tribe pursuing a particular grant. The Council must formally accept all grant awards, by resolution, prior to any funds being expended and/or allocated.
- (b) **Funding Advances/Reimbursements.** Departments and programs will negotiate for advance funding financial arrangements first and only accept reimbursement funding as the final option.
- (c) **Matching Funds.** Departments and programs will clearly define any matching requirements required by Tribe during the application process and must ensure that appropriate source documentation (particularly for in-kind match requirements) is submitted to the Finance Department on a quarterly basis to ensure that financial reporting is accurate and current (see Section 13-20).
- (d) **Minimizing Use of Tribal Funds for Grants.** To minimize expenses and costs to the Tribe, departments/programs will try and negotiate a reimbursement schedule that is in alignment with this policy (if possible, as many grantor agencies follow quarterly reporting periods).

- (e) **Grant Financial Reporting.** The Finance Department will utilize its financial system to track, monitor and report all grant financial activity. All grant activity must be closed out within 90 days of the grant end date and expenditures cannot be incurred for any items, services, etc. beyond the end date of the grant (i.e., purchase orders cannot be obtained at or near the end of a grant and then utilized after the grant end date).
- (f) **Indirect Costs.** The following provisions shall apply to indirect costs (contract support costs) for all grants and contracts:
 1. Indirect costs will always be included (applied for) in the financial section of the grant application.
 2. Departments and programs are required to charge indirect costs on all grants unless prohibited by the funding agency through law/policy or through an exception approved from the Council for cause.
 3. Indirect costs will be recovered at the maximum allowed by the Grantor or as set by the Tribe’s most current approved Indirect Cost agreement, whichever is less.
 4. Departments/programs do not have the authority to negotiate a lower indirect cost reimbursement in order to increase program funding.
- (g) **Use of Grant and Revenues Funds prior to Tribal Funds.** Departments/programs will expend all grant funds, including any program-generated revenues, prior to expending any tribal funding appropriations/allocations.

13.20

MATCHING FUNDS

- (a) **Types of Match.** Match is typically stated as a percentage of the total project costs for an award. For example, a 20 percent match on a \$100,000 project would be \$20,000, where \$80,000 is provided by the funding agency and \$20,000 is provided by the recipient. Match is restricted to the same use of funds as allowed for the funding agency funds, or as specifically awarded in the agreement. Generally, if it is not allowable under the grant award, it is not allowable as match. There are two kinds of match:
 1. Cash match (hard) includes cash spent for project-related costs. An allowable cash match must include costs which are allowable with Federal funds, except acquisition of land, when applicable.
 2. In-kind match (soft) includes, but is not limited to, the valuation of non-cash contributions. “In-kind” may be in the form of services, supplies, real property, and equipment.
- (b) **In-Kind Match Documentation.** If in-kind match is permitted by the grant award (other than cash payments), then it may be allowable to use the value of donated services to comply with the match requirement. Also, third party in-kind contributions may count toward satisfying match requirements, provided the recipient of the contributions expends them as allowable costs. The use of personnel and items covered under the Tribe’s indirect cost proposal are ineligible for use an in-kind matching funds.

Documentation supporting the market value of in-kind match must be maintained in the award recipient files. Valuation of in-kind match may take one of the following forms:

1. Valuation of donated services.

- Volunteer services. Unpaid services provided to a project will be valued at rates consistent with those ordinarily paid for similar work in the Tribe. If the Tribe does not have employees performing similar work, the rates will be consistent with those paid by other employers for similar work in the same labor market. Also a reasonable amount for fringe benefits may be included in the valuation.
- Employees of other organizations or other divisions/departments. When an employer other than a Tribe or an employee/official from other tribal department/division furnishes free of charge the services of an employee in the employee's normal line of work, the services will be valued at the employee's regular rate of pay exclusive of the employee's fringe benefits and overhead costs. Additionally no more than the actual amount of time can be counted towards match and in no case can it exceed a 1.0 full-time equivalent position or, in the case of employees/officials part of the IDC proposal, then the maximum not covered by IDC funding.

2. Valuation of third party donated supplies, loaned equipment or space.

- If a third party donates supplies, the contribution will be valued at the market value of the supplies at the time of donation.
- If a third party donates the use of equipment or space in a building but retains title, the contribution will be valued at the fair rental rate of the equipment or space.
- The third party donation valuation should be obtained in writing.

3. Valuation of third party donated equipment, buildings, and land.

- If a third party donates equipment, buildings, or land, and title passes to the Tribe, the treatment of the donated property will depend upon the purpose of the grant, as follows:
 - Awards for capital expenditures. If the purpose of the grant is to assist the Tribe in the acquisition of property, the market value of that property at the time of donation may be counted as cost sharing or matching.
 - Other awards (1). If assisting in the acquisition of property is not the purpose of the grant, and approval is obtained from the awarding agency, the market value at the time of donation of the donated equipment or buildings and the fair rental rate of the donated land may be counted as cost sharing or matching. If any part of the donated property was acquired with grant funds, only the non-federal share of the property may be counted as cost-sharing or matching.

- Other awards (2). If assisting in the acquisition of property is not the purpose of the grant, and approval is not obtained from the awarding agency, no amount may be counted for donated land, and only depreciation or use allowances may be counted for donated equipment and buildings. The depreciation or use allowances for this property are not treated as third party in-kind contributions. Instead, they are treated as costs incurred by the Tribe. They are computed and allocated (usually as indirect costs) in the same way as depreciation or use allowances for purchased equipment and buildings. The amount of depreciation or use allowances for donated equipment and buildings is based on the property's market value at the time it was donated.

(c) **Source and Type of Funds.** Cash match (hard) may be applied from the following sources:

1. Funding directly allocated to the project by the Fallon Business Council in its annual budgetary process;
2. Funds from States and local units of government that have a binding commitment of matching funds for programs or projects;
3. Funding as specifically approved through the NAHASDA/Indian Housing Block Grant (IHBG) Programs;
4. Program income funds if specifically allowed by the grantor;
5. Funds contributed from private sources.
6. Program income generated from projects and the related interest earned on that program income, provided these projects are identified and approved as part of the budget and award application.
7. Funds appropriated by Congress for the activities of any agency of a tribal government or funding provided through Public Law 93-638 (the Indian Self-Determination Act).
8. Sources otherwise authorized by law and/or the funding agency.

(d) **Timing of Matching Contributions.** Matching contributions do not need to be applied at the exact time or in proportion to the obligation of the grant funds. However, the full matching share must be obligated by the end of the award period.

(e) **Records for Match.** The Tribe, through the departments that are in charge of specific grant, must maintain records which clearly show the source, amount, and timing for all matched contributions. In addition, if a grant project has included a match that exceeds the required matching portion within its approved budget, the Tribe must include and maintain the records of those additional amounts as if they are a part of the regular match amount.

13.25**GRANT FISCAL CONTROL CONCEPTS AND PRINCIPLES**

- (a) **Accounting and Reporting Capabilities.** The Tribe shall maintain a financial and accounting system which contains sufficient and detailed information to accurately account for grant and contract awards, obligations, unobligated balances, assets, liabilities, expenditures, and income. The Tribe shall maintain a system that present fairly and fully discloses the financial position and results of each of the Tribe’s grant operations.
- (b) **Conformance with Legal and Contractual Provisions.** The Tribe and its departments/programs shall ensure compliance with legal and contractual provisions of grant/contract programs and shall take any and all appropriate actions to remedy compliance issues prior to becoming audit findings and/or a legal or negative impact finding with the funding agency.
- (c) **Matching Revenues with Related Expenses.** The Tribe’s finance department, along with the grant/contract program, shall match revenue with related expenses for the same time period.
- (d) **Budgetary Control.** The Tribe, as part of its grant management responsibilities, shall maintain appropriate budgetary control and budgetary comparisons between planned and actual performance.

13.30**GUIDELINES**

- (a) **Purpose of this Section.** This chapter shall serve as the framework for the Tribe and its departments/programs to follow when applying for grants and negotiating the terms and conditions of the agreements. It is intended to provide consistent guidelines for grant administration to ensure optimum financial arrangements for the Tribe and to provide information and guidance to the Council regarding the acceptance of grants.
- (b) **Initial Grant Application**
1. **Minimal Requirements.** Departments and programs are required to obtain a resolution adopted by the Council approving an application prior to submitting to a funding agency. This is accomplished by submitting a “Grants Data Form” and agenda request through the Tribal Secretary (in time-sensitive situations, the Tribal Secretary may conduct a council poll to obtain approval). Some of key indicators that the Council and tribal administration will consider include:
 - That indirect costs are fully recoverable;
 - That if indirect costs are not fully recoverable, the Council acknowledges, either in the resolution or in the motion, that it will be responsible for those internal costs (the IDC-funded programs) that otherwise would be covered through the program’s Indirect Cost funds;

- That there is no matching requirement of funds or if there is a matching requirement, that they are at the least amount required by the funding agency. Use of in-kind match is preferable to cash matches; and
 - That there is no future or ongoing contributions required after the grant period ends.
2. **Waiver of these Provisions.** Departments/programs are required to obtain the approval of the Council prior to submitting an application for grant funding for any type of deviation from this policy including full indirect cost recovery. The information on the agenda must be clear and describe the nature of the deviation(s). It must also be clearly noted the intent or non-intent to apply for further grants from this particular grantor of this nature.
 3. **Joint Stage Approvals.** Departments/programs may seek approval for both the Grant Submittal and Grant Award Acceptance at the pre-submission stage, provided that all terms of the grant are in compliance with this policy and the information presented to the Council is consistent.
 4. **Finance Department Submittal.** Departments/programs will provide to the Finance Department a copy of all grant proposals and agreements which must specifically include the award amount, grant period dates, availability of indirect costs and the indirect cost percentage (%), distinction between reimbursement or advance funding and a complete description of the grant.

The provided information will be used to establish controls on the Tribe's financial system and will not be changed or modified (award period, grant award, etc.) without supporting documentation from the Grantor. All modifications, either the original or a copy if from an online system, should be in the original file in the Finance Department.
- (c) **On-Going Grant Applications.** From year to year, departments/programs may receive grant funding from the same Grantor for the continuation of a program. In this case, departments/programs must notify the Council in an annual or more frequent report of their intent to apply for all and/or part of ongoing grants.
 - (d) **Funding.** To improve cash management practices, it is the Tribe's preference to receive funding on an advance basis instead of a reimbursement basis. Therefore, every effort is to be made by departments/programs to obtain advance funding from the Grantor Agency. This is especially critical for one-time grant funded programs where the Tribe is advancing funds to subcontractors or where large up-front expenditures may be incurred by the grant program.
 - (e) **Cost/Benefit Analysis.** Departments/programs may be requested by the Council to present the cost/benefits of accepting or not accepting a grant. This analysis must take into account if the grant-funded services are mandated and/or provide

a new and needed/valued service for the Tribe. This analysis should be conducted in coordination with the Tribal Administrator. One-time Grants, which are typically start-up grants (i.e., planning, cost/benefit analysis, etc.) for new programs or services, will be so noted in the submittal to the Council.

- (f) **Continuance after Grant End.** Program costs, which departments/ programs wish to continue once the grant funding has been depleted, will be identified and reported to the Council at the time of submittal for consideration. The department/program must present analysis and information to the Council to assist the Council in deciding whether the Tribe should fund expenses for the project or program from tribal funds following the completion of the grant terms and close-out.

13.35 CLAIMING REIMBURSEMENT

- (a) **Financial Expenditures and Drawdowns.** The recording and tracking of grant revenues provided by funding agencies and the expenditures from departments/programs will be done through the Tribe’s financial system.
- (b) **Drawdowns.** The Tribe shall submit claims to the Grantor Agency as frequently or feasibly as permitted under the grant agreement.
- (c) **Grant Close-Out.** At each grant award year-end, each department/program and the Finance Department shall close out its respective grants. This includes preparing and submitting any required final reports to the Grantor Agency (progress report by the departments/programs and financial reports by the Finance Department) and either returning excess funds or requesting final reimbursement for the grant year. All grant closing documentation will be submitted to the Finance Department to ensure the grants are accurately closed on the financial system within 90 days after the grant end date as represented on the Tribe’s financial system. All unreimbursed costs must be identified and a plan of action defined to ensure an alternate funding source is identified and the grant is effectively closed within the timeframe. All unresolved grant balances/(deficits) will be reported to the Treasurer and a report submitted to the Council regarding deficits that the Tribe will have to cover.

13.40 INDIRECT COSTS

- (a) **IDC Overview.** In accordance with 2 CFR Part 225 (Federal Office of Management and Budget Circular A-87) indirect costs are recognized as legitimate grant expenses. As such, it is the intention of the Tribe to recover indirect costs at all opportunities.
- (b) **Tribal-wide Indirect Cost Proposal and Allocation Plan (OMB Circular A-87).** The Finance Department is responsible for preparing and negotiating the Tribe’s proposal with the U.S. Department of Interior, National Business Center. The draft proposal must be approved by the Council prior to submittal. After Council approval, the original proposal is signed off by the Treasurer, while the negotiated agreement is signed off by the Chairman.

- (c) **Cognizant Agency.** The U.S. Department of the Interior, Bureau of Indian Affairs, is designated as the Tribe’s federal cognizant agency. This is based on that the BIA currently provides the largest share of federal funds to the Tribe.
- (d) **Use of IDC as Matching Funds.** Whenever permitted by the funding agency, grants requiring matching funds may utilize the indirect costs as the match only as a last option and subject to approval of the Council. All other opportunities must be exhausted to meet the match before utilizing the indirect costs since these are necessary for the support of the Tribe’s governmental operations. Refer to section 13-20 for additional information on matching funds.

13.45 FINANCE DEPARTMENT RESPONSIBILITIES

While each department/program has staff assigned to monitor and report on the administrative and programmatic activities of grants, the Finance Department will provide general financial oversight and monitoring of all grant funds. At a minimum, the Finance Department will:

- (a) Establish an approved grant within the Tribe’s financial system when all supporting documentation is provided (i.e., grant proposal copy, original award documents with tribal and funding agency approvals, approved budgeted line items, etc.).
- (b) Prepare and provide to the departments and programs a monthly grant report (Statement of Revenues & Expenditures – SRE’s) which provides a comparison of actual expenditures with budgeted amounts for each grant and contract. This also provides for the following area(s) of responsibility:
 1. Prepare internal summaries and financial reports to assist management in keeping an accurate account of the budget, pointing out surpluses as well as insufficiencies by budget line item.
 2. Prepare external reports for the Federal, State, and local Government; as well as prepare any special reports as needed.
- (c) Monitor that grant expenditures do not exceed grant awards or specific grant budget or line-item requirements.
- (d) Review individual grant balances, utilizing the SRE’s, on a monthly basis to initiate drawdowns from the funding agencies on a timely basis.
- (e) Communicate with the Treasurer, and as required to the Council, regarding grant account balances and/or deficit issues.
- (f) Initiate the preparation of the Indirect Cost Allocation Plan through the review of the current plan and detailed listing of expenditures and other supporting data.
- (g) Review financial reports and statements of closed Grants to determine compliance with fund balance or transfers to cover deficits.

- (h) Review and recommend approval of grant Council agenda items for compliance with the Tribe’s Policies & Procedures and this Financial Policy & Procedures Manual.
- (i) Review and recommend to the Treasurer actions, as necessary, to correct any deficit in grant-funded budgets, as well as to minimize lost interest earnings to the Tribe’s general fund due to negative cash positions in Grant funds.
- (j) Review and take action as necessary regarding indirect cost rate plans. Ensure maximum reimbursement of all allowable indirect costs.
- (k) Reviews departments spending to ensure that Grant Funds are used before tribal dollars and/or allocations.
- (l) The Finance Department has fiscal grant compliance responsibility for monies and transactions related to each award and review related activities to ensure compliance with policies and procedures, analyze the purpose of activities, record data, reconcile the general ledger, and retain records applicable to grant awards.
- (m) Review financial transactions such as contract invoices, vouchers, travel reimbursement, procurement documents, budget modifications and various other documents that obligate Tribe. When reviewing documents, the Treasurer and Finance Department are responsible for verifying the following:
 1. that charges to the grant correctly represent materials received or services rendered;
 2. that charges represent allowable costs and activities for which ledger accounts are established, and that comply with the budget and grantor provisions that are established for each grant;
 3. that funds are available in the grant to cover authorized charges; and
 4. that the transactions comply with all relevant internal or external laws, regulations, policies and procedures.

13.50 DEPARTMENT/PROGRAM RESPONSIBILITIES

Each department/program will ensure the following general grant activities are completed as defined below:

- (a) Review and reconcile the monthly *Statement of Revenues and Expenditures* reports from Finance to ensure consistency with the department/program’s records. Any discrepancies are to be reported to the Finance Department within two (2) weeks of receiving the report.
- (b) Work with the Grants Accountant to reconcile and close expired grants on the Tribe’s financial system within 90 days of the grant end date (as specified on the funding agreement or as entered on the Tribe’s financial system).

- (c) Communicate with the Treasurer and Finance Department regarding grants with any negative balances or unreimbursable expenses. The departments/programs must develop a plan of action to resolve such items. The four courses of action that must be followed are:
 1. Cover the negative balance from other grants that may be allowable within the department/program; then
 2. Cover the negative balance from program income if allowable from the department/program; then
 3. Cover the negative balance from any tribal allocations to the department/program for that calendar year; and then
 4. Cover the negative balance from tribal funds. This should be the last course of action a department/program should utilize. This is done by the department head making a presentation to the Council that all other steps have been exhausted and a deficit or unreimbursable expenses still remain and a request for the appropriation of tribal funds is required. This should be last option used by the department/program.
- (d) Ensure that grant expenditures do not exceed grant awards.
- (e) Comply with all reporting requirements as defined by the grantor and Tribe, as well as ensure retention requirements as required by the grantor and Tribe are documented and followed.

13.55 CASH ADVANCES

- (a) To the extent of any provision set forth in this policy & procedures manual, cash advances shall be limited to the minimum amount needed, and shall be requested only to meet actual and immediate cash needs of the grant/contract program. The Finance Department shall follow these procedures to minimize the time elapsing between the transfer of funds from the U.S. Treasury, or pass-through entity and disbursements, as applicable per grantor provisions.
- (b) Generate and review the budget versus actual report and the cash balance to determine the amount of cash needed. Cash on hand shall be used before requesting additional funds, unless otherwise permitted under the grant agreement.
- (c) Prepare supporting documentation, such as the accounting system report, spreadsheet, and/or memo. Supporting documentation shall contain the signature and date of the preparer and the approver.
- (d) Prepare cash request used by the funding agency or other report as stipulated in the grant agreement, obtain the required approval signature as needed, and send request to funding agency.

- (e) Electronic Fund Transfers (EFTs) are wired to the appropriate tribal bank account within grantor standard timeframes and then the Finance Department shall post the amount to the appropriate account code as revenue.
- (f) Checks will be sent to Fallon Paiute-Shoshone Tribe, Attn: Finance Department, within the timeframe specified by the grantor. The Finance Department shall prepare a deposit slip and deposit checks to the appropriate tribal bank account and then the Finance Department shall post the amount to the appropriate account code as revenue.

13.60 CASH REIMBURSEMENTS

Cash reimbursement shall be made after actual costs have been incurred in accordance with the grant/contract agreement. The Finance Department will prepare and submit the request for reimbursement to the awarding agency based on the following procedures (tribal programs that wish to perform these functions on their own must demonstrate that they meet all the requirements under this section and obtain approval from the Comptroller):

- (a) Generate and review the budget versus actual report and the cash balance to determine the amount of cash reimbursement. Prepare supporting documentation as stipulated in the grant agreement and send request to grantor and obtain any required signatures. Supporting documentation shall contain the signature and date of the preparer and the approver.
- (b) Electronic Fund Transfers (EFTs) will be wired to the appropriate tribal bank account within grantor standard timeframes and then the Finance Department shall post the amount to the appropriate account code as grant revenue.
- (c) Checks will be sent to Fallon Paiute-Shoshone Tribe (Attn: Finance), within the timeframe specified by the funding agency. The Finance Department shall prepare a deposit slip and deposit checks to the appropriate tribal bank account and then the Finance Department shall post the amount to the appropriate account code as grant revenue.

