

FINANCE MANUAL



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TRIBAL GOVERNMENT POLICIES & PROCEDURES

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INTRODUCTION

The Nez Perce Tribe's Finance Manual (the "Manual") has been developed to provide uniform guidelines for the Tribe's financial management activities. A key mission of the Finance Department is to provide efficient, accurate and timely processing of financial transactions to allow for reporting of accurate and timely financial results, which will then help management to strategically manage the Tribe's resources and objectives and comply with all governing regulations.

This Manual contains information about the accounting policies and procedures of the Tribe applicable to its government entity. It carries the full weight of the Nez Perce Tribal Executive Committee's ("NPTEC") authority, and is to be fully complied with by all NPTEC members, Boards & Commissioners, Department Executives, Program/Division Managers & Directors and all other government employees.

This Manual serves as the basic foundation for management of the tribal government's day-to-day financial affairs. However, limitations imposed by grantor agencies or other federal regulations may supersede certain provisions contained in these policies and procedures. In addition, NPTEC reserves the right to modify or suspend one or more of the policies contained herein, should budget or other conditions warrant. Nothing within the Manual shall be construed as a reduction or change of the NPTEC Treasurer's responsibilities under Article I, Section 4 of the Bylaws of the Nez Perce Tribe.

This revision incorporates recent changes to federal regulations, most notably the adoption of new Uniform Guidance 2 CFR 200.317-326 Procurement Standards that became effective October 1, 2018 for the Tribe's FY 2019. On September 12, 2018 the Tribe's CPA firm conducted a seminar for employees and managers covering these changes and an overall review of other requirements. The Finance Department will monitor compliance with these policies, interpret their day-to-day application, and will consider and implement any administrative revisions that may become necessary due to subsequently changing conditions. Updates to reflect the latest guidance from the Finance Department, tribal management, and changes in law, etc. will also be incorporated into the official forms being utilized.

The Finance Department shall be responsible for circulating subsequent revisions to Department Executives, who shall then be responsible to notify their employees of relevant changes that may affect their operations. Where appropriate, revisions will be accompanied by instructions for implementing changes. The current Manual is available to any employee upon request to the Finance Department. In the near future, the Manual can be accessed in the Finance Department section of the main tribal website (www.nezperce.org), where the most current official forms will also be available in fillable PDF format.

Every question or concern may not be answered in this publication, so employees are encouraged to raise any questions regarding this Manual with his or her Supervisor or other appropriate management personnel. Failure to comply with the policies contained in this Manual may result in disciplinary action, pursuant to the Human Resource Manual.

Conflict of Interest Policy

Employees of the Nez Perce Tribe shall not profit, directly or indirectly, from funds under their control nor shall they have a beneficial interest in any contract made or administered by them in their official capacity. No employee, tribal official or agent may participate in the selection, award or administration of any contract supported by federal, state, local, private or tribal funds when he or she has any actual or apparent conflict of interest. Such a conflict of interest would arise when the employee, tribal official, agent, or any member of his or her immediate family (as defined in the Tribe's Human Resource Manual), his or her business associates/partners, or an organization which employs or is about to employ any of the parties indicated herein, has a personal, financial or other interest in, or a tangible personal benefit from, a firm considered for a contract with the Tribe.

Employees are obliged to disclose to their Department Executive, who will then also advise the NPTEC Chairman, any actual, potential or apparent conflict of interest as soon as the employee is aware the conflict exists. An apparent conflict of interest is one that a reasonable person would believe that the employee's judgment is likely compromised because of such relationship(s).

Conflicts of interest can also arise in other contexts. Employees, in their official capacities, are prohibited from:

- 1) Personally accepting substantial gifts, favors or anything of monetary value from vendors, contractors, or others who have or desire to have business dealings with the Tribe;
- 2) Establishing or engaging in business in competition with tribal enterprises or businesses; and
- 3) Representing the Nez Perce Tribe on business matters after they are no longer an employee.

As always, employees should also refer to the current Human Resource Manual that may offer further guidance in this regard, including disciplinary actions and the Tribe's Whistle Blower Policy.

Should there be any discrepancy between the policies and procedures contained anywhere in this Manual as it relates to NPTEC members and in the Administrative Procedures and Rules of the NPTEC (NP 14-132), the latter shall govern.

Signature Authority Delegation

Within each Department or Project, the assigned Director or Manager is responsible for the overall operations of the Program and may assign signature authority to certain employees in compliance with this policy. To assign signature authority, a Signature Authority Delegation form (on which up to three names may be assigned) must be completed and submitted to the Finance Department, and will remain in effect until changed. In no event shall delegation of signature authority be given to a subordinate more than one level below the Delegator. Otherwise, such delegation must be at a lateral or higher level from the Delegator and, in any event, any required signature on finance-related documents must be an original unless otherwise excepted herein. If at a subordinate level, employees who are given signature authority are also responsible for assuring the following:

- An understanding of what is being approved;
- The information and supporting documentation is accurate and complete;
- The transaction is allowable, reasonable and justified;
- The transaction is charged to the correct project(s);
- There are adequate funds to cover the expense; and
- The funding source is appropriate for the expenditure.

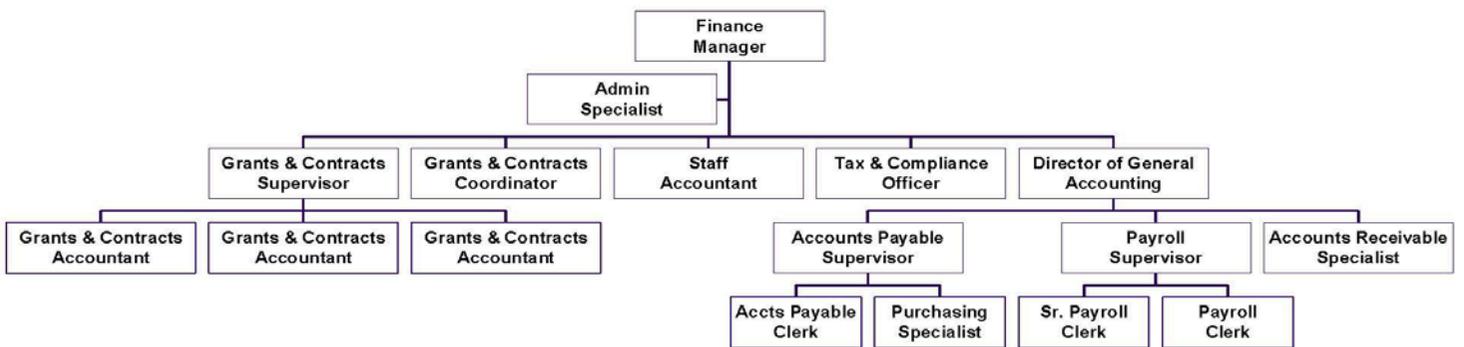
Internal Controls:

It is the responsibility of the Delegator to maintain proper control and management of his/her budget(s) - the Delegator remains accountable for all actions taken by the Delegate. The Delegator shall take into account and maintain appropriate internal controls, including separation of duties. The fundamental premise of segregated duties is that an individual should not be in a position to initiate, approve, and review the same action. Segregation of duties is critical because it ensures separation of different functions and defines authority and responsibility over transactions. Segregation of duties is critical to effective internal control; it reduces the risk of both erroneous and inappropriate actions.

Neither the Delegator nor Delegates may approve transactions for themselves, their immediate relatives nor approve transactions that directly benefit themselves or their immediate relatives or, in any way, create a conflict of interest with their responsibilities to the Tribe. Such transactions must be countersigned by another authorized person, namely the person of next higher authority. Subordinates cannot approve transactions for their superiors, regardless of the authority level. Such actions tend to place the subordinate in an untenable position with undue pressure applied to them, even if not stated specifically.

Organization Chart

FINANCE DEPARTMENT



Finance Department Contact List

Customer Service Hours: 8:30 a.m. – 12:00 noon & 1:00 – 4:00 p.m.