13.65 COLLECTION OF INDIRECT COSTS/CONTRACT SUPPORT COSTS

- (a) **Indirect Cost (IDC) Collection.** The Finance Department shall recover the full cost of providing accounting, administrative, and other governmental services to other tribal departments, programs, and grants and contracts as permitted under a negotiated Indirect Cost Rate agreement between the Tribe and the U.S. Department of Interior, National Business Center that is applied to applicable direct expenses.
- (b) **Procedures.** The Finance Department shall follow the following procedures for the collection of these costs from the various grants/contracts/programs that have indirect costs and/or contract support costs:

1. Review budget versus actual report for each of the grants/contracts/programs and adjust for any accruals on not less than a quarterly basis, but preferably done by the 15th day of the following month.
2. Apply the applicable approved Indirect Cost Rate to the applicable direct expense costs and within grantor approved IDC or contract support budget. Prepare a journal entry and obtain appropriate approvals as defined in this manual.
3. Enter the calculated costs into the Tribe's finance system under the Indirect Cost expenditure line item for each direct program or fund account.
4. Reconcile as needed or when there are adjustments made to the direct costs that impact how much the Indirect Costs/Contract Support Costs are to be expenses and collected.
5. File all supporting documentation.

13.70 PROGRAM INCOME

- (a) **Definitions and Applicability.** Program income shall be recorded and used in accordance with program requirements, OMB Circular A-102, Federal awarding agency laws, grantor regulations, and the provisions of the contract or grant agreement pertaining to the program, as well as to any tribal policies that are not contrary to the funding agency's requirements and/or Federal laws/regulations.

Program Income means gross income received by the grant funded program directly generated by a grant supported activity, or earned only as a result of the grant agreement during the grant period. Grantees are encouraged to earn income to defray program costs and, except as otherwise provided in regulations of the federal agency, program income does not include interest on grant funds, rebates, credits, discounts, refunds, etc. and interest earned on any of them.

- (b) **Program Income Accounting.** The Finance Department shall account for income received by departments generated by a grant support activity, or earned as a result of the grant agreement based on the following procedures:
1. Review the laws, regulations, and the provisions of contract or grant agreements applicable to the program and ascertain if program income was anticipated and, if so, the requirements for recording and using program income. Program income may be used in one of three methods:
 - Deduction - deduct program income from total allowable costs to determine the net grant expenditures. Program Income shall be applied for current expenditures.
 - Addition - add Program Income to the funds committed to the grant agreement. Program Income shall be used for expenditures that meet the grant purposes and under the conditions of the grant agreement.

- Cost Sharing – Program Income may be used to meet the cost sharing or matching requirement of the grant agreement. The amount of the Federal award remains the same.
2. Assign a separate account code in the Tribe’s financial system to track program income as a revenue account.
 3. All funds from program income shall be deposited in to the Tribe’s banking account and shall be tracked using the assigned account code.
 4. Transfer funds to an investment account if there is not an immediate disbursement need and if allowed per grant provisions.

13.75 INVESTMENT POOLS FOR GRANTS/CONTRACTS

Unless otherwise prohibited by a grant agreement, cash on hand shall be invested into an appropriate investment pool or other interest bearing account until required for cash disbursement. The procedures for determining such procedures shall be:

- (a) Generate and review budget verses actual report.
- (b) The Treasurer, Comptroller, and project director shall meet and determine immediate cash needs and determine if any funds would be available for possible investment and ensuring compliance with any applicable grant provisions. The determination of recording the interest earned will also be identified for appropriate recording to the general ledger.
- (c) Initiate a transfer of funds with appropriate approvals in or out of the investment account – a log shall be maintained for transfers between accounts and must be signed off by the Treasurer prior to implementation.
- (d) Review investments monthly and prepare a report of investment activities (a copy of the report shall be sent to the program).

13.80 COST PRINCIPLES & ALLOWABLE COSTS

- (a) **Application to Contracts/Grants.** The Tribe shall use applicable cost principles to determine the reasonableness, allowability, and allocability of costs applicable to grants and contracts. It shall be the responsibility of programs and the Finance Department for adhering to these Cost Principles.
- (b) **Charging of Costs.** The Finance Department shall ensure that costs charged to grants, including pass-through grants, are:
 1. Necessary and reasonable for proper and efficient administration of the grant, be allowable under the principles contained in 2 CFR Part 200, applicable OMB circulars and except as specifically provided in the circulars, not be expenses that are also or would be expenditures of the indirect cost pool;
 2. Authorized and not prohibited under Tribe and/or Federal laws or regulations (or state or local laws, if applicable);

3. Conform to any limitations or exclusions set forth in the principles, Federal laws, or other governing limitations as to types or amounts of cost items;
 4. Consistent with policies, regulations, and procedures that apply uniformly to both federally assisted and other activities of Tribe.
 5. Not included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program, with the exception of contracts under Public Law 93-638 which can be used as matches for another grants (federal and pass-through).
- (c) **Other Provisions.** The Finance Department shall ensure that costs are accorded consistent treatment through application of generally accepted accounting principles and shall maintain source documentation to support accounting records and documents that permit the tracing of funds to a level of expenditure adequate to establish that funds have not been used in violation of the applicable restrictions of the uses of such funds. The Finance Department shall also ensure that applicable credits are used to reduce the cost of the program or are returned to the awarding agency as may be required.

13.85 FINANCIAL MANAGEMENT SYSTEM

- (a) **Use of System and Grants Management.** The Tribe's financial management system must be complete and reliable and shall contain sufficient detailed information to accurately account for grants and contract awards, obligations, unobligated balances, assets, liabilities, expenditures, and income. Financial transactions must be adequately supported with pertinent documents available for audit. All transactions must be recorded when made, in a way that readily permits them to be traced from originating documents through summary records and financial reports.
- (b) **Grant Accounting Procedures.** The Finance Department shall be responsible for establishing a self-balancing set of accounts for each grant within Tribe's financial management system and ensuring that transactions are recorded accurately, in a timely manner and completely within financial system guidelines. The procedures to meet this area shall include:
1. Reviewing the contract or grant agreement.
 2. Establishing a file for the grant/contract which shall be considered the official Tribal record and include the signed original award and amendment or modification documents, the proposal, financial and progress report copies, and official correspondence.
 3. Meet with tribal department/program managing the grant to determine reporting and cost tracking needs.
 4. Establish an account within the Tribe's chart of accounts in its financial management system.

13.90 FINANCIAL REPORTING REQUIREMENTS

- (a) **Purpose and Need.** The purpose and need for the financial reports provide for accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or contract. The specific reporting requirement for each program should be detailed in the grant award documents for that program.
- (b) **Financial Reporting Procedures.** The Finance Department shall provide accurate, current and complete disclosure of the financial results of each grant program in accordance with reporting requirements and format specified by the funding agency. This shall be accomplished through the following:
1. Review Budget versus Actual report.
 2. Review grant/contract agreement for allowable expenses and verify that only allowable expenses are reported.
 3. Prepare journal vouchers if corrections are needed and print out report from the Tribe's financial management system.
 4. Prepare report on the form specified by the funding agency.
 5. Review report and supporting documentation.
 6. Obtain signature of authorized representative for the Tribe and send the report to funding agency.
 7. File a copy of report along with supporting documentation in the official file maintained in the Finance Department.

13.95 GRANT/CONTRACT CLOSE OUT

- (a) **Purpose.** After the expiration or termination of the grant, the grant program must submit all financial, performance, and other reports required as a condition of the grant/contract. The Finance Department shall develop and operate a system for closing grant agreements to ensure compliance with the close out requirements as contained in the grant agreement.
- (b) **Process.** After all applicable administrative actions and all required work of the grant/contract has been completed, the Finance Department shall:
1. In coordination with the tribal department/program running the financial reports of the grant/contract, identify what actions are required for close-out and what conditions must exist at close out.
 2. Identify what financial reports are required, as well as notifying the tribal department/program what progress reports are required.
 3. Review budget versus actual reports.
 4. Reconcile records to ensure that expenditures are equal to or less than budget, that cash received, appropriately adjusted, equals expenditures.
 5. Prepare financial close out report.

6. Review close out documents with the tribal department/program.
7. Send close out documents to the funding agency and file copy of all documents.

13.100 RECORD RETENTION FOR GRANT/CONTRACT AWARDS

- (a) **Policy.** The Tribe, as a grantee, must maintain records that adequately identify the source and application of funds provided for financially assisted activities. These records must contain information pertaining to each grant and/or contract awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income. Accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, and grant/contract award documents.
- (b) **Procedures.** The Finance Department shall establish requirements for retention of all records pertinent to all grants awarded, and for contracts and agreements in accordance with applicable OMB Circulars and the terms of the grant agreement. This shall include:
 1. Obtain copy of contracts and grant agreements.
 2. Establish a file for each contract and grant agreement.
 3. Update files as needed.
 4. Maintain records for 5 years (or required retention period of the grant agreement) following the submission of the final expenditure report or until all issues resulting from litigation, audit/audit resolution, or claims have been resolved, whichever is longer.
 5. Make all financial reports available for review upon request by the funding agency, its Inspector General, or the Comptroller General of the United States.



Chapter 14 – Travel & Related Expenses

14.10

PURPOSE

(a) **Overview.** This chapter guidance for allowable Tribal travel expenses. The Tribe shall pay or reimburse employees who incur travel expenses while performing official duties for the Tribe. All departments and programs of the Tribe, including the Fallon Business Council and tribal committees/boards, are subject to these travel provisions. Employees may be reimbursed for reasonable travel related expenses incurred while on official business for the Tribe. Subject to the provisions outlined in these travel policies, the Fallon Business Council has authorized payment or reimbursement for the following expenses associated with employee/tribal official travel:

- Meals associated with overnight stays and in certain circumstances where there is no overnight stay;
- Lodging expenses;
- Mileage for use of a personal vehicle;
- Transportation expenses, including parking and toll fees; and
- Certain miscellaneous expenses associated with travel.

Situations may arise in the course of performing official job duties that may require employees to incur travel expenses may not generally be reimbursable. The Tribal Administrator or Tribal Chairman, with concurrence from the Tribal Treasurer, is authorized to grant exceptions for unusual circumstances on a case-by-case basis.

(b) **Reasonableness of Costs.** When traveling, travelers should be as conservative and prudent for incurred costs as circumstances permit. The lower cost should be selected whenever practical. Reimbursement for travel will be based upon the most direct or expeditious route possible. Travelers traveling by an indirect route must assume any extra expense incurred. It is the responsibility of the employee to be familiar with and adhere to established travel policies in this finance policy.

14.15

CHAPTER DEFINITIONS

Commercial Transportation. Any entity that offers transportation of people or goods to the public for pay.

Travel Reconciliation & Mileage Reimbursement Form. The accounting document used as the basis to reimburse an employee for travel expenses incurred while on official tribal business. This form is also used as the basis to reimburse a traveler for their mileage costs incurred in the performance of their duties. Reimbursement cannot be claimed for the local area (Churchill County, Reservation, Colony, etc.). Form can be obtained from the Tribe's Finance Department.

Personal Vehicle and/or Privately-Owned Vehicle. A motor vehicle that is owned or leased for personal use by an employee.

Travel Advance. Any payment to an employee for travel expenses that will be incurred for a scheduled, future trip.

Travel Authorization Form. The form which identifies the activities involving expenses for transportation, subsistence or registration which are authorized to be paid from tribal funds or which involve tribal vehicles for transportation. This form also provides authorization for a traveler and identifies travel advance amounts.

Tribal Vehicle. A motor vehicle that is owned, financed, or leased to the Tribe. This includes vehicles provided to the Tribe for a department/program that remains under the provider's name (i.e., GSA vehicles).

14.20 TRAVEL AUTHORIZATION

- (a) **Prior Authorization Required.** Employees who are required to travel for their official job duties and are not requesting travel reimbursement, excluding mileage, must receive authorization from their department head or other designated official prior to performing the travel. The approval process is detailed in the following section.
- (b) **Administrative Approvals Process.** The administrative approval process regarding the management, approval or disapproval of travel requests and travel related expenses (including advances) is as follows:
1. Travel with no overnight travel expenses (lodging/per diem) shall be approved by the department head (meals and/or mileage), if applicable, that may be reimbursed. Prior verbal authorization is sufficient in these cases, but reimbursements must be submitted on the Tribe's Travel Reconciliation and Mileage Reimbursement Form and approved by the department head.
 2. Travel with overnight travel expenses (per diem/lodging) must be approved by the department head and the tribal administrator using a Travel Authorization Form that must be completed and approved prior to the travel.
 3. All international travel and travel outside the continental United States must be approved by the Council to justify costs and need for these types of travel requests. These requests must be submitted on the Travel Authorization Form with the department head approval and the Tribal Chairman/Secretary signing on behalf of the Council when they approve the travel request.
 4. Travel for Council Officers/Members, excluding the FBC Chairman, and committees, boards, etc., shall be approved by the FBC Chairman. Travel for the FBC Chairman shall be approved by the Fallon Business Council.

- (c) **Financial Approval Process.** The financial approval process regarding the management, approval or disapproval of travel requests and travel related expenses (including advances) are as follows:
1. All travel expenses must be reviewed and approved by the Finance Department to ensure costs are reasonable and correct, that they comply with any applicable travel regulations/policies and that the costs are allowable under the applicable funding source.
 2. All travel forms (authorization, reconciliation, mileage claims, etc.) must be reviewed by the Finance Department and approved by the Tribal Treasurer (or Comptroller in his/her absence).
- (d) **Travel Authorizations.** Travel costs will not be paid or reimbursed unless the form has been submitted and the travel has been approved in advance. Travel request forms must be completed in their entirety before approval can be granted, and will be returned without consideration, until the form has been properly completed.
- (e) **Emergency Travel.** In an emergency, employees may travel or amend travel plans without prior supervisory approval or the submission of a Travel Authorization Form. The employee, though, will then seek approval after the fact and obtain the required authorizations on the form afterwards (within 7 days). The employee should endeavor to contact the approving official as soon as realistically possible to inform them of the emergency situation. Emergency travel must fall into one of the following situations:
1. The employee must deal with an official situation in person so quickly that he or she cannot get supervisory approval, and the issue is so critical in the due course of duties that the employee cannot postpone the trip.
 2. The travel location which an employee is at must evacuate for a military cause, another cause that creates an imminent danger to life or property (e.g., flood, hurricane), or adverse living conditions seriously affecting their health or safety.
 3. The employee experiences an incapacitating illness or injury while on travel status or the employee experiences a personal emergency while on travel status, including the death, serious illness, or injury of a member of the employee's immediate family; or a catastrophic occurrence or impending disaster that directly affects the employee's home.

The employee must seek retroactive approval from the official who could have authorized the travel in advance. The employee must capture the expenses that require post-travel approval in some written form (e.g., sending an email to the approving official listing the expenses and requesting approval) and must complete the Travel Reconciliation Form and obtain the necessary approvals. The approving officials consider requests for post-travel approval on a case-by-case basis. Employees must not assume that the trip will be approved and, if not approved, are subject to repayment of any applicable unapproved costs.

- (f) **Reimbursements.** Reimbursement must be submitted within 30 days of the last day of travel, and also no later than 30 days after the end of the fiscal year in which they were incurred.
- (g) **Council and Committee Members.** This policy shall govern reimbursement of travel expenses to Council and committee members when there are on official travel status of the Tribe.
- (h) **Consultants or Other Contractors.** Those individuals or companies hired by the Tribe to provide services should include all travel related expenses in the fees charged rather than seeking travel reimbursement separately. Travel expenses should not be listed as a separate category. In the event that a contracted individual or company wishes to receive separate reimbursement for travel expenses, it must be stated in the signed contract what travel reimbursement will be allowed and this policy will not apply unless specifically referred to in the signed contract.
- (i) **Interviewees/Candidates for Tribal Employment.** With Council approval, candidates for tribal employment who will be reimbursed for travel expenses will be governed by this policy.
- (j) **Employee Pay during Meetings, Training, Travel.** Attendance at meetings, training programs and similar activities are not considered worked time if the following four criteria are met:
- it is outside of normal work hours and approval is not obtained;
 - it is voluntary;
 - it is not directly job related;
 - no other work is concurrently performed

If any of these four criteria are not met, the time is considered worked time and must be paid. On occasion, employees may be required to travel on tribal-related business. The Tribe pays employees when travel time is considered "work time" and therefore must be paid. Time that is considered work time includes the following:

- Traveling during normal work hours on a work day.
- Traveling during normal work hours on a non-working day (i.e. Saturday, Sunday or a holiday) for business related reasons.
- Traveling from job site to job site during the workday.
- Waiting for a flight that has been delayed to/from a business destination, or layovers that do not include sleeping accommodations.
- Transporting or delivering materials or equipment to a job site prior to the start of the workday; returning materials or equipment after the end of the workday.

- Transporting employees to work sites, the office, or to their homes, either before or after the paid workday, at management’s request or directive.
- Traveling from home to a local airport, bus depot or train station or vice versa.
- Participating in any business related activities at a conference or seminar.
- Participating in social activities that an employer requires the employee to attend.

Time that is not considered work time includes:

- Participating in social activities that the employee is not required to attend.
- Sleeping.
- Non-business related meal breaks.
- Traveling from home to a regular designated worksite or vice versa.

14.25 MEALS & INCIDENTAL EXPENSE ALLOWANCE

- (a) **Travel is More than 12 Hours.** Employees who are required to travel more than 12 hours will be provided an allowance (either advanced or reimbursed) based upon the U.S General Service Administration (GSA) Meals & Incidental (M&IE) Rate based on:
1. **When travel is more than 12 hours but less than 24 hours.** The allowance will be 75% of the applicable M&IE rate for each calendar day an employee is on travel status;
 2. **When travel is 24 hours or more.** The allowance will be 75% of the applicable M&IE rate for the day of departure and the last day of travel and 100% of the applicable M&IE RATE for full days of travel.
 3. **Advances.** Employees are eligible to receive an advance for M&IE allowances based on the provisions above in 1 and 2 when submitting their travel authorization requests.
- (b) **Reconciliations.** During the reconciliation process, the determination of actual per diem allowable in relation to the amount advanced or to be reimbursed shall be based on the number of travel days. For determination of actual reconciliation costs for the first and lasts of travel, calculation shall be made using the maximum allowable rate of 75% of the GSA rates for meals and incidentals (M&IE rate).
- (c) **Conducting Tribal Business.** Meals and Incidental expenses incurred for the purpose of conducting tribal business, when the travel is more than 12 hours, will be paid or reimbursed upon submission of an approved Travel Reconciliation Form with a copy of the receipts for the items.