<u>Employee</u>	<u>Position</u>	<u>Phone (208)</u>	<u>E-mail Address</u>
<u>Accounts Payable & Procurement:</u>			
Trish Wicks	Supervisor	621-3840	trishw@nezperce.org
Jackie Carson	A/P Clerk	621-3836	jackiec@nezperce.org
Starr Wallace	Purchasing Specialist	621-3839	starrw@nezperce.org
<u>Petty Cash:</u>			
Natalia Cuevas-Jimenez	Admin Specialist	621-3838	nataliac@nezperce.org
<u>Payroll:</u>			
Alice Spaulding	Supervisor	621-3831	alices@nezperce.org
Chris Walker	Sr. Payroll Clerk	621-3834	cwalker@nezperce.org
Dawn Big Man	Payroll Clerk	621-3844	dawnb@nezperce.org
<u>Grants & Contracts:</u>			
Frank Weaskus	Lead G& C Accountant	621-3835	frankw@nezperce.org
Vina Harrison	G & C Accountant	621-3841	vinah@nezperce.org
Arleen Henry	G & C Accountant	621-3833	arleenh@nezperce.org
Willa Stevens	G & C Accountant	621-3842	willas@nezperce.org
Anthony Broncheau	G & C Coordinator	621-3832	anthonyb@nezperce.org
<u>Property, Plant & Equipment:</u>			
Trish Heavy Runner	Tax & Compliance	621-3677	theavyrunner@nezperce.org
<u>Accounts Receivable:</u>			
Crystal Elwell	A/R Specialist	621-4760	crystale@nezperce.org
<u>General:</u>			
Ed Brown	Finance Manager	621-3830	edb@nezperce.org
Kathy Taylor	Dir of General Acctg	621-3837	kathyt@nezperce.org
Jackie Koehler	Staff Accountant	621-4761	jackiek@nezperce.org

SECTION I

ACCOUNTS PAYABLE & PROCUREMENT

Objectives:

To control expenditures by obtaining the lowest cost possible, with satisfactory terms and quality, and by not allowing expenditures to exceed budgeted amounts.

To include control elements necessary to properly account for purchasing transactions and safeguard tribal assets.

Policies & Procedures:

1. Department Executives and Program/Division Managers and Directors have the ultimate responsibility to ensure that all purchases are in compliance with this Manual, along with any applicable federal, state and grantor agency requirements. The Purchasing or Procurement function is currently managed as part of the Accounts Payable group.
2. Although Departments and Programs/Divisions are allocated funds in their budgets for a given period, this allocation is only an authority to requisition, not to purchase. Individuals initiating a proposed purchase should always take steps to assure that the items are being obtained at competitive prices and with appropriate quality. Each individual budget entity is assigned a unique Fund number (or numbers) by the Finance Department, and a Requisition must include the complete number of the account(s) to be charged. The basic format of an Account Number is xxxx-xx-xxxx, where the first four digits are the Fund Number where the budget resides, the middle two digits are any sub-fund number (in many cases just 00), and the last four digits are the Object Code identifying the type of expenditure (salaries, travel, supplies, equipment, etc.).
3. A Requisition form will be used to initiate the process of procuring goods and services. The Requisition will clearly state whether it is requesting a Purchase Order to the vendor, a check, or payment by credit card (only if required by the vendor). Each Requisition must be fully completed and contain a clear and concise description of the material or service being ordered from that particular vendor, and may reference an accompanying page or pages containing more specific details. When received by the Finance Department, the responsible Accountant will review the Requisition for completeness, accuracy, whether it is an Allowable Cost and if adequate funds are available within the budget(s) being charged. When approved, the Accountant will forward the Requisition to Accounts Payable for further processing.

4. All Requisitions for goods and services shall be submitted to the Finance Department with the following approval signatures already obtained, depending on the amount of the total expenditure:

- | | | | | |
|----|-----------|----|----------|---|
| a) | \$0.01 | to | \$5,000 | Employee & immediate Supervisor/Project Leader |
| b) | \$5,001 | to | \$20,000 | Above plus Program/Division Manager or Director |
| c) | \$20,001 | to | \$50,000 | Above plus responsible Department Executive |
| d) | \$50,001+ | | | Above plus copy of NPTEC Resolution |

In addition to dollar amount considerations above, bids are required based on the dollar limits shown below from at least three (3) independent vendors or contractors, meeting the specifications provided by the Department or Program/Division, as follows:

- | | | | | |
|----|-----------|----|----------|--|
| a) | \$0.01 | to | \$5,000 | No formal bids required (use best judgment) |
| b) | \$5,001 | to | \$20,000 | Telephone bids required & documentation retained |
| c) | \$20,001 | to | \$50,000 | Written bids required & documentation submitted |
| d) | \$50,001+ | | | Advertising for written bids also required |

The nature and extent of bidding shall be dependent on the type and magnitude of the project being contemplated, which may in certain situations require more regional or national exposure. In many cases, advertising in the local newspaper(s) will suffice. Departments and Programs/Divisions shall use their best judgment in determining the appropriate advertising methods to obtain sufficient vendor bids to meet their minimum requirements for the project. For repeat purchases of the same or similar items, the determination of the lowest cost supplier may remain in effect for up to one year, without the need for continually obtaining three bids for each subsequent purchase.

5. For all federal awards, noncompetitive (sole source) proposals may be used only when one or more of the following circumstances apply: a) the item is available only from a single source; b) a requirement will not permit a delay that would result from competitive solicitation; c) the federal awarding agency expressly authorizes noncompetitive proposals in response to a written request from the Tribe; or d) after solicitation of an appropriate number of sources, as determined by the program, it is determined that competition is inadequate.

Note: On occasion, there may be situations for non-federal programs when it is not in the best interest of the Tribe to follow the bid process outline above, as in cases where particular skills, expertise or other unique qualities are not necessarily available from competing vendors, or where TERO Ordinance requirements may take precedence. Such “sole source” procurements will require approval of the Department Executive and, when over \$20,000, concurrence by subcommittee and final approval by NPTEC. Approvals sought from subcommittee should be accompanied by a written justification stating specifically how the best interests of the Tribe would be served by purchasing from this particular vendor without the benefit of competitive bid pricing, and submitted with the

Requisition to Accounts Payable. In no case shall the sole source justification be used as a way to avoid or circumvent the approved Accounts Payable & Purchasing policies and procedures.

6. All contracts for consulting services, leases and similar arrangements will be contracted for only if in-house tribal staff cannot provide the required capabilities and resources. Expenditures of funds will be approved consistent with #4 and #5 above. All contracts require submission to the Grants & Contracts Coordinator for initial review and processing, with subsequent approval from the Office of Legal Counsel. Any contractual services that span longer than three months will require documentation of bids received. Contracts in the cumulative amount of \$50,000 or more, or lasting more than one year, also requires concurrence by subcommittee and final approval by NPTEC. All contracts of the Tribe must include authorizing signatures of the NPTEC Chairman and/or Secretary. In addition, Departments and Programs/Divisions are responsible for reviewing the government's Debarred List on the System for Award Management (SAM) website and confirming that their potential contractors are not listed. Records of such review having been made must be kept in Program files for possible audit review.

7. Except as it relates to #5 and #6 above, any purchase that is specifically listed as a separate line item in an approved budget for the current fiscal year, and therefore already approved by an earlier NPTEC Resolution, will not require an additional NPTEC action. This does not, however, eliminate the need to obtain the formal agreement between the Tribe and the vendor who will be providing the goods or services, which may also require a Contract Review.

8. In order to ensure network security and hardware/software compatibility throughout the Tribe, all purchases of technology-related equipment (desktop computers, servers, laptops, tablets, software and telephones, etc.) shall be coordinated with, and ordered through, the Department of Technology Services, who will then forward the appropriate Requisition(s) to the Finance Department when fully approved.

9. Exceeding an approved total budget amount will not be allowed without approval by the Budget & Finance Subcommittee and NPTEC. Unless otherwise required and authorized by funding agencies, similar individual line items within an approved budget may be over or under budget to allow for financial analysis of variances and improved future budgeting, provided that the total program budget is not exceeded. For example, sometimes there is little distinction between Supplies and Repairs & Maintenance. For programs funded by internal tribal dollars, expenditures that would exceed approved budgets in Salary, Fringe Benefit and Travel line items will not be processed without approval by the respective Department Executive, subcommittee Chairperson and NPTEC Treasurer. Also refer to Section IX – Reports & Budgets for more specifics.

10. Purchase Orders will generally be prepared and distributed by the Finance Department within one (1) business day after the receipt of a fully approved Requisition. Employees submitting the

Requisition are responsible for transmitting the approved Purchase Order to their vendor to formally place the order, along with the Requisition or other supporting information that may be too lengthy for inclusion on the Purchase Order itself. Employees are responsible for notifying the Purchasing Specialist immediately if any issued Purchase Order will not be utilized or is to be withdrawn.

11. Preference will be extended to those vendors who accept the Tribe's Purchase Orders. All new vendor accounts will be established through the Accounts Payable Supervisor. Employees are prohibited from charging any personal items to the Tribe's account with a vendor, regardless of whether they intend to pay back the Tribe. Departments and Programs/Divisions should develop and maintain sources of supply to assure that they have an adequate number of vendors from which to obtain supplies, equipment and services necessary to support their Program's operations.

12. All Purchase Orders will require the following signatures prior to their issuance to vendors:

- a) \$.01 to \$ 1,000 Purchasing Specialist (facsimile signature)
- b) \$1,001 to \$10,000 Above plus Accounts Payable Supervisor or Director of General Accounting (or Finance Manager)
- c) \$10,001+ Above plus Finance Manager or NPTEC Treasurer

13. All vendor invoices shall be sent to the Finance Department, preferably by the vendor, but in any event immediately upon receipt by any employee. Departments and Programs/Divisions shall generally not request that vendor invoices be sent to their office. The Tribe's standard payment terms are "Net 30" days, unless specified/requested otherwise. Payments to vendors will generally be processed only from original invoices in order to avoid the possibility of duplicate payments.