14.30**LODGING**

- (a) **General Provisions.** Employees who travel more than 60 miles (or 90 minutes) from their work site or residence (whichever is closest to the travel site) may be reimbursed for lodging expenses associated with approved overnight travel. Employees will be reimbursed for the actual lodging expenses, provided the expenses are reasonable and do not exceed the GSA Lodging rate for the area.
- (b) **Use of Credit Card for Lodging.** Lodging may be reserved using a tribal credit card but the traveler must complete a Credit Card Use Form (available from the Finance Department) and attach supporting documentation.
- (c) **Lodging Costs.** Lodging shall be paid or reimbursed at the single-room rate, and in cases where the event is being held at a particular hotel or similar facility, the lodging paid or reimbursed shall not exceed the single-room rate at that facility. The lodging site will be considered GSA-compliant if the single room rate (not including taxes/fees) is no more than 115% of the standard GSA rate for the area. If an employee chooses accommodations elsewhere, the lodging shall be paid or reimbursed at a rate not to exceed the single-room rate at the hotel where the event is being held or the maximum allowable under GSA Lodging Rates. The Tribe will not reimburse for in-room movies or other entertainment costs available at the lodging facility.
- (d) **Internet Services.** Internet service may be paid or reimbursed based upon demonstrated need by the employee and with proper authorization. Prior to travel, the employee will be responsible for obtaining a check with the proper lodging amount including taxes (unless paid for using the tribal credit card).
- (e) **Family Members.** Family members are not prohibited from lodging with employees but in no case will expenses directly attributable to family members be paid or reimbursed.
- (f) **Personal Reimbursements.** If an employee uses a personal credit card, check, or cash to pay for lodging expenses, the employee is eligible for reimbursement provided that written documentation is provided as to why the use of the Tribe's normal procurement methods (check, tribal credit card) was not utilized.
- (g) **Lodging Cancellations.** If lodging is reserved for an employee, and that employee is for some reason unable to use the lodging, a reasonable effort must be made by the employee to cancel the reservation so that Tribe is not billed or penalized as a result. All expenses related to cancellation of lodging shall be borne by the employee unless otherwise approved by the Tribal Administrator and Tribal Treasurer and/or Comptroller, and in no case may the room be paid or reimbursed by the Tribe for the exclusive use of someone other than the approved employee (unless for a dignitary, official, or other person as authorized by the Fallon Business Council).

- (h) **Exceptions to the Maximum Allowable Lodging Rates.** In the following situations, the maximum allowable lodging amounts may not be adequate and the Treasurer, in consultation with the Tribal Administrator, may approve payment of lodging expenses which exceed the applicable maximum GSA per diem amounts.
1. When a traveler is assigned to accompany an elected official, a dignitary, or others as authorized by law, and is required to stay in the same lodging facility.
 2. When costs in the area have escalated for a brief period of time either during special events or disasters.
 3. When lodging accommodations in the area are not available at or below the maximum lodging amount, and the savings achieved from occupying less expensive lodging at a more distant site are consumed by an increase in transportation and other costs.
 4. The traveler attends a meeting, conference, convention, or training session where the traveler is expected to have business interaction with other participants in addition to scheduled events. Further, it is anticipated that maximum benefit will be achieved by authorizing the traveler to stay at the lodging facilities where the meeting, conference, convention, or training session is held.
 5. To comply with provisions of the Americans with Disabilities Act or when the health and safety of the traveler is at risk. The health and safety of travelers is a top priority in the conduct of travel related activities. It is advantageous to the Tribe to establish and alter travel plans and itineraries with consideration of hazardous inclement weather and other situations that could threaten the health and safety of tribal personnel. When this occurs, travelers should: promptly notify the traveler's supervisor of the change in travel plans; note the reason for any additional expense on the traveler's travel expense voucher; and contact the Finance to arrange alternate lodging accommodations on the Tribe's credit card.
 6. When meeting room facilities are necessary and it is more economical for the traveler to acquire special lodging accommodations such as a suite rather than to acquire a meeting room and a room for lodging.

When any exception to the Maximum Allowable Lodging Amount is used, the traveler is to select the most economical room available under the circumstances. The traveler, upon return, must include the written approval for the exception, signed by the Treasurer and Administrator, as part of the reconciliation process. Also the traveler must provide an explanation describing why an exception was necessary.

14.35**TRANSPORTATION**

- (a) **General Provisions.** When commercial transportation is necessary, employees may use the Tribe's credit card or be reimbursed for the expenses incurred. Employees will be reimbursed for actual expenses incurred, provided the appropriate steps were taken to obtain the lowest possible fare or cost.

Travel by commercial or public transportation must receive authorization from their department head or other designated official and approved by the Administrator, or in his/her absence the Chairman, or the Treasurer, or in his/her absence the Comptroller. When considering such a request, personnel should consider the distance to be traveled, the travel time, and the cost.

- (b) **Commercial Air Transportation.** Employees should utilize commercial air transportation when it is more cost effective and efficient to travel by air rather than by vehicle. Employees who require air travel should obtain the lowest available airfare to the specified destination, which may include the use of the Internet or a travel agency. Employees should use electronic ticketing to avoid any surcharge associated with hardcopy tickets. In general, it is the Tribe's policy that employees traveling by commercial air carrier travel in the most cost-effective manner with the advance purchase of tickets, if possible, to obtain the lowest available coach fares. Employees traveling by commercial air carrier will not be reimbursed for the portion of non-coach (i.e. first class, business class, etc.) airfare that exceeds the cost of the lowest, available fare.

Occasions may arise when airlines overbook, change, delay or cancel flights, thereby imposing travel inconveniences on their passengers. In these instances, airlines often offer the impacted passengers indemnification for these inconveniences. Examples of indemnification that may be offered by an airline include vouchers for meals or lodging, upgrades to non-coach travel, and credits toward future flight costs. Employees are authorized to accept such indemnification if the travel inconvenience was imposed by the airline and there is no additional cost to the Tribe. Under certain circumstances, federal and/or state agencies or other entities may reimburse the Tribe for expenses incurred for air travel, provided these expenses were approved prior to the date of travel. Employees who choose to travel by personal vehicle when air travel is more cost effective will only be reimbursed for the cost of the lowest available airfare to the specified destination.

- (c) **Travel by Tribal Vehicle, Personal Vehicle, or Rental Vehicle.** Employees traveling may use a tribally-owned vehicle, if available, or their personal vehicle, or a rental vehicle. In cases in which multiple employees travel to the same event every effort should be made to share transportation, as reasonable.
1. **Tribal Vehicle.** An employee may use a tribally-owned vehicle and may be reimbursed for fuel costs by submitting appropriate receipts for fuel purchases. The tribal vehicle should be fueled at the Tribe's convenience store(s) before commencing the trip. Family members are prohibited from traveling in a tribally-owned vehicle. Non-employees may be transported

in a tribal vehicle if their presence is directly attributable to tribal business or the transportation relates to activities of a particular program (i.e., law enforcement and health center transports). All accidents that an employee is involved with using a tribal vehicle must be reported to the law enforcement agency which has jurisdiction where the action occurred, as well as the Tribe's own police department.

2. **Personal Vehicle.** An employee may use a personal vehicle and be reimbursed according to the Privately Owned Vehicle (POV) Mileage Reimbursement Rates set by the U.S. General Services Administration (GSA). Mileage must be documented using an online mapping program (i.e., mapquest, google maps, Rand-McNally, etc.) that is based on start site of the travel (work station, home) to the destination and return. Travelers requesting reimbursement must complete a Travel Reconciliation & Mileage Reimbursement Form and have obtained necessary approvals and process to the Finance Department for their review and processing. Mileage cannot be claimed for travel between the Reservation and Colony or within 15 miles of Fallon, Nevada.
3. **Rental Vehicle.** An employee's use of a commercially rented vehicle will be left to the discretion of the Administrator and the Treasurer/Comptroller and will be evaluated on a case-by-case basis. The Tribe's credit card can be used to reserve and pay for a rental vehicle or the employee can be reimbursed for the actual rental expenses. Employees shall not purchase the loss or collision damage waiver at the time of rental as that this type of coverage is already part of the Tribe's overall insurance policy. In the event of an accident, employees will not be responsible for loss or damages to the vehicle except as stated below. Notwithstanding the provisions of any vehicle rental agreement executed by the employee, the Tribe's insurance plan assumes and shall bear the entire risk of loss of, or damage to, the rented vehicle (including costs of towing, administrative costs, loss of use and replacement) from any and every cause whatsoever, excluding any deductibles. Employees may be responsible for deductible if the loss or damage is as a result of one or more of the actions listed below. This includes without limitation, casualty, collision, fire, upset, malicious mischief, vandalism, falling objects, overhead damage, and glass disappearance, except where the loss or damage is caused by one or more of the following:
 - Willful or wanton misconduct on the part of the driver.
 - Obtaining the vehicle through fraud or misrepresentation.
 - Operation of the vehicle by a driver who contributed to the vehicle damage while such person was (and has been adjudged by the courts to have been) under the influence of alcohol or any drug.
 - Use of the vehicle for any intentionally illegal purpose.

- Use or permitting the vehicle to carry unauthorized passengers or property for hire.
- Operations of the vehicle in a test, race, or contest.
- Operation of the vehicle by a person other than an authorized driver.
- Operation of the vehicle outside the continental United States except where such use is specifically authorized by the rental agreement at the time of rental. In these situations, though, the travel has had to have been approved by the Tribe; the rental car company is notified regarding the trip; and the employee, though the Finance Department, has obtained approval from its insurance carrier for the trip.

The employee/rental car agency will submit any bills for loss/damage directly to Tribe for processing to its insurance carrier. If the Tribe and/or insurance carrier denies liability on the basis that the employee was not operating the vehicle within the scope of employment at the time of the loss/damage, the rental agency will be instructed to pursue compensation from the employee. In the event of an accident or if repairs become necessary, the employee should immediately notify the rental agency for assistance and instructions.

Employees requiring the use of a commercially rented vehicle will be reimbursed for gasoline purchases associated with the business use of such vehicle, provided appropriate receipts are submitted. Whenever possible, compact/economy cars shall be rented or reserved. However, if a larger size vehicle is more economical or more than two travelers are traveling together, or to accommodate a traveler's needs, the larger vehicle may be appropriate with their supervisor's approval.

(d) **Travel by Mass Transportation, Taxi, or Airport Vans.** Employees officially on travel status may be reimbursed or provided an advance for necessary costs of transportation by bus, taxi, or airport vans for the following situations:

1. Between the employee's departure point and the common carrier's departure point;
2. Between the common carrier's arrival point and the employee's lodging or meeting place; and
3. Between the lodging and meeting places if at different locations.

It is expected, though, that airport vans and/or other courtesy transportation by the airport or lodging facility will be utilized when available and practical, and when they are the lowest cost alternative.

(e) **Privately-Owned Vehicle in lieu of Commercial Air Travel.** A traveler may use a privately owned motor vehicle for personal reasons even though air travel is the appropriate method of transportation. The cost of meals and lodging, parking,

mileage, tolls, taxis, and ferries incurred to and from the travel location may be reimbursed. However, such reimbursements shall not exceed the cost of airfare, based on the lower of the regular coach fare available for the location of travel from a standard commercial air carrier, plus transportation costs to and from the airport terminals. If a privately-owned vehicle operated by an employee on official tribal business is damaged by collision or is otherwise accidentally damaged, reimbursement for repair will be allowed for reasonable repair, limited to the actual loss and those costs not recoverable directly from or through insurance coverage of any party involved in the accident. The Tribe, though, has determined that private vehicle wear and tear, tire damage, tire blowouts, vehicle breakdown, cracked windshields, damage caused by vandalism or theft of an employee's privately owned vehicle, etc. is not a tribal expense or liability. Before submitting a request for reimbursement, an employee must attempt to recover damages through any applicable insurance coverage. Reimbursement for repairs to privately-owned vehicles may be made for accident damage when the following conditions are present:

- The damage occurred while the vehicle was used on official tribal business by permission or authorization of the Tribe.
- The vehicle was damaged through no fault of the employee.
- The amount claimed is an actual loss to the employee, and is not recoverable directly from or through the insurance coverage of any party involved in the accident.
- The loss claimed does not result from a decision of the tribal employee not to maintain collision coverage on their personal vehicle.

(f) **Required Documentation of Expenses.** All travel by rented or public transportation must be recorded on the employee travel expense statement. Employees requesting reimbursement must submit receipts for travel by commercial air carrier and for the cost of rented vehicles, including the cost of gasoline purchased. When requesting reimbursement for airfare, the employee must attach a receipt from the airline which includes the itinerary and the amount paid. Although receipts are recommended, employees are not required to submit receipts for travel by mass transportation, taxi, or airport vans. However, an explanation is required for each item reimbursed. All transportation expenses should be itemized on the travel expense statement.

(g) **Driver's License Requirement.** A valid driver's license is required if the traveler is driving a Tribal, private or rented vehicle on tribal business. The approval on the travel request or travel claim will substantiate that the supervisor/manager has verified that the traveler has a valid driver's license.

Drivers must have submitted a copy of their driver's license to the HR Department so they can be added onto the Tribe's vehicle insurance plan. Additionally, employees must provide a copy of the driver's record either annually or biennially to ensure that they remain eligible to be covered by the Tribe and/or its insurance plan.

- (h) **Traffic Citations.** The expense for traffic citations issued to an employee during authorized tribal travel are not eligible for reimbursement, unless the citation is issued to the employee while driving a tribal vehicle and the violation was due to a mechanical problem involving a tribal vehicle. All other traffic citations issued to an employee are a personal expense and not eligible for reimbursement.

14.40 COMMUTING AND ASSIGNMENT OF VEHICLES

- (a) **Purpose.** The purpose of this section is to establish tribal-wide policies governing commute use of tribal-provided vehicles where commute use is the only personal use of the vehicle that is permitted.
- (b) **Commute Use.** This term means driving a tribal vehicle between the employee's home and main or regular place of work for more than five calendar days per month. The definition extends to tribal vehicles driven between the employee's main or regular place of work to a location closer to the employee's home.
- (c) **General Provisions.**
1. Generally, tribal vehicles shall only be used for official tribal business. All tribal vehicles, excluding undercover police vehicles, shall have a decal on both sides of the vehicle stating "For Official Use Only" and, if possible, the seal of the Fallon Paiute-Shoshone Tribe.
 2. Personal use of a tribal vehicle is not permitted unless reviewed by the Tribal Administrator and approved by the Council. Personal use of a tribal vehicle may be a taxable fringe benefit.
 3. Commute use of a tribal vehicle is authorized only upon approval written by the employee's department head and the Tribal Administrator. Commute use of a tribal vehicle is a taxable fringe benefit.
 4. Employees authorized to commute in tribal vehicles are not permitted to use the vehicle for any personal purpose other than commuting.
 5. The unauthorized personal use of a tribal vehicle may result in the suspension or revocation of tribal vehicle driving privileges. Further, the employee may be subject to disciplinary action, including suspension or termination of employment as outlined in Tribe's Personnel Policies.
 6. Authorized drivers shall obey all motor vehicle laws while operating a tribal vehicle. Additionally drivers shall ensure that all persons in the vehicle are using seat belts and/or child safety seats; and the use of devices that distract a driver (cell phones, mp3 players, etc.) are prohibited unless hands-free devices are utilized.
 7. Tribal vehicles shall not be driven outside the State of Nevada without prior written approval by the Department Head and Tribal Administrator. Additionally, Tribal vehicles shall not be driven outside the continental United States without prior written approval by the Tribal Administrator and the Council.

- (d) **Approval Criteria for Commute Use.**
1. Commute use for tribal vehicles may be approved only when any of the following conditions is met:
 - a. The employee is on an on-call status and is therefore required to respond to emergencies that, by their nature, could endanger human life or cause significant property damage if response time is increased in the event that commute use is not authorized;
 - b. It is more practical for the employee to go directly to an alternate work-site than to report to their main or regular place of work to obtain a vehicle, on regular and continuous basis;
 - c. The employee is a sworn law enforcement and/or fire official required to take vehicles for operational reasons (car assignment is a non-taxable benefit in this situation); or
 - d. The employee is required to work at home or out of a vehicle, a minimum of 80% of the time and the assigned vehicle is required to perform critical duties in a manner that is clearly in the Tribe's best interest.
 2. Commute use must be approved, in writing, by the Department head and Tribal Administrator (a copy must be provided to Finance). The Council, though, reserves the right to review and approve/disapprove any commuting privileges for an employee.
 3. Approvals for commute use shall expire at the end of the calendar year in which they were issued. Departments and programs are responsible for submitting requests for annual renewal of commute use privileges.
 4. Commute usage must be documented in a format that clearly details commuting periods, including dates, times and to/from locations. This log must be submitted at least on a quarterly basis.
 5. Employees with commute use privileges shall maintain logs indicating date, trip mileage and trip information, as well as identifications as to whether the travel was for business or personal use.
- (e) **Taxation.** Commute use of a tribal vehicle is considered a taxable fringe benefit unless specifically exempted under the Internal Revenue Code. The Tribe uses the most current IRS value of the fringe benefit "income" for calculating commute value. Pursuant to IRS rules, this amount will be added to the employee's wages subject to FICA and the value is added to the W-2 wages.
- (f) **Procedures.** The departments/programs must complete and submit a Vehicle Take Home Authorization form available from Finance for each driver being granted commute or take home privileges. The employee, the department head, and Tribal Administrator must sign the hard copy of the authorization form. The signed authorization form must be submitted to Finance Department for review and approval by the Tribal Treasurer or Comptroller.

- (g) **Mileage Logs.** A department/program must submit copies of the mileage/trip logs (for each vehicle and/or driver) to the Finance Department for review and analysis as requested or if directed by the Fallon Business Council.

14.45 REGISTRATION AND RELATED COSTS

Fees or charges for attendance at conferences, meetings, seminars, and/or workshops, as well as event related materials, are allowable expenses. Reimbursement for registration fees at meetings or conferences is allowable and must be supported by an original receipt. Registration fees, preferably, should be paid either through a check request form or by use of the tribal credit card. All payments requests, though, require submission of supporting documentation. Registration fees in the amount of \$2,500 or more must have approval by the Chairman and the Treasurer. If the registration for an event exceeds \$5,000 then the Council must approve the expense. If a cancellation charge is incurred, the charge is reimbursable if the traveler is directed by their supervisor to change her or his travel plans, or if other extenuating circumstances arise and are approved by the supervisor and Administrator. Charges incurred due to the failure of the traveler to notify the event sponsor will be considered a personal expense.

14.50 TEMPORARY DEPENDENT CARE

- (a) **Purpose.** Temporary dependent care costs resulting from travel to conferences, trainings, and/or meeting is allowable when all of the following conditions have been met:
1. the costs have to be a direct result of the individual's travel for the Tribe on official business; and
 2. the costs have to be above the normal dependent care costs (for example, if someone currently pays for dependent care during the weekday working hours, then the Tribe would not pay for those costs while the person is traveling; if however there are additional costs while traveling – such as for attendance at evening meetings – which may require additional care and costs above and beyond what one would normally incur while they were at home, then those additional costs could be allowable on the award).
 3. Are only temporary during the official travel period.
 4. The care provider cannot be the employee's dependent for tax purposes, the employee's child under the age of 19, or the employee's spouse.
- (b) **Procedure.** The amount to be reimbursed for dependent care expenses above and beyond regular dependent care costs cannot exceed \$100 per day per trip (per IRS this is a taxable reimbursement). Temporary dependent care costs cannot be advanced to an individual. To claim reimbursement of dependent care expenses above and beyond regular costs, the employee must complete the following steps:
1. Pays the care provider with personal funds;

2. Completed the Tribe's Travel Reconciliation & Mileage Reimbursement Form;
 3. Attaches a separate sheet to the Reimbursement Form which includes each of the dependent care provider's name and address; the name(s) and age(s) of qualifying individuals for whom care was provided; the dates of service provided; and the amount to be reimbursed; and
 4. Attaches an original paid bill or a receipt from the dependent care provider to the form to verify the costs being claimed.
- (c) **Defined.** For the purpose of this section, a qualifying individual is a dependent under the age of 13 for whom the employee claims a dependency exemption for tax purposes or a spouse or dependent who is physically or mentally not able to care for himself or herself.

14.55 MISCELLANEOUS

Employees/Officials of the Tribe may be reimbursed for the following expenses when on official travel for the Tribe:

- Baggage expenses including for transportation charges for authorized excess; necessary charges for transferring baggage; necessary charges for storage of baggage; charges for checking baggage; and charges or tips at transportation terminals for handling tribal property carried by the traveler.
- Use of computers, printers, faxing machines, and scanners related to official tribal business.
- Official telephone/fax calls and service (no personal use).
- Laundry, cleaning and pressing of clothing (employee must have incurred a minimum of four consecutive nights of official lodging).
- Fees and costs associated with obtaining travelers checks, money orders, certified checks or transactions fees for ATM machines when using a tribal issued charge card.
- Costs associated parking fees at airport and hotels, as well as toll fees.
- Costs to related foreign travel (commissions on foreign currency conversion; passport and/or visa fees; cost of photographs for passports/visas; exit fees; inoculations; birth/health/identify records.