14. Invoices are generally not processed without adequate proof of receipt or performance. In cases of goods delivered directly to a Department or Program/Division employee, they should be counted, examined, inventoried (when appropriate) and signed for by the receiving employee, and a signed and dated Packing Slip acknowledging receipt should be sent to Accounts Payable whenever possible. Departments and Programs/Divisions shall be responsible to immediately notify Accounts Payable and the vendor of any unsatisfactory goods or services received so that payment will not be processed until all issues have been resolved.

15. All checks are generally processed through the Tribe's financial software system, and shall therefore include facsimile signatures of the current NPTEC Chairman and Treasurer. Wire transfers to 3rd parties will follow the same guidelines as above, except they shall include original signatures or e-mail authorization of the Treasurer (or Chairman) on supporting documentation. Transfers between existing tribal bank accounts may, however, be processed via properly authorized banking software by the Director of General Accounting and Finance Manager.

16. Accounts Payable checks for the tribal government are processed every Monday, Wednesday and Friday, and are generally available for pickup in the Finance Department office at 2:00 p.m. on those days. Items requiring payment must be submitted to the Finance Department by 10:00 a.m. the day prior to the check run day to guarantee inclusion. More frequent processing of payments will generally occur only in cases of emergency. The same deadline should be followed if payment is being requested by the Tribe's credit card.

17. Credit Applications required by vendors will require the following review/approval procedure: a) if there are no contractual terms and conditions, the Accounts Payable Supervisor will process the application; b) if there are legal terms and conditions being proposed by the vendor, then a Contract Review form shall accompany the Credit Application and be submitted to the Grants & Contracts Coordinator. In this instance, OLC review and approval shall also be required, followed by signature and final processing by the Accounts Payable Supervisor.

18. Employees must avoid acquisition of unnecessary or duplicative items, should consider consolidating procurements and, where, appropriate, should perform an analysis of lease versus purchase method of acquisition.

19. Programs must maintain records sufficient to detail the history of procurement, including the rationale for the method of procurement, selection of contract type, contractor selection or rejection and the basis for the contract price. Time and materials type of contracts may only be used after a determination that no other contract is suitable, and should include a ceiling price.

20. The Tribe must use one of the following methods of procurement: Micro-purchases, small purchase procedures, sealed bids, competitive bids or noncompetitive bids (refer to 2 CFR 200.320 for further definitions and processes to be followed). **However, spending authorization limits stated above in Section 4 are MORE restrictive than the new OMB limits and, as such, the Tribe's limits remain unchanged.**

SECTION II TRAVEL

Introduction:

The purpose of this policy is to convey basic procedural and statutory guidelines for individuals when traveling on official tribal business - outside the local duty station where their basic job duties are to be carried out that day. Official travel occurs as a normal course of tribal operations and, as such, travelers and their Supervisors must apply care in planning, conducting and documenting travel. Travel may involve inherent risks for the traveler, as well as for the Tribe's mission and organization. Inadequate planning and questionable decisions by employees while on travel potentially make this a high visibility issue for our federal agency partners, auditors and the general public.

Objectives:

To control expenditures by insuring that the travel is consistent with federal regulations and tribal objectives, and does not exceed reasonable and budgeted amounts.

To make accounting and reimbursement for travel more efficient for employees and their Department Executives and Program/Division Managers and Directors who have the ultimate responsibility to monitor compliance with travel policies by their employees.

To establish control elements necessary to properly authorize, account for and document travel expenses.

To ensure that individuals neither gain nor lose personal funds as a result of reasonable and necessary expenses incurred when traveling on pre-approved, official tribal business.