14.60 EXTENDED STAY OVERS

The Administrator, with concurrence from the Treasurer/Comptroller, may authorize a traveler to extend the duration of travel to reduce or save travel costs. As an example, additional expenses associated with a Saturday (additional) night stay may be reimbursed when the cost of airfare would be less than the cost of airfare had the traveler not extended the trip through Saturday (additional) night. If the additional costs of lodging, car rental, and/or meals (subject to the reimbursement rates) incurred within the vicinity of the business destination do not exceed the amount saved through the reduced airfare, the trip may be extended and the additional costs reimbursed by the Tribe. If the additional costs, though, exceed the amount that would have been saved, the traveler must reimburse the Tribe the difference.

14.65 BUSINESS AND PERSONAL TRAVEL COMBINED

The Tribal Administrator, with concurrence from the Chairman and Treasurer, may authorize a traveler to extend a business trip using vacation time. However, the traveler will only be reimbursed for lodging and meal expenses for the days the traveler is doing business for the Tribe, however, this must have been approved in advance.

The traveler will be reimbursed actual lodging expense for the days the traveler is conducting Tribe business at the single room rate up to the maximum allowable lodging rate for that location. The transportation expense equivalent to a single traveler round-trip fare to/from the business destination may be reimbursed. If the transportation costs are more due to personal extension, the traveler will be responsible for the difference. If the travel is to a destination located outside the US, the cost of transportation may also need to be prorated for personal use. All additional costs will be the responsibility of the traveler.

14.70 RECONCILIATIONS

- (a) **Submission of Reconciliations.** The traveler shall submit an accurate reconciliation for reimbursements and/or of a travel advances to the Finance Department within 14 days after the traveler returns from the travel using a Travel Reconciliation Form. If reconciliations for travel have not been submitted, the all future travel requests shall be placed on-hold pending their submission, including any monies due to/from the traveler.
- (b) **Traveler's Responsibility.** The responsibilities to audit, review, and approve a traveler's Travel Reconciliation Form lies with the Tribe's Finance Department. Approval of a traveler's reconciliation of a travel advance and/or a reimbursement by the Finance Department means that those expenses meet all criteria established by this policy & procedures manual. Reimbursement payments greater than \$5,000 require approval by the Council. All supporting documentation for travel reimbursements and reconciliations are stored at the Finance Department for audit purposes and in accordance with this Policy or any other records retention schedule/laws adopted by the Tribe.
- (c) **Reconciliation Requirements.** The traveler shall submit a Travel Reconciliation Form with supporting receipts for all travel related expenses advanced, paid directly by the Tribe, or for which reimbursement is requested, with the exception of meal receipts as meals reimbursement is based on per diem. A receipt for lodging (or other form of documentation if used non-tribal funded lodging) is always required to be submitted to substantiate overnight travel regardless of the method of payment. Excess amounts spent on meals above the per diem rates are not reimbursable.

The traveler shall adjust any meal per diem received for meals provided and partaken at trainings, conferences, and meetings with the exception of continental breakfasts. Additionally, any scholarship or other reimbursement amounts received from another agency or source by the traveler for travel expenses paid by the Tribe must be repaid to the Tribe.

- (d) **Reconciliation Results.** If a travel advance was made to the traveler, the advance must be reconciled to the actual applicable account codes. If the expenses exceed the advance, payment to the traveler is for the net amount. If the advance is greater than the expenses, the traveler shall reimburse the Tribe the net amount within 30 days after the travel. There shall be no reimbursement of travel expenses totaling less than \$1.00.

Travelers with outstanding travel reconciliations will not be given any additional travel advances until past travels are reconciled. Travel advances that are not reconciled or any amounts which are due are not paid by the end of the calendar year will be reported to the IRS as income for the traveler and the un-reconciled amounts will be added into the income on the traveler's W-2 form.

14.75 TRAVELERS WITH PHYSICAL DISABILITIES

A department/program may approve expenses deemed necessary to provide reasonable accommodation to an employee with a special need that is either clearly visible and discernible; or substantiated in writing by a competent medical authority. The definition of special need is: a physical disability, or physical characteristic that may include weight or height. Travel expenses reimbursed for special needs travel include expenses deemed necessary to accommodate the employee, but are not limited to, the following expenses:

- (a) Transportation and expenses incurred by a family member or other attendant who must travel with the traveler to make the trip possible;
- (b) Specialized transportation to, from, and/or at the temporary duty location;
- (c) Specialized services provided by a common carrier to accommodate the special need;
- (d) Costs for handling baggage that are a direct result of the special need;
- (e) Renting and/or transporting a wheelchair;
- (f) Premium-class accommodations when necessary to accommodate the special need.
- (g) Services of an attendant, when necessary, to accommodate special needs.



Chapter 15 – Asset Management

15.10 PURPOSE

Standard asset management practices as established in this chapter provide the detailed policy and procedures to ensure the Tribe's assets are properly managed and controlled, efficiently used, and protected from damage and loss. This chapter establishes the standards, policies, and procedures that: facilitate the disposition, transfer, and assignment of the Tribe's assets, including, but not necessarily limited to expendable supplies, equipment, vehicles, services, and real property; provide protection against loss due to improper handling, assignment, or theft; and assign direct accountability and responsibility to the Tribe's departments and programs.

15.15 RESPONSIBILITIES

- (a) **Finance Department.** Although the Tribe's Finance Department is responsible for the maintenance of all asset records in the fixed asset database system, each of the Tribe's departments and programs are directly responsible and accountable for the control, use, maintenance, and security of the movable and fixed assets in their possession. The Finance Department will, through fixed asset inventory audits, verify the accuracy of asset inventories from departments/programs.
- (b) **Departments/Programs.** In accordance with this responsibility, each tribal department/program is to appoint a staff member to be responsible for the fixed assets assigned of that department/program (tribal entity) which includes conducting yearly physical inventories and is responsible for communication between the tribal department/program and the Finance Department. These individuals, and others who are directly involved in purchasing and asset management, should be familiar with the procedures and standards set forth in this section. At no time are Tribal assets to be used by an employee or official for personal gain.

15.20 CHAPTER DEFINITIONS

Acquisition Cost. The net invoice unit price of the asset including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired.

Administrative Requirements. Those matters common to grants in general, such as, but not limited to, financial management, kinds and frequency of reports, and retention of records. These are distinguished from programmatic requirements, which concern matters that can be treated only on a program-by-program or grant-by-grant basis, such as, for example, types of activities that can be supported by grants under a particular program.

Awarding Agency. The Federal or state agency making the grant or the party that makes a subgrant (this includes funding allocated to tribal departments and programs by the Tribe).

Bar Code. A series of alternating bars and spaces printed or stamped on parts, containers, labels, or other media containing encoded information that can be read by electronic readers. It is used to facilitate timely and accurate input of data to a computer system.

Capitalization Level. An asset whose original cost exceeds \$5,000 and one year of life on an individual basis or a donated asset whose fair market value exceeds \$5,000 on an individual basis.

Cost Sharing or Matching. The value of third party in-kind contributions and the portion of the costs of a federally assisted project or program not borne by the Federal government.

Disposition. The transfer, sale, donation, lease, trade, exchange, or destruction of a fixed asset.

Employee. Any individual employed by the Fallon Paiute-Shoshone Tribe, regardless of the source of the funds by which the employee is paid.

Equipment. Tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of more than \$5,000 (all purchases of non-expendable supplies exceeding \$5,000 must be tagged and inventoried by the Finance Department).

Expendable Tribal Property. Property, materials, and/or supplies that have a low dollar value and are generally consumed in the performance of the program activities or are incorporated into some end product. The cost of expendable property is charged against the program as an expense upon receipt of the item.

Fixed Asset. Any property or equipment that has a purchase cost or value of \$5,000 or more, will be utilized in the course of normal operations, and is expected to be held or used beyond the fiscal year in which it was acquired without being consumed.

Fixtures. Attachments to a building that are not intended to be removed without damage to the building.

High Risk Item or Sensitive Item. Those items whose cost is less than the Tribe's control level, but are identified separately the fixed asset system for purposes of tracking. At a minimum, the following items must be included in this control classification: computers, televisions, digital cameras, cell phones, firearms, law enforcement officer issued items, and any other items that are considered as having a high potential of theft.

Inventory Control. The activities and techniques involved with receiving, tracking, control, care, maintenance, and issuance of inventories.

Invoice. A document showing the characteristics, specifications, quantity, price, terms, nature of delivery, and other particulars of goods sold or of services rendered, i.e., a bill.

Maintenance Repair and Operating (MRO) Supplies. Items used in support of general operations and maintenance, such as office supplies, electrical parts and supplies, and janitorial supplies.

Non-Expendable Tribal Property. Items of a high dollar value (\$5,000+) and of a durable nature with an expected lifetime more than one year. Such items retain their identity throughout their useful life. These items are usually carried as capital (depreciable) assets in the records until disposed of through transfer, sale, or other means.

Official. Any elected and/or appointed individual to a Council, Board, Committee, or similar tribal organization.

Periodic Inventory or Cycle Count. A physical inventory taken at some recurring interval such as quarterly or annually.

Personal Property. Any property other than real property and includes equipment, materials and supplies.

Physical Inventory. The determination of actual inventory quantities by physical count. Physical inventories can be taken on a continuous, periodic, or annual basis.

Real Property. Land, including land improvements, structures and appurtenances thereto, excluding movable machinery and equipment.

Salvage. Goods that do not conform to specifications, but that may, with additional work, be made useable.

Scrap. Material that has no value except for its basic material content.

Sensitive/High Risk Asset. These are assets which are sensitive, portable, or of a theft-prone nature. These items include weapons, audio-visual equipment, power tools, radio equipment, cellular telephones, laboratory instruments, hand-held electronic devices, etc. For management and control purposes, these are noncapital controlled items which will be tagged and inventoried and recorded separately within the Tribe's fixed assets accounting records, and recorded at their original acquisition cost. Unlike normal fixed assets, these controlled items will not be capitalized.

Stock Keeping Unit (SKU). Each unique unit of inventory, regardless of the quantity of that unit that is maintained.

Supplies. All tangible personal property other than equipment as defined above.

Finance Department. The Finance Department of the Fallon Paiute-Shoshone Tribe.

Tribal or Tribe. Refers to the Fallon Paiute-Shoshone Tribe.

Unit of Measure. The unit in which the quantity of an item is expressed. Examples include: barrels, dozens, gross, each, case, pounds, gallons, feet, etc.

Warranty. An undertaking, either expressed or implied, that a certain fact regarding the subject matter of a contract is presently true or will be true.

15.25 ACCOUNTABILITY

The head of each department/program will be held accountable for the assets assigned to that respective department/program. At the beginning of the fiscal year, each department/program head will be provided with an asset inventory listing which they are responsible for. If management changes, the Council, Chairman, or the Tribal Administrator can request that the Treasurer order a special physical inventory. A new asset listing will be provided to each new director and/or manager.

15.30 RESPONSIBILITIES OF TRIBAL DEPARTMENTS/PROGRAMS

- (a) Enforcing compliance within the department/program with the Tribe’s policies and procedures as contained in this chapter and other applicable laws/policies.
- (b) Assisting the Finance Department by tagging all new fixed assets whose total purchase cost exceeds \$5,000 and those assets with a sensitive/high risk classification, and forwarding the required information to the Finance Department for entry into the fixed asset database.
- (c) Recording the movement and disposal of assets on the forms provided by the Finance Department and following the procedures within this policy & procedures manual regarding the movement (transfer) and disposal of assets.
- (d) The Finance Department will ensure the accuracy of all asset records by auditing the physical inventories of departments/programs on at least a yearly basis.
- (e) Each department/program will assign or schedule a responsible employee to assist the Finance Department with physical inventory audits.
- (f) Each tribal employee is also responsible for using the Tribe’s assets only for the Tribe’s operations and to exercise reasonable care for their safekeeping. The term “reasonable care” means that, at a minimum, steps are to be taken that:
 1. Maintain the asset(s) in an acceptable and prudent manner;
 2. Ensure the security of the asset(s);
 3. Ensure that the asset(s) can be located at any time requested;
 4. Ensure that operation of mechanical equipment is only be trained and authorization personnel; and
 5. Ensure that the person responsible for the asset(s) is known and is an employee and/ official of the Tribe.

15.35 ENFORCEMENT AND PENALTIES

All employees are required to comply with the provisions of asset management. Violations of this section, including loss and improper disposal of assets, will be handled in accordance with the Tribe’s Personnel Policies. Elected and appointed officials of the Tribe are subject to these provisions of asset management and violations by these officials shall be handled by their governing body and in accordance with the Constitution, Bylaws, Charter, etc.

15.40 FUNCTIONAL AREAS

The Tribe's departments and programs are required to use and control property in accordance with this chapter and other approved policies; with Federal law, executive orders, instructions from Federal and/or state sponsoring agencies; and any special instructions contained in a specific grant or contract. The following are the nine (9) functional areas are essential to the effective management and utilization of the Tribe's assets and for compliance with all requirements.

- (a) **Property Management.** The process of maintaining an adequate control system for the Tribe's assets; reporting of lost, damaged or destroyed equipment; and the process of internal self-audit.
- (b) **Identification.** The process of properly identifying the Tribe's assets.
- (c) **Records.** The official records maintained to show the status of and control over the Tribe's assets.
- (d) **Movement.** The process of tracking the movement of the Tribe's assets from one entity to another.
- (e) **Storage.** The process of safely storing all types of the Tribe's assets.
- (f) **Physical Inventories.** The process of physically locating and counting assets and comparing this information to the records of the assets.
- (g) **Reports.** The preparation and submission of reports reflecting the status of the Tribe's assets.
- (h) **Maintenance.** The process of providing the amount of care necessary to obtain high quality maximum use of the Tribe's assets.
- (i) **Disposition.** The process of disclosing excess, recommending disposal procedures, and effecting disposal of the Tribe's assets.

15.45 PROPERTY MANAGEMENT

- (a) **Scope.** The Tribe is responsible for the management of all property, for which it holds title and for that property which has been assigned to the Tribe under a contract or grant, in order to maximize the effective and efficient utilization of such property.
- (b) **Definitions of Property.** Property is subdivided into real and personal property.
 1. **Real Property.** Real property is defined as any interest in land, and, or, any fixtures or improvements located on and physically attached to the land. It excludes buildings, movable machinery and equipment.
 2. **Tribal Property.** Tribal property is all property, other than real property, including buildings, equipment, materials, and supplies. Personal property is further subdivided into tangible and intangible categories.

- a. Intangible property includes such items as inventions, patents, and copyrights. Normally, unless specified in an agreement, all rights to the invention, patents, or royalty fees from copyrights are retained by the owner of the invention, the holder of the patent or copyright, or the funding source. Intangible property has no physical existence.
 - b. Tangible property has physical existence. Tangible tribal property is further subdivided into expendable and nonexpendable tribal property, both having physical existence.
 - Nonexpendable tribal property is any item of personal property having a dollar value of \$5,000 or more and retaining a useful life of one year or longer, thereby requiring accountability for its use or maintenance. Nonexpendable tribal property normally refers to furniture and equipment. It retains a gradually depreciating value over its useful life and retains salvage value at the end of its useful life. Nonexpendable tribal property may further be subdivided into those items which are capitalized and those items which are considered special interest or sensitive items.
 - Expendable tribal property is generally considered materials and consumable supplies or items held for resale. It is consumed through the normal functioning of Tribal operations.
- (c) **Records.** The Finance Department maintains records of all purchases of nonexpendable tribal property. Records are held at the Finance Department for a minimum of 12 months and may then be forwarded to a tribal storage facility/area for archiving. Although the Tribe’s complete federal trust real property records are maintained by the Tribal Secretary and the U.S. Bureau of Indian Affairs, the Finance Department maintains a real property asset database for accounting/financial records. If a purchase of real property or nonexpendable tribal property is made by the Tribe, the Tribal entity charged with the project responsibility must follow the proper procurement procedures and forward the following information relating to the purchase to the Finance Department.
1. **Real Property Records.** The Finance Department maintains a listing of real property that must, at a minimum, contain the following information:
 - a. County and State where the property is located.
 - b. Size of the parcel.
 - c. Date acquired.
 - d. Legal description.
 - e. Purchase price.
 - f. Funding source (include % of Tribal contribution if funded through non-Tribal funds).
 - g. Seller.

- h. Description of buildings, if any.
 - i. Current market and/or assessed value.
 - j. Status (trust or fee simple).
 - k. Current use.
 - l. Department responsible for the maintenance of the property.
 - m. Any ultimate disposition data including the date of disposal, sale price, and the purchaser of the property.
2. **Non-expendable Tribal Property Records.** Records regarding the purchase of nonexpendable tribal property must, at a minimum, contain the following information:
- a. Name and/or description of the property.
 - b. Name of manufacturer.
 - c. Name and location of vendor.
 - d. Serial number and model number.
 - e. Name of titleholder to the property or department/program purchasing/utilizing the property.
 - f. Purchase cost (all inventory database records are maintained at total purchase cost).
 - g. Purchase date and Purchase Order number (if the purchase required a 3-bid procurement process, copies of all bids, the bid summary sheet, and the rationale for selection may also be included.)
 - h. Funding source (include % of Tribal contribution if funded through non-Tribal funds).
 - i. Department assigned responsibility for the property and the specific location of the asset within the Department.
 - j. Use and condition of the property.
 - k. Tribal asset number assigned to the property.
 - l. Maintenance plan (developed and maintained by the responsible Tribal entity).
 - m. Any ultimate disposition data including the date of disposal and sale price of the property.
- (d) **Maintenance of Database Records.** It is essential that all asset records be updated when changes are made. When the a purchase is made, when the Finance Department approves the transfer of assets, or when a decision is made to dispose of assets, the changes are to be entered into the database within two week. Results of inventory audits and physical inventories should be entered immediately after the completion of the inventory or audit. The time required to enter the information will vary depending on the size of the entity where the inventory or audit was conducted. The entry of new acquisitions must be completed quarterly. It is the responsibility of each Tribal entity to notify the Finance Department of new acquisitions.

- (e) **Retention of Records.** All records regarding real property and nonexpendable tribal property are to be retained for a minimum of three (3) years from the date of the disposition, replacement, or transfer of the property to a non-Tribal entity. Records regarding assets purchased with contract or grant funds are to be held for a minimum of three (3) years or as specified by the funding agency. Disposal of retained records, after this period, shall be handled in accordance with tribal policies and/or laws.
- (f) **Control Systems.** The following control systems have been developed to insure adequate safeguards to prevent the loss of, damage to, or theft of the Tribe's assets. Any loss, damage, or theft of assets will be investigated by the Finance Department and, if necessary, by the appropriate law enforcement agency if theft-related.
1. **Tribal Asset Coding**
 - a. All non-expendable tribal property with a total purchase cost of \$5,000 or more will be tagged by the Tribal entity assigned responsibility for the asset. These bar-coded tags assign an asset number to the property, which is noted in the computerized inventory program maintained by the Finance Department. In addition, all sensitive items, as previously identified, will be tagged.
 - b. Tags are color coded to assist the Tribe in the identification of assets purchased with non-Tribal funds. Those assets purchased with Tribal funds will have a blue and black tag. Assets purchased with non-Tribal funds will have a red and black tag. The Finance Department will distribute sequentially numbered asset tags to each department/program and will maintain records of the numbers assigned. Each department/program is responsible for the tags assigned.
 - c. Inventory records for vehicles, heavy equipment (i.e. motorized construction equipment), and mobile homes are maintained by VIN (Vehicle Identification Number).
 2. **Yearly Inventory of Assets.** Each year a physical inventory of fixed assets, with a value exceeding \$5,000, and all sensitive items will be conducted at each Tribal entity. The Finance Department will provide each entity with a listing of their assigned inventory and the dates that the inventory is to be conducted. The physical inventory will verify that tagged assets are accounted for and in good working order and that new acquisitions are tagged and added to the fixed asset database.

In addition, all non-tagged items may be counted. For example, if the Department is to have 12 desks, the inventory control team may verify that there are 12 desks, but that one of the desks needed maintenance and that an additional desk was acquired on a specific recent date.

3. **Inventory Audits.** Throughout the year, the Finance Department will audit the physical inventories of each Tribal department/program. These audits will be conducted after the physical inventories have been completed. Each audit will be statistically based.
- (g) **Missing or Lost Assets.** At the completion of a random audit or physical inventory, reports are generated to determine the status of the assets. Any missing, lost or damaged assets will be reported to the Finance Department. The Director will be notified and an investigation opened. If the assets are located, the results will be noted in the file. If the assets are not located the Treasurer shall notify the Council and forward the results to the appropriate compliance entity designed by the Council.
- (h) **Transfers and Asset Movement**
1. **Movement or Disposition of Assets.** In order to ensure the integrity of the fixed asset database, it is essential that the movement of all assets be recorded.
 2. **Transfers.**
 - a. To improve economy, the Finance Department maintains a list of assets available for transfer. These are items that are no longer needed by one Tribal entity but that might be needed by another. Transfers may be made within or between departments and programs and possibly with other tribal enterprises. It is necessary to complete the Inventory/Asset Transfer or Disposal Form (available from the Finance Department) and to secure approval from the Chairman and Treasurer in order to transfer an asset. The asset will then be transferred on the inventory listing at net book value. When necessary, assets will be transferred to a storage facility to be held until needed.
 - b. If the asset has been purchased with non-Tribal funds, all transfers must be in conformance with the requirements of the funding source.
 3. **Loans.** To avoid unnecessary duplicate purchases, assets assigned to a department and/or program may be loaned (checked-out) to another department, program, or tribal employee/official for temporary use. The loan of an asset from one Tribal department/program to another must be authorized by the Tribal Administrator and the Inventory/Asset Check-Out Form (available from the Finance Department) must be completed and forwarded to the Finance Department.
 4. **Temporary Use.**
 - a. **Policy.** Under certain circumstances, the Tribe will permit removal of tribal and tribally-purchased assets (equipment) from workstations for completion of official or administrative

assignments. Individuals removing tribal and tribally-purchased assets assume full responsibility for the care and security of such property. Individuals removing assets from the department are required to complete the Inventory/Asset Checkout Form, so that equipment inventories will accurately reflect the disposition of all tribal property. Individuals will be charged with any loss and damage to tribal property due to negligence or unauthorized use.

- b. **Procedures.** Any employee or tribal official who removes assets from tribal premises must complete the Inventory/Asset Check-Out Form and submit it to the appropriate authorizing officials for approval prior to removing the equipment. Tribal property may be checked out under the following guidelines:
 - Approval must be granted by the authorized tribal officials – the Chairman or Tribal Administrator and the Treasurer.
 - The property will be used explicitly for official tribal purposes.
 - Asset checkout will be for a limited time only, as specified on the form.
- c. **Responsibilities.** The employee/official is responsible for the care and security of the asset checked out in his or her name. The equipment is to be returned upon completion of the designated project, at the request of the Department Head, upon the employee's separation from employment, or upon the request of the Chairman and/or Treasurer for any reason. Any employee or official checking out equipment will be personally responsible and liable for its safeguard and return in serviceable condition. Individuals who cause damage or loss, or who have an item stolen, will be charged the full cost of replacement equipment.
- d. **Monitoring.** Department Heads and the Finance Department are responsible for maintaining accurate records of all assets that are checked out to ensure accurate inventory/asset records. Department Heads are also responsible to ensure that the assets are returned by the date on the form. Assets that are checked-out must be included in Tribe's yearly inventory control.

15.50 DISPOSAL AND DISPOSITION

- (a) **Assets Purchased with Tribal Funds.** The following procedure is to be followed for the disposal or transfer of excess or surplus property.
 1. A Tribal department, program, or enterprise determines that an item, assigned to them, is no longer needed (surplus) or is unusable.
 2. An Inventory/Asset Transfer or Disposal Form is completed, signed by the appropriate officials and forwarded to the Finance Department.

3. The Treasurer (or his/her designee) reviews the request and approves or disapproves the Disposal or Transfer. If the disposal is approved, it is the responsibility of the requesting department, program, or enterprise to dispose of the item by destruction or recycling if required.
 4. If the item is in good condition, the item can be transferred to a different department, program, tribal enterprise that has a need for the item or can be sent to storage and placed on the available-for-transfer list. If the item is determined to be surplus, and that no present or future need for the item exists, the item will be disposed of in the following manner:
 - a. Used as a trade-in.
 - b. Sold by sealed bid. (Tribal members will be given the first opportunity to bid on surplus items.)
 - c. Offered to Tribal Elders (first come first serve basis) or Tribal Members (first come first serve basis).
 - d. Donated to an outside program that has a need for the item.
 - e. Sold by auction either conducted by the Tribe or through the use of a licensed auction firm/business.
 - f. Any other method for disposal within the Tribe must be approved by the Treasurer. Any other method for disposal outside of the Tribe and its government must be approved by the Council.
- (b) **Assets Purchased with Non-Tribal Funds.** If an asset is purchased with non-Tribal funds, the disposal process of the funding entity must be followed. The Finance Department maintains files on the disposal requirements for all active grants, contracts, and other outside funding sources (if any).
- (c) **Disposal/Disposition – Real Property.** Any and all disposition or conveyance of federal trust land held by the Tribe must comply with the policies and procedures established by the Bureau of Indian Affairs, any applicable federal regulations, and the Tribe’s laws. When a project requires the demolition of any structures on Tribal land, the demolition plan is to be in compliance with the following:
1. The requesting entity that is responsible for the project must present a written request and justification to the Treasurer prior to the demolition. The justification must, at a minimum, contain the following information:
 - a. Address where the property is located, size of the parcel, date acquired, legal description, purchase funding source (include % of Tribal contribution if funded through non-Tribal funds), current market and/or assessed value, status (trust, fee, etc.), current use, and the department responsible for the maintenance of the property;
 - b. Listing and description of all buildings on the parcel including their current use, type of structure, size, age, and condition;

- c. Information on the location of service lines (water, gas, etc.); and
 - d. Any additional essential information such as restrictions to use, covenants, environmental issues, road access, etc.
2. If the request is sufficient, the Treasurer will present the request to the Office of the Chairman. If the request is approved by the Chairman, the request and justification will be presented to the Council for final approval. If the request is approved by the Council, the following steps must be followed prior to the buildings demolition:
- a. All assets in the building are to be processed as specified; and
 - b. Items attached to the building are not considered assets and should be handled as follows:
 - Examination of the heating and cooling systems to determine if they can be used in another building. They will also evaluate any other fixtures (i.e. plumbing and electrical) to determine if they are of any use to them.
 - When the Tribe’s housing entity has removed any items they can use, the remainder will be offered to any other department, program or tribal enterprise.
 - Due to liability issues potentially affecting the Tribe, any remaining fixtures are to be destroyed with the building.
 - The Finance Department will make the appropriate entries to the fixed asset system to properly delete the building, including any gain/loss on the disposal.

15.55

MAINTENANCE

Maintenance plans, schedules, and logs must be developed and implemented by the departments, programs, tribal enterprises, and other tribal entities responsible for the tribal fixed assets assigned to them. The Tribal Administrator and Finance Department will periodically review these maintenance plans, schedules, and/or logs at the location of the assets(s). This is designed to ensure that assets are being properly maintained and retain their useful life, as well as allowing the Tribe to identify potential issues regarding assets in the short and long-term.



Chapter 16 – Payroll

16.10 PURPOSE

The Finance Department completes the accurate processing of all payroll disbursements for all tribal employees in accordance with this policy & procedures manual and other applicable laws and policies. Payroll processing includes the coordination and management of systems input data, reporting of all payroll transactions to the Internal Revenue Service (IRS), Social Security Administration (SSA), and applicable workmen's compensation entity and ensures resultant liabilities are accrued, paid and reconciled to the appropriate general ledger accounts. Payroll operations provide administrative and accounting support in the areas of: garnishment payments, voluntary deductions, retirement benefit deductions; and year-end tax and wage accounting.

16.15 PAYROLL PROCESSING AND METHOD

- (a) **Payroll Periods and Times.** The Tribe's payroll is processed on biweekly basis. Pay periods are based on a two-week periods starting on a Monday and ending on a Sunday. Pay checks are available to employees on Thursday of a payroll week no earlier than 4:00 p.m., but checks may be issued earlier for emergency reasons if approved by Treasurer, or in his/her absence, the Comptroller.
- (b) **Timesheets.** Payroll is based on time sheets completed by employees and approved by supervisors. Each time sheet reflects the hours worked on time cards provided to employees. Time sheets will reflect the use of annual, PTO, or other leave time, if applicable. Overtime for non-exempt employees and compensatory (comp.) time for exempt employees requires the prior approval of the employee's supervisor. Time cards must be clocked in/out using the appropriate time card machine with no write-ins unless initialed by the employee and supervisor. The time sheet can be completed by hand or on an Excel file and must be signed by both the employee and the assigned supervisor. Any changes, after signing, must be initialed off by the supervisor.
- (c) **Direct Deposit.** Deposits can be directed to most banks, savings and loans, credit unions and other financial institutions throughout the United States (no foreign banks). A Direct Deposit Authorization Form is available from the Finance Department. **Interested Employees are to send their completed Direct Deposit Authorization Form to the Finance Department ONLY for processing.** As part of the set-up process, employees must attach a voided personal check for their selected checking accounts (note - a voided check is required rather than a deposit slip because the check includes correct federal transit numbers). If depositing into a savings account, attach a Direct Deposit Authorization Form provided by your bank (preferred method), a savings account deposit slip, or a copy of your savings account card. Regardless of the type of account, the account must be in the employee's name.

If an employee is changing bank accounts, the employee must submit a new Direct Deposit Authorization Form with the updated information. The employee should leave the old account open until after the first wage payment has been deposited to the new account. Funds will be transmitted to the employee's designated financial institution(s) on or around payday. Funds are then posted by the employee's individual financial institution(s) according to the financial institution's established posting schedule. This is what determines when the funds are actually available in the employee's account(s). Direct deposit reduces the potential for lost warrants, as well as the potential for theft or forgery. A payroll stub will be provided to the employee on pay day showing amounts paid and information on leave.

Direct Deposit of employee payroll funds is offered as a convenience to the employees and while most financial institution post such transaction either at midnight the night before or early in the morning on payday, such posting of funds are not guaranteed by the Tribe. Therefore, if direct deposit transmission by the Tribe fails for any reason, all personnel will receive a paper check by 4 p.m. on payday and the Tribe will not reimburse the employee for any fees, such as overdraft fees, associated with direct deposits not being posted to their accounts by the normal time.

- (d) **Additional Tax Withholding.** Employees may elect to have additional federal income tax withheld from their earnings. This tax withholding is supplemental, that is, in addition to, the federal amounts that are claimed on the W-4 which is completed at time of hiring. To change a completed W-4 form that is on file, the employee must submit a revised W-4 Form and have to the Finance Department on the Monday prior to a payroll date or it will not be processed until the next pay period.

16.20 EMPLOYEE ISSUES

- (a) **Classification System.** The Tribe's Human Resources establishes the employment classifications for all position in the Tribe. Within these employment classifications, the Human Resources will determine whether these job classifications are exempt or non-exempt under tribal policy. All employment classifications are defined and maintained by the Tribe in the HR department. All job descriptions, including any changes to salary and exempt/non-exempt classification, must be approved by the Fallon Business Council.
- (b) **Personnel Changes.** Any new individuals hired and/or any changes to an employee's status, particularly pay rates and coding, must be submitted to the Finance Department on an approved Personnel Action Form (PAF) before it can be entered into the Tribe's financial system and the new hires/changed implemented. No changes can occur unless properly submitted to Finance for review and financial approval. It is the responsibility of the division/department head to ensure personnel changes are done in a time-efficient manner.

Newly-hired individuals whose PAF's are not complete and submitted to the Finance Department by 12:00 P.M. PST on Monday (or next working day in case of a holiday) of a payroll week will not have a check processed until the next pay period. The supervisor(s) who failed to submit a complete PAF in a timely manner which results in an employee's failure to be paid on time will be processed to the appropriate supervisor and/or Tribal Administrator for disciplinary action. The Tribal Chairman and the Tribal Treasurer may agree to waive these time provisions in emergency situations only.

It is the responsibility of Human Resources and the department/program initiating personnel changes to ensure PAF's are submitted to the Finance Department in a timely manner. The following is an outline of the process to be followed to complete personnel changes:

1. *(For situations involving pay adjustments and after the normal interview/selection process).* Human Resources, the Tribal Administrator, and position supervisor shall determine the appropriate salary level to pay the position and once a pay agreement is reached between the parties, Human Resources shall prepare a Personnel Action Form. The negotiating official or HR should inform the individual that that such pay agreement is not formal nor approved until the PAF has all required approvals on the form and that there may need to be additional discussions passed on higher-level approvals.
2. Human Resources shall complete a PAF on all personnel changes (including following the provisions, above, as applicable) and submit the form for official administrative and financial approval. The administrative approval process for personnel changes are detailed in the Tribe's Personnel Policies & Procedures. The financial approval process for personnel changes are done by the Tribal Treasurer in consultation with Finance Department personnel, including but not limited to payroll, grants accounting, and the Tribal Comptroller.
3. If during any part of the administrative and/or financial approval process, the personnel changes/action is not approved, the Human Resources shall work with the Tribal Administrator and the position supervisor to remedy the situation or develop an alternative. If there is not a satisfactory resolution, then Human Resources has the option of voiding any changes, hiring the next qualified candidate, or requesting an appeal before the Fallon Business Council to address the situation.
4. Once all of the administrative and financial approvals are obtained, Human Resources shall obtain the signature of the employee, as well as the position supervisor (if not already on the form) and for hiring situations make the appropriate job offers to the selected individual with the approved salary amount. The completed PAF form shall then be submitted to the payroll division in the Finance Department for processing.

5. For PAF's that involve new hires, transfers, or salary adjustments, the completed PAF with all administrative and financial approvals must be received by the payroll division no later than the 12:00 p.m. PST on Monday of a payroll week to be effective (or next working day in case of holiday). Any PAF's received after this deadline will be processed in the next pay period. It is the responsibility of Human Resources and the hiring department to meet these deadlines – the Finance Department is not responsible for appropriate planning and cannot adjust schedules to accommodate such incidents. All other PAF's THAT do not involve hiring, transfers, or salaries, will be implemented within three (3) working days after submission to the payroll division.
 6. Once a completed and approved PAF is submitted (as detailed in the previous steps) to the payroll division, the accounting personnel shall enter the new PAF into the Tribe's financial management accounting software system.
- (c) **Employee Benefits.** Regular status, full time employees, who are eligible for insurance benefits, must enroll within 31 days of the date of benefit eligibility. Failure to enroll within this time frame will result in loss of eligibility for some benefits, which may or may not be available until the next open enrollment.
- (d) **Employee Address Change.** When an employee has an address or phone change, it is their responsibility to provide this information to the Finance Department's payroll personnel. To assist with this, there is an Employee Change of Address/Phone form. The employee completes this form and submits it to Human Resources who shall update the employee's personnel file, as well as providing the information to the Finance Department or who will enter it themselves in the payroll module of the Tribe's financial software system.

16.25 MANDATORY DEDUCTIONS AND CONTRIBUTIONS

- (a) **Deductions Overview.** Federal laws and regulations require various mandatory deductions. The dollar amounts and/or percentages are revised and updated as changes occur. The following is a brief summary of these mandatory deductions and requirements.
- (b) **Federal Withholding.** All employees are subject to federal withholding tax. The amount withheld is determined by the wage amount for the pay period and the employee's Form W-4 status. Generally, employees who claim married status will have less withheld than employees who claim single status. Also, employees who claim more allowances will have less withheld than employees claiming fewer allowances. Employees who determine they are not subject to federal income tax may claim exempt by completing Form W-4 and submitting it to Finance Department. Employees, though, remain liable for any tax debt/liabilities based on the W-4 form and the Tribe is not liable for what an employee claims on the form. Additional Federal Withholding can be deducted by entering a dollar amount on Form W-4.

- (c) **Medicare Tax.** The deduction is a percent of salary. There is no annual ceiling amount. All employees are covered by Medicare tax.
- (d) **Federal Insurance Contributions Act (FICA).** This deduction provides the authority to collect Social Security Payroll Taxes, which include an OASDI (Old Age, Survivors, and Disability Insurance) and a Medicare component. All employees are covered under the FICA tax deduction.
- (e) **Unemployment Taxes.** Employees, except members of the Council and other appointed/elected officials, are covered by unemployment taxes. On each payroll, an allocation is charged to a percentage of covered wages to the proper fund, department and account for employee wages.
- (f) **Worker's Compensation.** The Tribe is required to provide Worker's Compensation coverage to all individual employees except retirees. On each payroll, a financial system allocation charges a percentage of Worker's Compensation rate based on the covered wages to the proper account that the employee is coded to.

16.30 GARNISHMENTS AND CHILD SUPPORT MATTERS

- (a) **Standard.** The payroll division of the Finance Department provides and maintains a system for handling employee garnishments. All orders regarding garnishments and child support matters should be sent directly to the Finance Department by mail or (contact the Finance Department to obtain their fax number) to ensure maximum privacy – these items should not be sent to the regular tribal administration fax number which is publically-accessible.
- (b) **Background.** A garnishment is a legal order to withhold a specified sum from an employee's wages to satisfy a debt in accordance with the federal wage garnishment law. A Levy, Earnings Withholding Order, or a Wage Assignment is the legal terminology for a garnishment. The entity attaching the employee's wages sends a notice to the Tribe indicating the name of the employee and the amount to be garnished.
- (c) **Procedure.**
 1. Each garnishment notice is distributed to the Finance Department's Payroll office. The payroll office creates a garnishment file for the employee separate from the regular payroll file.
 2. For all notices (orders), a copy of the garnishment notice is sent to the employee timely that the order is received. The levy will continue in effect until the employee's liability is satisfied, becomes unenforceable, or the employee is no longer with the Tribe. Garnishment orders/notices may have to be reviewed and/or approved by the Fallon Tribal Court. The Finance Department will consult with the Tribe's legal counsel to determine appropriate course of action for garnishment requests received by the Tribe.

3. The Tribe is required to withhold the requested portion of the employee's disposable earnings. The Internal Revenue Code exempts from tax levies a portion of wages equal to the employee's standard deduction plus personal exemptions allowed for the taxable year divided by 52 (the standard number of week in a calendar year). Support payments, bankruptcies, and other federal garnishments, have set limits on the amount of the employee's wages that can be garnished by court order. Tribal and State laws may differ from federal laws concerning the definition of disposable earnings, limits on the amounts that may be garnished and methods of calculating garnishments.
 4. Because a garnishment is a matter between the employee and the taxing agency or firm/person named as plaintiff in the court order, only the issuer of the garnishment has legal authority to modify or release the levy. The Tribe's Finance Department must receive a written release from the entity initiating the garnishment within 5 working days prior to payday in order to stop the deduction.
- (d) **Responsibilities.** The accountant in charge of the payroll program is responsible for garnishment processing, while the Comptroller is responsible for quality control and oversight. The Treasurer authorizes and approves the initiation of all garnishment requests to ensure compliance with this policy and tribal law.