Typical Travel Cycle:

- Employee and Supervisor determine that travel is necessary and pre-plan details of trip;
- A Travel Authorization form is completed for any travel requiring use of the Tribe's credit card for airfare, hotel or rental car charges, outlining all arrangements and costs;
- Following receipt of a fully approved Travel Authorization, employees may submit a Requisition form to Accounts Payable for registration fees (if applicable), and should then contact one of the authorized travel agencies (MAP Travel at 208-798-3200 or Global Travel at 208-799-9020) to make reservations for airlines, hotels, rental cars, etc. (unless the employee, with Supervisor approval, chooses to instead make personal travel arrangements and using a personal credit card, and subsequently seek reimbursement at the conclusion of his or her travel);

- When necessary, a Travel Advance Request form is submitted to Accounts Payable 3-5 days prior to the trip to provide funding for per diem costs for hotel room costs, meals and incidentals, personal car mileage, etc.;
- Within 3 business days of the actual return to work date, the traveler completes a Travel Settlement form itemizing all travel expenses and including all original receipts;
- At the time of settlement, the employee either 1) returns excess Travel Advance amounts to the Tribe, or 2) payment is set up on the next scheduled check run to reimburse the employee for any additional expenditure(s) incurred.

Pre-Travel Policies & Procedures:

1. Program/Division Managers or Directors must initially authorize all travel for staff directly related to the Departments and Programs/Divisions whose budgets they oversee. Department Executives must provide final approval on travel settlements when the total cost is \$5,000 or more. The NPTEC Chairperson will authorize and approve all travel for NPTEC, Department Executives, the NPTEC Support Staff and all Boards & Commissions. Note: this level of authorization does not apply to travel in an employee's normal course of work involving local travel, field crew assignments, etc. where only supervisory approval is normally required. Local travel is defined as being less than 150 miles and not requiring an overnight stay
2. All travel will generally comply with General Services Administration ("GSA") Travel Regulations. The GSA Travel Regulations currently in force are published online in the Federal Register (<http://www.gsa.gov/portal/category/104711>). Conference rates for lodging may, on occasion, exceed the published GSA rates. However, employees should always strive to utilize the lowest rate possible, which may be the hotel's block rate, government rate, tribal rate, etc.
3. The most economical, as well as practical, mode of transportation is to be used for all travel. First class air travel, extravagant hotel rooms or luxury rental cars are not reimbursable.
4. Travel should be planned as far in advance as possible to obtain the best rate for airfare and hotel rooms (generally at least 14 days). Travel arrangements shall generally be booked using the Tribe's authorized travel agencies following receipt of a fully approved Travel Authorization form. Employees are responsible for providing this form to the travel agency authorizing them to begin incurring charges on behalf of the Tribe.
5. It is the responsibility of the Department and Program Managers to ensure that their employees follow the proper reimbursement regulations and that adequate budget balances exist to accommodate all costs of travel. No funds will be disbursed to any tribal employee for travel that does not comply with the tribal travel policies.
6. A Travel Authorization form for travel must be completed and fully approved prior to making any firm travel commitments, either personally or through the Tribe's travel agencies.

When received by the Finance Department and determined to be in compliance, copies will be returned to the employee who may then forward the form to the Tribe's authorized agencies.

7. The travel agency will book and may prepay the airfare costs, hotels and car rentals, and any such amounts will be treated as a Travel Advance to the employee until all travel expenses are settled and accounted for. It is imperative that employees are aware of cancellation dates in order to avoid unnecessary "no show" charges that, unless documented and approved with a legitimate business reason, will result in payroll deductions to return the funds to the Tribe.

8. Important: If an employee does not have a personal credit card to present upon arrival, they must be sure to notify the travel agency so that appropriate authorization arrangements can be made in booking hotel rooms. The Tribe's reservation will only guarantee arrival in most cases, not pay for the entire stay. Employees are solely responsible to provide timely cancellation notices whenever necessary in order to avoid charges to the Tribe for travel that does not take place.

9. A Travel Advance Request form will be submitted consistent with the Accounts Payable check run day (Section I, Policy #16) in order for the traveler to receive a timely Travel Advance. Accompanying documentation must include the meeting notice, meeting location and an agenda that documents meals provided, if any, and preferably should be submitted to Accounts Payable 3-5 days prior to the travel.

10. Should there be a business need to reserve a rental car during travel, employees shall generally have the travel agency book the reservation through the Tribe's government account with Hertz. Upon arrival, employees should proceed to the airport rental desk and present a valid driver's license and also an employee identification or business card indicating they are an employee of the Nez Perce Tribe. Whether arranged personally or through the agencies with Hertz, employees shall always decline all insurance coverage if offered by a representative at the rental desk, since those risks are covered under the existing tribal contract with Hertz. Failure to do so will result in those amounts being owed back to the Tribe at the time of settlement. Note: employees may choose a different car rental agency to book on their own but, consistent with #11 below, should also obtain and submit a Hertz printout showing their rate for similar travel arrangements, with the lower amount being reimbursable. Other rental firms could initially appear to have a lower daily or overall cost, but if insurance coverage must be added to those rentals it could ultimately become more expensive.