16.35 OTHER DEDUCTIONS/PAYROLL MATTERS

- (a) **Employee Awards.** In general, cash and non-cash prizes or awards given to employees are taxable income and are subject Social Security, Medicare tax, and federal income tax withholding at the supplemental rate. Payment can be in the form of a monetary amount, a service, or an item of merchandise. Regardless of the method of payment, the award amount must be included on the employee's Form W-2. This does apply to payments given to tribal members who are also tribal employees for per capita distribution from its water rights settlement fund or from any other tribal per capita distributions made by the Tribe to its members throughout the year.
- (b) **Clothing Allowances.** Due to workplace necessity the Police department requires officers and other law enforcement personnel to purchase a specific type of clothing. The Tribe may either purchase these items through one of its vendors or provide a fixed dollar amount clothing allowance to be paid either annually or biannually. This is an allowance, not a reimbursement, it is business related and it is a job requirement. In addition, there is no inventory. The clothing allowance is not reportable or taxable.
- (c) **Payroll Deductions.** Payment to approved agencies and/or for services and other activities is available by payroll deduction, but only for those items authorized by the Treasurer under the Tribe's financial system. There is a limited amount of eligible items that deductions are processed for. Contact the Finance Department for more information.

- (d) **Retirement Plans.** This is a program that permits you to authorize a portion of your salary to be withheld, invested and returned to you at a later date. Neither the deferred amount nor earnings on the investments are subject to current Federal Income Taxes. Taxes become payable when the deferred income plus interest are distributed to you. The employee can contribute up to the limits set by the Internal Revenue Service (IRS), while the Tribe may match up to an amount or percentage as set forth by the Council.

16.40 FINANCIAL RESPONSIBILITY FOR PREMIUMS FOR BENEFIT-ELIGIBLE EMPLOYEE

When an employee of the Tribe is eligible for benefits, the Tribe is responsible for paying a portion of those benefits and the employee is responsible for paying a portion. The Council, on an annual basis, shall determine the benefit portion that will be covered by the Tribe and by the employee. An employee may cancel a stoppable benefit if they do not want to pay the designated portion (there may be some benefits they are required and cannot be cancelled). If an employee changes status and benefit charges are not stopped appropriately, the employee and the employing department remain responsible for payment of premiums.

16.45 DEATH OF AN EMPLOYEE

Tribal departments/programs, family member(s) or legal representative(s) of the deceased employee should contact HR immediately upon the death of an employee (or a retiree of the department, if known). Immediate notification is essential to avoid incorrect payments and tax reporting problems. Compensation still owed a deceased employee, including a payout of eligible leave hours (up to the employee's maximum payout balances), is paid to the beneficiaries or the estate and must not be reported on the employee's W-2.

IRS guidelines prohibit any final payments made through payroll to beneficiaries or estates in the name of the deceased employee. Should payment be made to a deceased employee after the date of death (due to lack of timely notification), the Finance Department is required to recover the payment and reissue it per IRS guidelines. Employees fill out a form at start of employment with the HR Department, designating a beneficiary. Family member(s) or legal representative(s) must provide the HR Department with the following three items as soon as possible: a copy of notarized death certificate; legal documentation with of name and address of employee's survivor or executor of estate; a W-9. In addition, the family member(s) or legal representative(s) must complete required insurance information, if applicable. The HR Department will assist the department, family or legal representative(s) with these insurance forms. The HR Department must terminate the employee in appropriate its system with the effective date being the day after the employee's date of death.

The Finance Department will also confirm termination of the employee as soon as possible in the finance system to prevent an overpay and process final payment within five (5) working days after receiving all completed paperwork from the HR department and family or legal representative(s). Time permitting, the Finance Department will intercept any pay generated but not yet received by the deceased employee, so that it can be repaid correctly to the beneficiary/estate.

Any payment which cannot be intercepted must be collected as an overpayment from the person who received it, so it can be credited to the employee's W-2 and reissued to the beneficiary/estate. The Finance Department will also serve as a liaison with insurance carriers (if applicable), maintain tax compliance, and report final payments to federal regulatory agencies.

16.50 STOPPING EMPLOYEE BENEFITS AND PAY

- (a) **Benefit Charges.** There are a number of actions that will stop an employee's benefit charges (retirement plan, health insurance, etc.). These include: termination of employment, loss of eligibility through status changes, employee not enrolling during enrollment period, and leave-with-out pay status.
- (b) **Employee Pay.** There are a number of actions that will stop an employee's pay, including termination, short work break, leave of absence without pay, and suspension.

16.55 EXPENDITURE CONTROLS

Each department and program, as well as the Finance and HR Departments, are responsible for maintaining proper controls for payroll/benefits expenditures. The following lists payroll controls that the Tribe will utilize:

- (a) Departments/programs and HR must ensure that employees of the Tribe are not receiving honoraria, stipends, etc. via the accounts payable system. Tribal employees must be paid by position and job creation for all payments.
- (b) Departments/programs must ensure that all compensatory time and overtime work is pre-authorized and properly recorded on the employee timesheet. The department/program must comply with tribal policies and applicable Council decisions/mandates for hours of work and overtime/compensatory time for all staff.
- (c) The Comptroller or administrative staff, or other individual not directly part of the payroll process must regularly review reports and financial system statements to verify that appropriate wage payments were issued and recorded properly.

16.60 OVERPAYMENT OF WAGES TO AN EMPLOYEE

- (a) **General Provisions.** Collection of wages paid in error to an employee is required. When an overpayment has occurred, the Tribe and its Finance Department can utilize the following method.
- (b) **Retroactive Pay Adjustment Form.** Whenever an overpayment of wages has occurred, the Payroll Office in the Finance Department shall complete a Retroactive Pay Adjustment Form for timely processing (within five (5) working days after pay error is discovered). Once the form is complete, it shall be distributed as follows:

1. The Tribal Comptroller reviews the form which is then sent to the Tribal Treasurer for approval. Once the approval is obtained, the Finance Department shall process the adjustment. The Finance Department submits the original to the employee's payroll file and a copy is sent to the impacted employee.
 2. A Notice of Overpayment Adjustment is entered by Finance Department which is applied against the current earnings amounts. Normal taxes and deductions are applied.
- (c) **Calculation of Overpayment Amount.** It is the responsibility of the Finance and Human Resources to notify the employee that an overpayment has occurred. The Finance Department's payroll office will calculate the repayment amount due from the employee and notify HR to determine the repayment schedule. A reduction on their next payroll payment will be adjusted to reflect repayment amount or void the current payment and reissue for the correct amount.
- (d) **Collection Schedule (Regular Payroll).** The Finance and HR Departments, in conjunction with the employee, will determine an appropriate repayment schedule. The criteria used in making this determination includes consideration of the time frame of the overpayment, the percentage of regular gross pay that it represents, and the estimated recovery period.
- (e) **Reporting of Overpayments on Form W-2 per IRS Regulations.** Any overpaid amount not repaid by the end of the calendar year, including federal withholdings, must be reported as taxable income. The Finance Department will identify and process overpays that occur near the end of the tax year. Overpayments that cross tax years can significantly impact an employee's taxes and repayment amounts. It is always preferable if the overpay can be discovered and repaid during the same tax year as the overpayment occurred. It is also important to keep employee appointment dates, employment status, and mailing address current since this data can impact the recovery process.

16.65

PAYMENT ERRORS

- (a) **Overview.** The appropriate process for correcting errors depends upon the type of error. Employing departments should assist their employees with proper routing and follow up when potential errors are identified. The following are the guidelines for the Finance Department, as well as for the employee and their department, depending on the type of payment error.
- (b) **Gross Pay Over- and Underpayments.** The Finance Department, in conjunction with the employee's department, verifies that all paperwork was processed accurately and in a timely manner and that appropriate procedures were followed. If a payment error is verified, the appropriate corrective action is taken by the department, based upon whether an overpayment or underpayment has occurred. Finance shall complete a Retroactive Pay Adjustment form to correct the over- or underpayment utilizing the provisions in Section 16.60(b).

- (c) **General and Benefit Deduction Errors.** For general deductions, contact Financial Department, who will review the information and correct the deduction as necessary. Benefits questions should be directed to HR Department who will review the information and correct the deduction if necessary.
- (d) **Payroll Tax Deductions Error.** Tax questions such as federal withholdings, OASDI, Medicare taxes should be directed to the Financial Department who will review the information and correct as necessary.

16.70 PAYROLL EXPENSE TRANSFERS – PAYROLL INTERFACE

Once a pay cycle has closed and been confirmed, transactions for salaries and benefits are charged to the respective departments and accounts. The payroll data is loaded into the financials for posting to the general ledger accounts. The payroll interface is processed and posted to the financial accounts by the check date of the payroll cycle. Employee wages will be charged according to the information entered in the system based on the most current Personnel Action Form and Time & Effort Certification which indicates the position's funding distribution accounts.

If the funding distributions were incorrect for a particular pay cycle, and salary and benefit charges did not post to the correct financial accounts, the department must process a Request to Move Expenditures Form move those charges to the correct financial accounts. Divisions/Departments must notify HR to correct any issues with coding and salary rates in order to prevent incorrect charges on subsequent payrolls.

The Finance Department requires current and approved funding for all expenses and charges related to payroll for each employee of the Tribe. The Tribe's financial systems will have already been set up for current, approved funding distribution to expense the charges related to payroll (this is done during the normal budget process). These payroll transactions include wage payments, employer-contributions to the medical, dental, life, disability and retirement plans as well as employer-contributions to OASDI and Medicare tax.

16.75 CHECK PULLS OR STOP PAYMENTS

- (a) **Stop Payments.** It may become necessary for the Finance Department's payroll office to stop an employee's pay after it has already been initiated, but prior to receipt by the employee (a Stop Payment Request Form shall be completed and maintained on file). Reasons for this action may include:
 1. It is discovered on the payroll report – prior to payday – that a terminated employee is about to be paid.
 2. It is discovered on the payroll report – prior to payday – that an employee's time was miscalculated and is about to be paid for time that was not worked.
 3. The Tribe receives notification that an employee has died. Payment of the final paycheck must be stopped so that it can be reissued properly to the employee's estate/heirs with the correct taxes withheld (taxation rules change in this situation).

4. An entry error is discovered that will cause an employee to be overpaid. It is preferable to pull and correctly replace the incorrect payment, rather than attempt to collect an overpayment from an employee. If the pay is pulled, the employee should be notified by the department in order to avoid possible inconvenience related to timing and receipt of a physical check in place of an automatic bank deposit.
- (b) **Bank Advice Reversal (RESTRICTED USAGE ONLY).**
1. **Immediate Steps of Action.** This action is necessary when a terminated employee was paid in error and immediate recovery is necessary or when an employee was incorrectly paid, and the Tribe has already sent the Automatic Clearing Hours (ACH) file through the online system and is no longer in control of the deposit. The Finance Department will submit an immediate request to the primary bank requesting funds to be sent back to the Tribe (using the appropriate bank form). This form is faxed to the bank with at least the following information: employee's name, reference #, the net amount, routing number, reason for reversal, and account #.
 2. **Non-Recovery of Funds.** If monies are not recovered, the Finance Department must complete an overpayment form and send it to the Human Resources Department (see Overpayment of Wages).
 3. **Employee Payments and Unrecovered Funds.** If funds are not recovered and the employee needs to be paid, a payment will be processed with a request for payment. The employee will sign a form stipulating that the employee will be responsible for paying back the Tribe for un-recovered funds. The following payroll period, the employee's paycheck will be automatically deducted for the over payment.
 4. **Full Recovery of Funds.** If funds have been fully recovered, the pay advice is voided in the financial software system and a check is either re-issued or not re-issued. If check is re-issued, notification by the Finance Department's pay section is given to Comptroller to place the check in the positive pay file.
- (c) **Check Pulls.** This action can occur between the time the employee's regular pay cycle is closed (no later than noon on that date) and two days before the check is delivered/direct deposited to the employee, while Finance is still in control of the check/payment. Subsequent to printing the checks, the check is pulled by payroll office and it waits for Comptroller to provide instructions to void the check. The Comptroller shall notify the Treasurer of such instances.
- (d) **Check Stop – Canceled in Positive Pay.** This action to stop payment begins after department delivers check to the employee, which happens on pay date. A request to stop payment is usually initiated by the Finance Department, along with a notification to the HR department. Once confirmation of the stop payment is received from the bank, the payment will be voided in the system. The following is the process to be followed:

1. Send an E-mail message to the HR Department which includes the Finance Department's contact person (name and phone number), employee name, payroll period, pay date, the amount of the pull/stop, the reason for the pull, and payment method (advice or check). The Finance and/or HR Departments must notify the impacted employee within 24 hours of the check stop.
2. If a replacement check is needed, the department should follow the procedures to request a supplemental request. Provided sufficient time is allowed as indicated above, the payroll office will place a request to either pull the check prior to distribution to the employee and request a stop payment order and process the cancellation.
3. Canceling pay when no replacement pay is requested may also cancel all deductions for: health/life/dental/general deductions, pension, and taxes that were included in the original payment. The Finance Department will immediately address and, if necessary, rectify these situations as they occur.

16.80 RETROACTIVE WAGES – CORRECTING UNDER/OVERPAYMENTS

(a) **Purpose and Reasons.** Retroactive pay refers to monies not paid when due or to a pay rate change that should have taken effect in a previous pay period. Retroactive pay may be due an employee for a variety of reasons:

1. Late entry of job data (past the payroll schedule/approval deadlines).
2. Incorrect entry of job data (including late entry of pay rate change).
3. Unapproved job data entries.
4. Hours not entered into financial software system for employees only.
5. Incorrect input of hours into the financial software system (i.e., too few hours were entered) for employees only, as well as for overtime hours for non-exempt personnel.

(b) **Submitted Retroactive Requests.** Submitted retroactive requests take approximately two weeks to process and then are processed during a normal payroll period. Retroactive payments requests originate from the HR Department which performs their review and approval process. Afterwards they will forward request to the Finance Department which will prepare a retro payment adjustment to pay for the previous incorrect payment.

This is done after the request has been reviewed and approved by the Treasurer and Tribal Comptroller. This payment will be included in the regular payroll period following the date of approval. If the request and approval process is not complete and received by the payroll office by Tuesday of a payroll week it won't be processed until the next payroll period.

- (c) **Other Provisions.** All retro payment adjustments must be properly documented and approved by the proper personnel, including the employee’s department head and the Tribal Administrator. Also all retroactive pay never includes advance payment of current wages.

16.85

STALE-DATED CHECKS

- (a) **Stale-Dated Checks.** If an employee has not cashed his/her payroll check within the allowable period of time (normally 90 days) as noted on the check, the check is considered stale-dated. When presented for deposit, a financial institution will likely reject a stale-dated check. In order to receive payment for these non-negotiable checks, employees must request in writing to the Finance Department that the check be reissued.
- (b) **Reissuance Request.** Employee requesting a reissue of a stale-dated check must contact Financial Department, either the Comptroller or the payroll office, and submit their request in writing and provide the specific pay day of the stale-dated check, dollar amount, and their name. If this check is in their possession, the employee must surrender the stale-dated check to Finance Department.
- (c) **Check Reissuance.** The Finance Department will process a replacement after confirming from the financial institution that the check has not been previously cashed (for cases when the stale-dated warrant is not surrendered).
- (d) **Notification of Stale-Dated Checks.** The Finance Department will send out a notice to an employee of stale-dated checks that is/are still outstanding via letters sent to the employee’s last known address. This will be done on or around the 90-day period after a check is issued and, once again, six months after the check has been issued. If an employee acknowledges the matter, he/she can request a reissuance as early provided in this section.
- (e) **Stale-Dated Checks with No Responses.** If after nine (9) months after a check has been issued there has been no response to the notice has provided, above, the stale-dated checks will be declared unclaimed property and noted and adjusted into the Tribe’s financial records.

16.90

LOST PAYROLL CHECKS

Lost checks may occur if an employee loses his/her payroll check or did not receive the pay via direct deposit. Employees that did not receive a check on the pay date should contact the Finance Department immediately, or within two (2) working days for direct deposits, or if mailed they must allow five (5) business days after payday for the check to be delivered via US mail. If the Finance Department determines that the check needs to be reissued, the following are the procedures to be followed:

- (a) Employee should contact the Finance Department’s payroll office to request a stop pay and complete a Payroll Check Replacement Form.

- (b) If original check has/was not returned or the direct deposit not completed, the Finance Department will place a stop payment. The employee is required to sign a Payroll Check Replacement Form acknowledging receipt of a replacement check and to reimburse the Tribe all funds if the initial pay was deposited into their bank account.
- (c) Should a missing check arrive in the mail after the stop pay/replacement check has already been requested, the employee must surrender the check to the Finance Department. Attempting to cash it at this point will result in a rejected bank deposit item and bank service charges to the employee (these charges are the employee's responsibility).

16.95 PAYROLL VERIFICATION PROCEDURES

In an effort to prevent loss due to fraudulent paying of "phantom" employees, the Tribe will utilize the following verifications procedures to ensure that only individuals actually working for the Tribe receive payroll remuneration. The Tribe will maintain the following procedures to verify all employees at least twice annually:

- (a) All employees will be required to present identification in the form of a government issued picture ID and sign for their paychecks;
- (b) Employees receiving direct deposit will need to present identification and sign for their pay stubs in the same manner as employees receiving live checks. Direct deposit employees who do not present proper identification prior to the end of the next pay period will not be eligible to receive their next direct deposit until they conform to these procedures.
 1. The only exception to this provision is for those employees who are on travel status or an authorized leave that prevents them from being in compliance. In these situations, then the procedures shall be utilized at the next available pay period.
- (c) The verification process will be conducted by two-person team consisting of one person from the Finance or Human Resources Departments and one person from Law Enforcement.
- (d) The announcement of the verification process will be made on the Tuesday prior to the issuance of payroll checks by no later than 2:00 p.m. This is designed as a check and balance system to ensure that verifications are done in timely manner and to not provide time for a "phantom" employee to cover their actions.



Chapter 17 – Tribal Credit Cards

17.10 PURPOSE

The Fallon Business Council has determined that it would be beneficial for the Tribe to have its own Credit Card(s) in order to operate efficiently. This Policy was developed to ensure that Tribal Credit Card(s) are used responsibly with proper accountability and record-keeping.

17.15 AUTHORIZED CREDIT CARD HOLDERS AND LIMITS

(a) **Holders & Card Limits.** Credit Cards for the Fallon Paiute-Shoshone Tribe shall be obtained for the Fallon Business Council in the amounts listed below:

- Chairman.....\$ 5,000.00
- Vice-Chairman.....\$ 3,000.00
- Secretary\$ 3,000.00
- Treasurer.....\$ 30,000.00
- Council Members (each).....\$ 3,000.00

(b) **Authorized Uses.** Credit cards may be used while on authorized training or traveling, for business purchases, business meals, and/or any item related to Council and/or Tribal business within approved budget categories and allowable costs. The Treasurer's credit card limit has been designated with a larger limit so as to handle training costs, travel costs, credit card uses, etc. for both the Council, the Tribe, and tribal employees/officials. If a User (Council Member) does not have his/her credit card with him/her to make necessary purchases while on travel status, another User can use his/her card instead. All receipts must be turned in to the Treasurer per this policy within ten (10) working days.

(c) **Restrictions.** Tribal Credit Card(s) cannot be used to purchase the following:

1. Alcohol or Drugs of any kind
2. Jewelry
3. Personal Bills
4. Personal Purchases
5. Personal Meals
6. Cash Advances

This is by no means a complete list of limitations. Users are advised to use common sense and caution with the Tribal Credit Card(s) as there are consequences to any abuse, up to and including termination and prosecution. In addition, Tribal Credit Cards are NOT to be copied for any reason by Users. The single exception is the Finance Department which must have copies on file in case of loss or damage.

17.20 USER RESPONSIBILITIES

Each User is required to submit all receipts, records, and documents of purchases made with the Tribal Credit Card to the Treasurer as soon as can be, but no later than ten (10) working days after the return of the Card. Should receipts not be forthcoming, the Treasurer will notify the User in writing that a payroll deduction will be transacted with the next payroll for the full amount of the purchase. Users must check out the credit card for each occasion that it will be needed for and then they must be returned to Finance immediately after the need has ended. In no situation so a user maintain custody of a credit card with the exception of the Chairman and/or Treasurer for emergency uses or due to frequent travel periods. Prior to making any use of the Tribal Credit Card(s), each User is responsible for ensuring that his/her budget will handle the expenditure. Council Members may choose not to have a Credit Card. Such a decision must be submitted to the FBC Treasurer in writing with a signature. Once this is received if there is an existing credit card, the Treasurer shall notify the appropriate financial institution to cancel that card.

17.25 SPECIAL USES

All staff travel arrangements are to be made through the Finance Department and via the Treasurer's credit card. When using a Tribal Credit Card for business meals, an approximation of cost per person will be used on the appropriate procurement form, such as \$20.00 for lunch, \$30.00 for dinner, etc.

17.30 PRIOR APPROVAL AND PROCUREMENT FORMS REQUIRED

Prior to making any use of the Tribal Credit Card(s), each User is responsible for ensuring that his/her purchase is authorized by an approved Credit Card Use Form or a Purchase Order. When the procurement form is approved, the Finance staff will either issue the Credit Card or handle the purchase request. It is the responsibility of Users and staff to turn in procurement form for using the credit cards in accordance with the timeframes established by the Finance Department

17.35 TREASURER'S RESPONSIBILITIES

All Credit Cards are to remain in the Treasurer's custody at all times. When a Credit Card is needed, an appropriate procurement form is to be filled out with requested and required information, along with the necessary signatures, and turned in to Finance in accordance with current deadlines.

The Treasurer has the duty and responsibility to monitor all Credit Card use and expenditures. A report on Credit Card usage is to be submitted to the Tribal Council on a monthly basis.

17.40 PURCHASE DOCUMENTATION

- (a) **General Provisions.** An original and detailed purchase receipt from the vendor must support each and every credit card transaction. For a receipt to be considered to be detailed, it must include the following information: Vendor name; Transaction or purchase date; Description of each item purchased, including unit price and quantity; and/or Transaction total.

The following are considered acceptable original receipts if they include the details required above: Vendor invoices on letterhead; Charge slips; Cash register receipts; Packing slips; E-mail printouts; and/or Transaction confirmation web page printouts.

Faxes or photocopies are not acceptable unless they are stamped as originals as being verified that they have not been previously paid. Also, a signed charge slip alone does not provide proper purchase documentation unless it contains the details required above. A receipt description which only states “Miscellaneous” or “Merchandise” or only contains a vendor’s stock or item number is not acceptable.

All documentation regarding use of the tribal credit cards must be submitted as soon as possible but no later than 30 days after the expense was incurred.

- (b) **Missing Documentation Procedures.** If acceptable purchase documentation is missing or not available from the vendor, the Cardholder shall provide a signed memorandum listing the required details as well as an explanation why the required purchase documentation is unavailable. Such occurrences must be reported as an exception on the Tribe’s accounting records and the Cardholder shall be held personally liable for charges and subject to disciplinary actions.

17.45 CONSEQUENCES OF ABUSE/MISUSE

The Credit Cards are not for personal uses or purchases whatsoever. Should an incident occur there will be three automatic consequences:

- (a) Payback is to be made in full immediately and/or taken from that User's (Council Member or staff) next check(s) or stipend in full whichever comes first and until the amount is completely paid back to the Tribe.
- (b) That User's credit card will be cancelled immediately for a minimum of two years and/or the remainder of the member’s term. This stipulation will also apply to any other Tribal Credit Cards established in his/her name.
- (c) The above two actions shall be recorded and executed by Council Action and Resolution at a Special Closed Council Meeting to be held as soon as can be arranged within seven calendar days after the Secretary have been notified in writing by the Treasurer.
- (d) A fourth possible consequence could be removal from the Fallon Business Council and/or prosecution. This would depend on the judgment of the Council in determining if such action was a violation of Article V of the Tribal Constitution and Bylaws.

17.50 AUTOMATIC CARD CANCELLATION

The Credit Card of any User, whose Council service and/or employment with the Tribe is voluntarily or involuntarily terminated for any reason, will be automatically cancelled.

17.55 LOSS OR DAMAGE

If a Credit Card is lost or damaged, the User is to notify the appropriate financial institution that issued the card and the Treasurer immediately. A detailed written statement is to be submitted as soon as possible to the Treasurer explaining the circumstances. The lost card shall be cancelled immediately and a replacement card, if desired, shall be ordered.

17.60 POLICY ENFORCEMENT

Failure to comply with any part of this section of the Policy may result in disciplinary action up to and including:

- (a) Revocation of credit card use privileges (for a limited or permanent duration of time as determined by the Council);
- (b) Cancellation of the Credit Card; and/or
- (c) Removal of the Council Member (as provided for in the Constitution & Bylaws).

Any steps taken will be done by Council Action and Resolution at a Special Closed Council Meeting to be held as soon as can be within seven calendar days. The Treasurer will report the incident to the Secretary in writing who will schedule the meeting. The Council is to take action on revocation of the Credit Card in question by Secret Ballot.



Chapter 18 – Tribal Contribution Programs

18.10 TYPES OF CONTRIBUTION PROGRAMS

- (a) **Contribution Types.** The Tribe operates a number of contributions programs designed to promote the image of the Tribe, engage in activities that will influence policy development for the preservation of the Tribe, providing support to members of the Tribe in various endeavors, and helping the Tribe's elders.
- (b) **Donations & Sponsorships.** The purpose of these two funds addresses contributions made to external individuals and/or organizations. The difference between these two types of contributions is that typically a donation is given with little or no strings attached, while outgoing sponsorships are given for marketing, promotional or advertising purposes. The program specific requirements, criteria, and processes are detailed in Sections 18.20 and 18.25. Applicants are only eligible to apply for either a donation or sponsorship.
- (c) **Tribal Elder Emergency Assistance Program.** The purpose of this fund is to assist tribal elders with costs associated with an unforeseen health, safety, or home repair which would result in a tribal elder being without the necessities needed to maintain a healthy home environment or healthy quality of life. The program specific requirements, criteria, and processes are detailed in Section 18.30.
- (d) **Lobbying & Political Contributions.** This program is designed to fund contributions, donations, and lobbying efforts for candidates, political races, and legislative matters that either directly or indirectly support or benefit the Tribe, Indian Country as a whole, or other issues/races as established by the Council. The program specific requirements, criteria, and processes are detailed in Section 18.35.

18.15 GENERAL PROVISIONS

- (a) **Funding.** The Council will approve or disapprove all donations, sponsorships, emergency fund requests, and lobbying/political contributions based on these provisions. The approval of a request is subject to available funding (i.e., once the funding set aside for the year has been expended, no further donation requests will be approved unless the Council by 2/3 affirmative vote of the entire Council allocates additional monies to the applicable fund).
- (b) **Conflicts of Interest.** It is also the policy that all members of the Fallon Business Council disclose any potential conflicts of interest related to requests under these contribution programs. This is strictly a disclosure policy without bias toward the project or individual and is the responsibility of the individuals serving on the Council. Where a conflict of interest exists, that individual may be asked to excuse his or herself from the vote on the request.

Conflict of interest means the reasonable likelihood that any personal or economic interest of a Council Member, committee member, or other tribal official will be affected in any materially different manner from the interest of the general public, or by any decision, enactment, agreement, award or other official action or function of any governmental body or political subdivision of the Tribe.

- (c) **Internal Control Procedures.** The Tribe will maintain a record of all tribal contribution requests to include the individual/organization name, type, and the amount of the contribution. The Finance Department will maintain records of all contributions, ensuring that all financial information is documented in writing and retained in accordance with the financial retention procedures in this policy.

On at least an annual basis, the Tribe will publish an annual report in the Numa News summarizing the approved donations and sponsorships. Approved emergency request funds, though, are confidential and not subject to disclosure. Political and lobbying contributions may be made public by a vote of the Council and in accordance with any federal/tribal laws or regulations.

- (d) **Deadline for Submitting Requests.** Deadlines for submitting request for a tribal assistance programs are listed below. Unless otherwise specified, the dates for approval and processing are also listed.

1. **Senior Emergency Fund.** Designated for “emergency purposes” and may be submitted at any time. Processing will be handled as set forth in section 18.30.
2. **Lobbying/Political Contributions.** Actions on lobbying and/or political contributions will be done on an as-needed basis as political situations arise.
3. **Donations & Sponsorships.**
 - a. **Emergency Assistance.** Designated for “emergency purposes” and may be submitted at any time. The application will be acted upon by the Council at their next regular meeting following receipt. If the next meeting is to be held beyond 72 hours from receipt, the Tribal Secretary may conduct a Council poll of all Council members, depending on the urgency of the request
 - b. **All other Donations and for Outgoing Sponsorships.** All requests received by the 1st of each month will be put on the 2nd regular meeting of that month for the Council to act on the request. If the deadline date is a weekend or holiday the request must be filed before that date. The date of Council action is subject to change based on adjustments to meeting dates and times of the Council. The Council reserves the right to table requests as needed.

- c. **Urgent Funding Requests.** In some cases a request for a donation or sponsorship may be made on an urgent time basis. This is when an unanticipated need for funding which arises such that the Applicant cannot provide their request to the Council by the established deadline. In these situations, the applicant shall attach an explanation of the urgency and why it was not able to be submitted by the deadline and the request shall be included with the any other requests at the 2nd regular Council meeting of that month.

18.20 DONATIONS

- (a) **Purpose and Submittals.** This donation process is established to provide a fair, consistent and transparent process for providing discretionary monetary donations for worthy activities benefiting Fallon Paiute-Shoshone Tribe members and groups, other Native American Tribes/organizations, or local community organizations. Donations are not ongoing guarantees of funding and new requests must be submitted for each event/activity.
- (b) **Purpose.** The Tribe recognizes that there are occasions when a tribal member or a member family may be at a point in their lives where they need assistance. These reserve funds will provide direct benefits to those tribal members who present requests for assistance in coping with unforeseeable emergencies or other justifiable circumstances and also to those organizations that will provide indirect benefits to the Tribe itself by the favorable public relations that will be generated by its reputation as a government that comes to the aid of its citizens in need.
- (c) **Donation Purpose Areas.** Donations made by the Tribe to eligible individuals or organizations must fall into one of the following categories:
 1. **Educational Activity.** This is an activity which is directly related to assisting or providing services to an individual or organization relating to educational activities (secondary and post-secondary) for a Fallon Tribal Member or Members. In order to qualify under this area, the nature of the activity for which funding is sought must be specifically described and the benefit of the activity to Fallon Tribal member(s) must be specifically described, and if applicable, an estimate of the number of Fallon Tribal Members who are expected to be benefited.
 2. **Elder Activity.** This is an activity in which a Fallon Tribal Elder or Elders (ages sixty (60) years or older) will receive direct benefit. An application for this category must include a detailed statement of how the activity will benefit Tribal Elder(s), and if applicable, include an estimate of the number of Tribal Elders expected to participate and/or benefit in the activity.
 3. **School-Related Activity.** This is an activity which is officially endorsed by a K-12 school which a Fallon Tribal Member child or children attend or for an event/function coordinated by a K-12 school which a Fallon Tribal Member child is part of (educational trips, internships, etc.).

In order to qualify for funding for a School-Related Activity, the application must include, in addition to a detailed description of the activity, a signed document from the school district's or school's authorized representative (superintendent/principal) warranting that the activity is endorsed by the district or the school, and if applicable, contain an estimate of how many Fallon Tribal member youths (under the age of 18 years) will participate in this activity.

4. **Sports Activity.** This is an officially-sanctioned sports activity, i.e., a sport supervised and operated by a public school, a local organization, other entity, or a local team established and coordinated by tribal members. The application for funding for a Sports Activity must include a specific description of the sports activity, documentation of the function (tournament flyer, registration form, etc.) which warrants that the Sports Activity is an official event/function, and include an estimate of the number of Fallon Tribal member(s) who will participate in this activity. Applicants submitting on behalf of multiple teams must submit a separate application per team.
5. **Emergency Assistance Activity.** These are for requests that provide for the emergency need of a Fallon Tribal Member or Members (such as expenses due to a natural catastrophic event, etc.) or for emergency travel assistance (i.e.; attend the funeral of a family member, visit a seriously ill immediate family member who is receiving emergency medical treatment or hospitalized (IHS CHS levels I or II), or take care of an immediate family member that has no one else to care for them). Amounts will be calculated based on actual costs, invoices, receipts, etc. or in accordance with the travel/mileage reimbursement sections in this policy.
6. **Cultural/Tribal Event Activity.** This for a request for a Fallon Tribal Member, or a Native American organization and related to a Native American cultural, spiritual, or tribal event. A flyer of the event, if applicable, must be attached to the application. This includes, but not limited to, a healing, a sweat and a ceremony related to the individual's cultural heritage, events with historical or cultural relevance sponsored by the Tribe or other Tribes/Native entities.
7. **Local/Community Event Activity.** This is for an event, function, gathering, etc. being sponsored and held for an organization in the local community (defined as within the Lahontan Valley area). A flyer of the event, if applicable, must be attached to the event along with a detailed description of the benefits to the Tribe and to its members, as well as whether any Fallon Tribal Member(s) will be directly involved or benefit from the event.

- (d) **Monetary Limits.** The amounts listed below represent the maximum an individual or organization can receive in a calendar year (January to December). Individuals or organizations may submit more than one request per year but cannot receive more than then the total maximum amounts listed below per calendar year.

<u>Type of Applicant</u>	<u>Max. Amount</u>
• Individuals*	\$ 250.00
* The amount of total individual donations provided to an activity in which more than one person submits a request cannot exceed the total amount permitted for organizations. In situations where the Tribe receives individual requests for the same event/activity, the amount approved cannot exceed the maximum organizational amounts and the amount given will be divided up between the applicants.	
• Organizations (involves non-majority FPST members).....	\$ 500.00
• Organizations (involves majority FPST members)	\$ 600.00
• Tribal-Sponsored Teams (tribal name and/or seal required)	\$ 700.00
• Local Cultural/Tribal Events**	\$ 1,000.00
** Functions must be held on FPST lands or in Fallon/Churchill County; all other events would either be considered at the individual or organization limits.	

(e) **Payments of Approved Donations.**

1. To Organizations. A check for an approved donation will be made directly to the organization that submitted that request contingent on if the organization is legally-chartered by any jurisdiction. This can be done by listing the Employer Identification Number (EIN) of the organization on the form or by attaching a copy of any approved document showing legal establishment. If an organization cannot meet these criteria then payment of donation will be made in accordance with provision for an Individual as listed below.
2. To Individuals. Payments of approved donations will be made directly to a vendor that the individual is requesting payment to (in some situations, though, the Council may approve payment directly to an individual based on extenuating circumstances). In cases of supplies, materials, etc., the Tribe will coordinate the purchase of items in order to take advantage of its tax-exempt status in making purchases. In situations involving travel costs, the Tribe will follow the provisions relating to travel expenses, including advances/reimbursements, as established in Chapter 14 of this policy.
3. After-the-Fact Reimbursements. The Tribe does not approve donations for activities and/or events which are after-the-fact. In certain situations, though, an individual or organization can claim reimbursement of costs relating to a donation which an individual or organization paid for directly and the Council approves the reimbursement request.

Reimbursements cannot be claimed for requests that are more than 60 days after the date of the event, function, or activity. Documentation, though, must be provided and the procedures set forth in Section 8.95 apply.

(f) **Application Process.**

1. Individuals/organizations requesting a donation from the Tribe must complete the required Donation Request Form (Form FMP-21-D) and return it to the Tribal Secretary's Office for processing.
2. The Tribal Secretary's Office will review the donation request. If the request is incomplete, the request will be returned to the requester to complete the required information. If the request is complete, it will be forwarded to the Fallon Business Council for approval/disapproval. All donation requests must include the following:
 - Name, address and telephone number of the individual or organization and the contact person.
 - Description of the request and a specific amount.
 - Other resources contacted and amounts received, if any.
 - Date, time and location of event and any applicable deadlines.
 - Complete explanation of the event, the need and/or benefits.
 - Any other relevant information.
3. Donation requests that exceed the monetary limits of Section 18.20(d) of this policy can be made by the Council upon a 2/3 affirmative vote of the entire Council. The individual/organization requesting the donation must be present at the Business Council meeting in order to make the presentation and answer any questions relating to the donation request.
4. Once a decision has been made on the donation request, the requester will be notified by the Tribal Secretary's Office that their request has been approved or disapproved.
5. All approved donation requests will be sent to the Finance Department for processing by the Tribal Treasurer, subject to the normal procurement procedures set forth in this policy. Unless otherwise requested, the Finance Department will mail the donation to the appropriate payee.

(g) **Receipts and Supporting Documentation.** All donations made directly to an individual or organization must submit receipts and/or documentation that the money was used for the intended purpose. Failure to use a donation for the purpose represented to the Fallon Business Council may result in one or more of the following consequences:

1. Denial of future donation requests for a period of three (3) years.

2. Required repayment of the donation from any tribal disbursements, including current and future per capita payment distributions.
3. Possible civil litigation to recoup funds in the appropriate court of legal jurisdiction based on review and recommendation of the Tribe's Legal Counsel.
4. Possible criminal prosecution for the offense of fraud or theft (a crime that includes the act of obtaining money by material misrepresentation) based on review and recommendation of the Tribal Prosecutor.

(h) **Ineligible Activities, Restrictions, and Limitations.**

1. After-the-Fact Donations. Requests for donations to recoup money for past events/fundraisers, etc. will not normally be considered except in urgent and/or unusual circumstances as determined by the Council.
2. Delinquent Accounts. If an individual has any delinquent account with the Tribe or owes any monies to the Tribe, he or she will not be eligible for a donation. The Council, though, may waive this provision for situations involving an Emergency Assistance Activity application.
3. Personal Debts/Bills. The Tribe will not consider donation requests to pay personal debts (i.e., house payments, rent, food, clothing, utility bills, telephone bills, cell phone bills, cable TV bills, court fines, child care, child support, other forms of court-ordered restitution, credit card payments, car payments, or other auto related costs, loan payments, etc.). If this type of donation request has been submitted, the Tribal Secretary's Office will refer the requester to the Tribe's Social Services Department or the state TANF Program where the individual lives to see if there are alternate resources for assistance.
4. Tribal Work. Donations for any and all work-related activities of the Tribe and its departments/programs or any and all work-related activities of any tribal corporation (for-profit and non-profit) will not be considered. Donations will not be made for the travel costs or expenses for any employee or committee members of the Tribe for activities/functions carried out as part of their official duties.
5. Previously Misused Donation Funds. Requests/applications of any kind from any individual or organization who has previously received funding from the Tribe and failed to follow the accountability procedures or misused the funds provided by the Tribe are not eligible except for after three (3) years and any prior donations provided have been repaid to the Tribe.
6. Limitations on Monies Received Annually. An applicant (individual or organization) cannot receive more than \$1,000 in tribal donations, collectively, during any calendar year.

7. **Proof of Fundraising.** All applications, with the exception of the Emergency Assistance Activity, should include documentation of all fundraising that has been completed or is scheduled to be done (or why fundraising will not be done). Applicants that have not done any type of fundraising may be ineligible to receive donations as the Tribe should be the last resort and not the only contributor to a donation request.
 8. **Higher Education Scholarships.** Application requests for scholarship or funds to pay tuition, books, etc. will not be funded. Tribal Members need to apply through the Tribe's Education programs for scholarship assistance.
- (i) **IRS Tax Reporting.** In January of each year, the Tribe will mail an IRS Form 1099 to the individual or organization that directly received a donation, provided it meets the threshold amount established by the Internal Revenue Service.