11. Use of privately owned vehicles (POV) when GSA or tribal vehicles are available within a Department or Program/Division should be carefully considered. When a decision is made to drive a POV rather than fly to a travel destination, the employee must include documentation of a comparable 14-day advance airfare (unless the requirement to travel affords less time) versus the personal car mileage, and the lower amount will be advanced. If a tribally-owned or leased vehicle is available to the employee, and the employee instead chooses to use their own vehicle,

reimbursement is limited to the modified (limited) GSA rates in effect for that situation. In addition, all employees should refer to the Tribe's Vehicle Use Manual for additional policies and procedures related to driving and renting cars while on tribal business.

12. Calculation of miles to be reimbursed for the use of POV's on regular work days will generally use the employee's regular work station as the starting point, depicted by the following: H-W-D where H stands for the employee's home, W is their regular work station and D is the destination of the travel. In this instance W to D is usually the reimbursable distance. An employee living in Moscow but normally working in Lapwai who must travel to Kamiah would only be reimbursed for the mileage from Lapwai to and from Kamiah (W to D). Note: on weekends or holidays, the H to D mileage will be reimbursable since the employee would not be expected to first report to their regular work station on those days. If the geographic arrangement is W-H-D, then only the shorter distance from the employee's home to the destination is reimbursable. If the same employee must travel to Coeur d'Alene for a conference, he or she would only be reimbursed only for the mileage from Moscow to and from Coeur d'Alene (H to D). Unless included with a Travel Settlement, reimbursement for personal car mileage should be requested on a Mileage & Miscellaneous Business Expense Reimbursement form.

Post-Travel Policies & Procedures:

1. A Travel Settlement form must be submitted within 3 business days of returning to work following the travel. Failure to settle in this timeframe, and simultaneously remit any reimbursement due to the Tribe, may result in refusal of further travel, payroll deduction(s) and/or disciplinary action. All expenditures of \$5.00 or more require original receipts, with the exception of per diem meal allocations and personal car mileage. The responsible Accountant shall review the Travel Settlement form for accuracy and completeness. If reimbursement is due the employee, a check will be processed on the next check run date. Any reimbursement due back to the Tribe must be remitted on the settlement date.

2. If the Tribe is paying for any travel expenses, employees must clearly indicate if any outside organizations will be providing or reimbursing any costs for the travel, or providing the employee with any form of compensation (speaking fee, honorarium, etc.). If so, employees are required to request that any such reimbursements should be made payable to the Tribe and not to the individual (unless, related to compensation only, the employee is on Unpaid or Annual Leave status).

3. Employees are not eligible to receive reimbursement for the dollar value of discounts or complimentary offers on hotel rooms, car rentals, or airline tickets should they choose to utilize personal frequent flyer miles or award program points to cover all or part of such costs while on business travel.

SECTION III

PETTY CASH REIMBURSEMENTS

Objectives:

To provide a mechanism for the efficient purchase of relatively low cost goods and services that do not fall into the normal policies and procedures as outlined elsewhere in this Manual.

To include control elements necessary to properly control purchasing transactions and to safeguard cash.

Policies & Procedures:

1. Petty Cash reimbursements will normally be made for unanticipated purchases of \$50.00 or less, disbursed only to tribal employees, and should not be used for routine purchases that attempt to circumvent purchasing procedures outlined in this Manual. Employees seeking a Petty Cash reimbursement will be required to complete and sign a Petty Cash Reimbursement form. The employee's immediate Supervisor (or higher) is also required to approve all Petty Cash reimbursements. Note: Supervisors should require their staff to plan ahead such that purchasing procedures in Section I of the Manual are utilized whenever possible, and that use of Petty Cash is minimized.
2. In the event that a situation occurs where a Petty Cash expenditure needs to be made for more than \$50.00, the responsible Department Executive and Accountant, and either the Director of General Accounting or Finance Manager must authorize the higher amount. The custodian of the Petty Cash fund is not authorized to reimburse the employee for amounts over \$50.00 without this approval. Employees shall provide written justification for the need to exceed the policy limit when seeking reimbursement.
3. The Finance Manager has the authority to establish a Petty Cash fund for any of the Departments and Programs/Divisions, especially at remote office locations, upon their request and when provided documentation of need. All remote Petty Cash funds will be secured at all times and kept in a secure area, remain reconciled and shall otherwise follow these same policies.
4. The employee making a purchase must obtain and attach an original receipt for the goods and services being acquired. Petty Cash reimbursements will only be made for receipts that are dated within 10 business days of the time the Petty Cash Reimbursement form is submitted to the Petty Cash Custodian.