18.25 SPONSORSHIPS (COMMUNITY CONTRIBUTIONS)

- (a) **Policy.** It is the desire of the Tribe to contribute to non-profit, civic, public groups and organizations concerned with improving and maintaining the quality of life on our tribal lands and in our neighboring communities, and to assist with emergencies and disasters identified by the Business Council. Preference is given to projects or sponsorships with a well-defined purpose within the Tribe's scope of giving, has a local effect and promotes good neighbor relations. Contributions to the neighboring communities where they will have the most impact are encouraged. The one exception being donations to a disaster, emergency or Native American related request. Projects are funded based upon approval of the Fallon Business Council.
- (b) **Target Populations/Scope of Giving.** In terms of target populations or scope of giving, it is the Tribe's policy that "reasonable or limited amounts" are allocated to as many specific programs within the target groups as possible and still provide benefit. The priority for funds is to provide a significant one-time benefit to the target population and not used to underwrite ongoing general operating expenses or staffing obligations. It is also the policy that the contributions to each individual organization or group are limited to two years maximum, unless the sponsorship is for an ongoing event/function in which the Council may provide ongoing sponsorship support.
- (c) **Criteria.** Special consideration will be given to projects that enhance music, sports and other organized recreation programs, nutrition and health, literacy, mentoring, cultural and diversity programs for youth and elders, projects that support functions conducted by the Tribe or tribal members; and functions/activities that support and/or maintain the safety/security of the tribal communities. Preventative and educational programs that deal with domestic violence, substance abuse, bullying, and gangs will also be given a high priority. Projects must demonstrate one or more of the following elements:

1. Collaboration with other entities;
 2. Innovation and/or encourage innovation;
 3. Proven track record of success;
 4. Clearly defined goals and with attainable results in a reasonable time frame;
 5. Sustainable, replicable and/or scalable (expandable or potential to accommodate growth);
- (d) **Requesting and Processing.** It is the responsibility of the Tribal Secretary’s Office to acknowledge all requests by letter and review all requests that meet the policy and to respond to applicants in timely manner. Final approval for contributions rests with the Fallon Business Council.
- (e) **Request Guidelines.** Requests must be submitted in writing, and include the following information (if the Tribe seeks out or identifies a donor then it is up to the Tribal Administration to solicit the information):
1. Completion of a Sponsorship Request Form (Form FMP-21-S).
 2. A formal request letter from the individual or on the organization's letterhead.
 3. An agreement to provide information and/or a funding report and achievements to Tribe regarding the use of the sponsorship.
 4. If a sponsorship is approved, the application will be forwarded to the Tribal Treasurer’s Office for processing in accordance with normal procurement procedures.
 5. Each request will be analyzed based on the above points of consideration, as well as the Tribe’s Constitution & Bylaws and its laws.
- (f) **Specific Types of Sponsorships.**
1. Cash and In-Kind. Cash or in-kind goods and services are permissible as benefits to be provided by the Tribe to an applicant. Cash sponsorships cannot exceed \$700 for events held on tribal lands and \$500 for all other events/functions.
 2. Purchases of Goods and Services. Sponsorships involving the purchase of goods and services generally require following the Tribe’s procurement procedures. Purchases cannot exceed \$200 per function/event.
 3. Use of Tribal Facilities. For requests seeking to use tribal facilities, applicants must detail the specific use, date and times of buildings, and have adequate insurance coverage to protect the Tribe for any liabilities, as well as any possible damage to facilities.

4. **Use of Tribal Name or Seal.** In limited circumstances, a sponsor may be granted permission to use the Tribe’s name or seal with the understanding that use must be respectful and comply with any conditions set forth by the Tribe. Sponsorship itself does not automatically grant the sponsor the right to use these Tribal assets/property.
 5. **Signage.** All signage and signage placement must be approved in advance by the Council. No permanent sponsor signage may be placed on tribal facilities.
- (g) **Accountability of Use of Funds.** For all approved requests, the recipients must submit receipts and/or documentation that the money was used for the intended purpose within 30 days. Failure to use a sponsorship for the purpose represented to the Council will result in one or more of the following consequences:
1. Denial of future sponsorship requests for a period of three (3) years.
 2. Required repayment of the sponsorship from any tribal disbursements, including current and future per capita payment distributions.
 3. Possible civil litigation to recoup funds in the appropriate court of legal jurisdiction based on review and recommendation of the Tribe’s Legal Counsel.
 4. Possible criminal prosecution for the offense of fraud or theft (a crime that includes the act of obtaining money by material misrepresentation) based on review and recommendation of the Tribal Prosecutor.

18.30 TRIBAL ELDER EMERGENCY ASSISTANCE PROGRAM

- (a) **Purpose.** The purpose of this fund is to assist members of the Fallon Paiute-Shoshone Tribe who are 60 years of age or older with costs associated with an unforeseen health, safety, or home repair which would result in a tribal elder being without the necessities needed to maintain a healthy home environment or healthy quality of life.
- (b) **Procedures.** To qualify for this assistance, a tribal elder must complete the following applications process:
1. Fill out the Tribal Elder Emergency Assistance Application form and submit this to the Tribe’s Social Services Department for verification and processing. This application documents that the tribal elder has a financial hardship and has exhausted all other avenues of assistance available to them before approaching the Tribe for assistance. The Social Services Department will assist eligible Tribal Elders by providing the application in person or through the mail and/or assisting them with completion of the application. The applicant (or legal custodian) will complete and sign the application, provide the required tax/income documentation, and attach at least three (3) current cost estimates for the home repair or the assistance being requested (i.e., price quotes, bids, etc.).

2. Upon receipt of any application by the Social Services Department, the applicant's enrollment will be verified. After verification and assessment is done to ensure that all requirements are met, the application will be processed to the Office of the Tribal Secretary who will provide the application to the Fallon Business Council for action at their next regular meeting. If the next meeting is to be held beyond 72 hours from the receipt of the application, the Tribal Secretary may conduct a Council poll of all Council members, depending on the urgency of the request. Applicants will be notified by mail within ten (10) working days of the Council's decision by the Tribal Secretary regarding the outcome of their request.
 3. If the application is approved, the Tribal Secretary will submit the appropriate procurement requisition form (purchase order, check request, or credit card use) for payment to the vendor to the Tribal Treasurer for processing in the amount approved by the Council. The maximum amount to be funded per request is \$750.00.
 4. The Tribe will not pay for items purchased prior to approval of this request. An annual allocation of funds will be approved by the Council for this program during the budget process. All payments through this program will be issued directly to the vendor only.
- (c) **Financial Need Verification.** The Tribal Elder Emergency Assistance Application form will be completed by the applicant (or legal custodian), or, upon a discovery of a need reported to the Tribe, the Social Services Department will prepare an application on behalf of an elder. The Tribal Elder Emergency Assistance Program is based on financial hardship experienced by a Tribal Elder and verification of a financial need is a mandatory process. Appropriate documentation of financial hardship would be one or more of the following:
1. Documented proof that elder is low-income – documents may include but not limited to:
 - a. Paycheck stubs for the past 30 days for all persons employed and living in the home;
 - b. Unemployment check stubs for the past 30 days;
 - c. Income tax return (most recent signed 1040 and/or W-2);
 - d. Proof of all other income received in the past 30 days;
 - e. Bank statements for the past 30 days.
 - f. Proof that you have applied for Unemployment Compensation Benefits, Social Security, Supplemental Social Security, TANF, General Assistance, etc.; and/or
 - g. Forms from employers or welfare agencies.

2. The Tribal Elder has other circumstances that indicate financial hardship – these can be situations such as:
 - a. Proof of all outstanding debts or bills (copies of bills, statements, late notices, disconnect notices, etc.);
 - b. Proof of bankruptcy settlement (if applicable);
 - c. Catastrophic situations (death or disability in family, divorce) or other documentation which demonstrates a financial hardship on an elder;
 - d. Documentation of the emergency situation by an appropriate government agency (Social Services, Welfare, etc.)
 - e. Proof of reason why the emergency situation occurred (i.e. proof of loss of wages, reduction in unemployment, illness, interruption in food stamps, burial expenses, car repairs on vehicle for work, natural disasters, etc.)
- (d) **Accountability of Use of Funds.** For all approved requests, the recipients must submit receipts and/or documentation that the money was used for the intended purpose within 30 days. Failure to use a donation for the purpose represented to the Council will result in one or more of the following consequences:
1. Denial of future donation requests for a period of three (3) years.
 2. Required repayment of the donation from any tribal disbursements, including current and future per capita payment distributions.
 3. Possible civil litigation to recoup funds in the appropriate court of legal jurisdiction based on review and recommendation of the Tribe’s Legal Counsel.
 4. Possible criminal prosecution for the offense of fraud or theft (a crime that includes the act of obtaining money by material misrepresentation) based on review and recommendation of the Tribal Prosecutor
- (e) **Restrictions/Limitations.**
1. Recipients are limited to one (1) request per calendar year (January – December).
 2. In rare situations where the immediate health and safety of an elder is at stake, the Council may consider an additional request in a calendar year. The elder or representative must attach supporting documentation showing immediate health and safety issues. Additional requests cannot be used to pay for any recurring costs and/or for the same type of assistance provided in the initial approved request in that year.
 3. The elder emergency assistance program is not designed to pay for:
 - a. Ongoing regular payments but rather to assist an elder with an immediate dire situation and is typically a non-regular event;

- b. Reoccurring personal debts, or debts owed (including past-due accounts) that the individual should anticipate or be expected to pay (e.g., house payments/rent, cable TV bills, court fines, child support, other forms of court-ordered restitution, credit card payments, car payments or other auto related costs, loan payments, etc.).
 - c. Any monies owed to the Fallon Paiute-Shoshone Tribe and/or its programs/departments (e.g., water, natural resources, housing, etc.).
4. If an individual has any delinquent account with the Tribe or owes money to the Tribe, he or she may not be eligible for emergency assistance. The Council, though, may waive this provision for situations involving emergency need and travel.

18.35 POLITICAL CONTRIBUTIONS

- (a) **Purpose.** The Council takes several criteria into account when determining if financial political and/or lobbying contributions should be made on behalf of the Tribe and its interests. These criteria include:
- 1. A candidate's past or present support for the Tribe's needs and agenda, as well as their impacts on Indian Country as a whole;
 - 2. The perceived need for the candidate's support in the future and/or the candidate's leadership position or committee assignment;
 - 3. If more a measure/legislative measure, contributions and/or advertising for or against a measure should be measured by its impacts on the Tribe, as well those measures impacting Indian Country as a whole; or
 - 4. The nature of the event associated with the contribution, if applicable.
- (b) **Political and/or Lobbying Contributions Defined.** As used herein shall include direct expenditures or contributions, in funds, services, or assets to candidates for nomination or election to public office or to political parties, as well as indirect assistance or support (except as may be incidental to the administration of an employee campaign fund or political action committee) including, but not limited to:
- 1. the donation by the Tribe of an employee's time;
 - 2. the furnishing of goods, space, services, or equipment;
 - 3. direct/indirect advertising;
 - 4. the purchasing of tickets or subscriptions to political fund raising events; or
 - 5. other indirect contributions or payments made on behalf of the Tribe in any form or through employees, consultants, agents, suppliers or any other party.

- (c) **Allowable and Unallowable Funding Sources.** The Tribe will not use any federally or state-awarded contacts/grants or funds generated from/through these grant/contracts, directly or indirectly, for the purpose of political and/or lobbying contributions. Any contributions must be made through tribally-generated revenue sources only.
- (d) **Procedures.** Political and lobbying contributions made on behalf of the Tribe can only be authorized by the Fallon Business Council. Requests for contributions must be done during a regular Council meeting to allow for open and due notice of the intent and purpose of such a contribution. Prior the approval of any contribution, though, the Council will consult with its legal counsel to ensure the legality of the contribution and the proper method and, if necessary, reporting for such contributions (see part (e) for detailed provisions).
- (e) **Legal Approval.** In addition to the approval required by part (d), above, any political and/or lobbying contribution made by the Tribe must be reviewed in advance by the legal counsel of the Tribe or his or her designee (“General Counsel”). In determining whether to recommend approval or disapproval of a request to make a political/lobbying contribution, the General Counsel shall consider compliance with all applicable laws and regulations in the jurisdictions in which the contributions are made as well as adherence to this policy and any provisions in the Tribe’s Constitution & Bylaws, its laws, and any codes dealing with conduct and ethics (if applicable). In determining the recommendations, the General Counsel may request such additional information as he or she deems appropriate. The General Counsel shall submit his or her recommendation within 15 days after receiving the request from the Tribe.
- (f) **Areas of Contribution and Limitations.** Political and/or lobbying contributions may be made by the Tribe in any state of the United States in any other jurisdictional area where permitted by law, only in accordance with the following procedures:
1. No political/lobbying contribution shall be made by an employee, consultant, agent or any other representative on behalf of the Tribe, in cash or by any other means whereby the amount or origin of the contribution cannot be readily established by reference to the Tribe's books and records.
 2. Employees, consultants, agents or other representatives of the Tribe may contribute personally of the own funds or time to the candidate, organization or party of their choice.
 3. No employee, consultant, agent or other representative of the Tribe shall represent that his or her personal contribution is that of the Tribe.
 4. Political and/or lobbying contributions shall not be made to and/or any political races, issues, and/or candidates of and/or involving the Fallon Paiute-Shoshone Tribe, Fallon Business Council, or any other federally-recognized Tribe and their internal matters.



Chapter 19 – Early Per Capita Request Guidelines

19.10

DISTRIBUTIONS

- (a) **Purpose.** The Fallon Business Council is authorized to issue Early Per Capita Distributions for Minors by the authority of the Fallon Paiute-Shoshone Tribe's Settlement Plan (see Settlement Plan section B.1.c.ii.), which allows for extraordinary distributions before age 18. To secure such a distribution, the applicant must demonstrate that:
1. The distribution is urgently needed to pay the costs of necessities, such as food, clothing, shelter, health care, education, or the like, to be provided to the Minor;
 2. Neither the parent, guardian, nor minor has access to other sources of funds or to programs providing such necessities at no or reduced cost; and
 3. If granted, the distribution will be fully and faithfully applied for the benefit of the minor exclusively.
- (b) **Determination.** The Fallon Business Council reviews requests and makes a determination on a case-by-case basis. The Council will resolve all disputes regarding this policy and the decision of the Fallon Business Council is final.

19.15

AUTHORIZATION

- (a) **Process.** Authorization of distribution will depend on all of the following issues:
1. **Funds accessibility.** The minor's and/or parent/guardian's income and/or situation must reveal genuine need to be eligible for a draw on the minor's account. Research on this will be handled by Social Services staff.
 2. **Funds available in the minor's account.** In normal circumstances, the Council will not allow a minor's account to fall below a \$5,000 balance.
 3. **Request limits.** The Council has set a limit of one request allowed per calendar year.
 4. **Previous receipts submitted.** Receipts for the last Early Per Capita withdrawal must be submitted timely or the current request may be denied.
 5. **Recouped distribution.** If the last Early Per Capita withdrawal was recouped through the parent's or guardian's annual Per Capita or by other means, the current request will not be authorized.
- (b) **Payments.** If the distribution is required to pay utilities, shelter, or other invoices, the bills must be submitted. Should the distribution be approved, the Council will authorize a payment directly to the vendor whenever possible. Otherwise, distributions will be made with a check to the parent/guardian.

19.20 APPLICATION

Applicants (parent(s)/legal guardian(s) of a minor child) must complete and submit an “Early Minor Per Capita Request – Application” (Form FMP-24a) through Tribal Social Services, which will review, research, and submit the application to the FBC Treasurer for further processing.

19.25 FUNDS REMAINING FROM DISBURSEMENT

Any funds left over from purchases must be returned to the Tribe within 30 days of the disbursement. If the money is not returned or cannot be recouped, future access to that minor's account will be denied.

19.30 MISMANAGEMENT OF DISTRIBUTION

(a) Should the Council determine that any funds from an Early Per Capita distribution were expended for purposes other than for the exclusive benefit of the Minor, the Council will direct that the funds be recouped and all future requests will be denied. Recouped funds may be obtained from the parent/guardian via any means deemed necessary including retention of the parent/guardian’s Annual Per Capita distributions and litigation through Tribal Court. Recouped funds will be deposited into the Minor's Account.

(b) If this step becomes necessary, all future access to that Minor's account will be denied until the Minor becomes eligible for final disbursement (in accordance with the Settlement Plan) at age 18.

19.35 RECEIPTS

Original receipts for expenditures must be submitted to the FBC Treasurer within 30 calendar days. If receipts are not turned in timely, the next request may be denied.

19.40 PAYBACK AGREEMENT

In any case where funds will be recouped or paid back to the Minor's Account, whether voluntarily or by Council directive, a Payback Agreement form will be signed, notarized and submitted to the FBC Treasurer.

19.45 REQUEST PROCEDURES**(a) Applicant.**

1. The applicant fills out the Early Minor Per Capita Request – Application (Form FMP-24a) obtained at Tribal Social Services.
2. Submits any additional required documents.
3. Meets with Social Services staff to review Application.

(b) Social Services Department.

1. Reviews Early Minor Per Capita Request – Application (Form FMP-24a) for completeness; determines if all additional required documents have been submitted.
 2. Meets with Applicant to discuss Application.
 3. Obtains copy of valid enrollment card or a certificate of Indian Blood from Tribal Enrollment Office.
 4. Staff fills out the applicable section on the Early Minor Per Capita Request – Application (Form FMP-24a) and starts/fills out the Early Minor Per Capita Request – Checklist (Form FMP-24b).
 5. Starts an application file with the following documents: Early Minor Per Capita Request – Application (Form FMP-24a), Early Minor Per Capita Request – Checklist (Form FMP-24b); FPST Enrollment Card or Certificate of Indian Blood; and supporting documentation such as custody papers, invoices, income verification, medical reports, etc.
 6. The file should be labeled with the minor’s Enrollment Number and their name (Last Name, First Name, Middle Initial).
 7. Submit Application File to the FBC Treasurer’s Office.
- (c) **FBC Treasurer’s Office.**
1. The FBC Treasurer completes the applicable sections on the Early Minor Per Capita Request – Application and Checklist forms (FMP-24a and b).
 2. Submits Application File to the FBC Secretary.
- (d) **FBC Secretary’s Office.**
1. Logs receipt packet from Social Services and completes the applicable sections on the Early Minor Per Capita Request – Application and Checklist forms (FMP-24a and b) and makes a copy of the application for the record.
 2. Assigns Resolution number and drafts Resolution.
 3. Copies the Early Minor Per Capita Request – Application and Checklist forms (FMP-24a and b) for Council packets.
 4. Schedules Early Per Capita Request on next available Closed Council Meeting Agenda.
 5. Notifies Applicant of Meeting date and time (if requested by the Council for the applicant and parent/guardian to attend).
- (e) **Fallon Business Council.**
1. Reviews Early Per Capita Request at a Closed Session meeting.
 2. Meets with applicant (if necessary or as requested).

3. Approves or denies the resolution for applicant's request.

19.50 ACTION ON REQUEST

(a) Approved Requests.

1. FBC Secretary issues Resolution and provides a copy to the FBC Treasurer, along with a copy of the application form.
2. The FBC Treasurer submits the resolution and application form to the Finance Department and prepares the appropriate procurement document for processing.
3. Treasurer informs Applicant of approval by phone or letter.
4. Treasurer files a copy of the Application Form, resolution, and procurement form in Minor's Account File.
5. FBC Treasurer awaits 30-day deadline for receipts and annotates Minor's Account File.
6. The Finance Department files original receipts in the Minor's Account File.

(b) Denied Requests.

1. FBC Secretary issues Resolution with copy to FBC Treasurer.
2. Treasurer issues letter to the applicant informing him/her of the denial, with a copy to Secretary and a copy filed in the Minor's Account File.

(c) Payback Agreement (if necessary).

1. Payback Agreement Form
 - a. FBC Treasurer reviews Early Minor Per Capita – Payback Agreement Form (Form FMP-24c) with Applicant.
 - b. Applicant fills out Form.
 - c. Applicant signs Form in presence of Notary Public.
2. FBC Treasurer makes two copies of Payback Agreement Form:
 - a. One copy for FBC Secretary.
 - b. One copy for the Finance Department.
3. FBC Treasurer files the original Payback Agreement Form in the Minor's Account File.