SECTION IV PAYROLL

Objectives:

To include all elements necessary to accumulate and maintain relevant personnel information, accumulate employee hours worked, calculate pay amounts and withholdings, produce accurate pay checks for Tribe's employees, accurately prepare reports that are necessary for external and internal reporting purposes and ensure compliance with tribal, federal, state and local requirements.

To timely and properly distribute payroll expenses to the appropriate grant, contract and tribally-funded cost centers and, when applicable, to provide information necessary to obtain timely reimbursement of all allowable payroll expenditures from the Tribe's respective funding agencies and to remain in compliance with tribally-approved budgets.

To include control elements necessary to properly account for payroll transactions and safeguard tribal cash and other assets.

Policies & Procedures:

1. Departments and Programs/Divisions shall not hire employees on either a temporary or permanent basis until the availability of funds has been established in an approved budget or grant/contract.
2. A fully completed and approved Employee Action Notice form, available from the Human Resources Department, will be used as the source document for all new hires, salary adjustments, position changes, promotions, terminations, etc.
3. For all new employees, the Payroll Department must receive the following fully completed and signed forms (provided by Human Resources at orientation) by 10:00 a.m. on the Friday prior to the employee's first payroll date:
 - a) Employee Action Notice;
 - b) An IRS Form W-4 (employee's withholding allowance certificate);
 - c) Employees' Retirement Plan Enrollment and Investment Selection form;
 - d) Tribal Affiliation Form (if applicable);
 - e) Fisheries Tax Exemption Form (if applicable);
 - f) A Department of Homeland Security Form I-9 (employment eligibility verification)

Note: Failure to furnish all the above forms may result in a paycheck not being processed until such time as the proper paperwork is completed, which could mean the following pay period. In addition, Fisheries Tax Exemption form for administrative staff must be re-certified at the beginning of each calendar year.

4. A Payroll Voucher will be completed by the employees and approved by their immediate Supervisor verifying that all time and labor charges for the pay period are accurate. It is the Supervisor's responsibility to ensure that all Payroll Vouchers are submitted to Payroll no later than 10:00 a.m. on the Monday following the end of each Standard Pay Period. Note: due dates may be moved earlier when holidays shorten the payroll processing period. Please be aware of changing dates when this occurs.

5. If insufficient Sick Leave is available to an employee at the time a Payroll Voucher is submitted, available Annual Leave will automatically be used to cover any shortfall. Should Annual Leave balances be insufficient, those hours will then be converted to Leave Without Pay. Employees should carefully review and monitor balances appearing on each paystub. Overtime pay is not allowed unless specifically authorized in the Program's budget or subsequently approved in writing by the Chairman. Please refer to the Tribe's Human Resources Manual and Emergency Operation Plan for more specific information related to overtime pay, compensatory time off, discretionary leave, annual and sick leave policies, etc.

6. All payroll disbursements will be made by check or direct deposit. Employees are encouraged to utilize the direct deposit method to receive their compensation.

7. Most payroll checks will be issued bi-weekly on the Thursday following the end of each Standard Pay Period. On alternating Thursdays, NPTEC's weekly payroll and other miscellaneous payroll corrections, leave cash-ins, etc. will also be processed. Payroll will have the checks ready for distribution between 11:00 a.m. and 12:00 noon, and then again after 1:00 p.m. Payroll checks will generally not be issued prior to the scheduled payroll date.

8. It is the Department and Program/Division Managers' and Directors' responsibility to make arrangement with Payroll for who will pick up and sign for their respective payrolls. Payroll checks will generally not be issued directly to the employee.

9. Salary advances may be made to employees based on the following criteria:

- a) Advances shall not exceed 75% of the employee's net pay;
- b) Employees who will be on travel status during their normally scheduled payday may request an advance;

- c) An employee may request one advance per quarter for other personal reasons. However, an additional advance will be allowed if a death or serious illness occurs in the employee's immediate family;
- d) Payroll advances must be approved by the employee's immediate Supervisor; and
- e) All payroll advances will be deducted from the employee's next available paycheck.

10. A new W-4 form must be submitted by an employee to Payroll whenever there is a change in their status (marriage, new child, etc.) that will affect their payroll tax withholdings.

11. Requests on behalf of an employee to receive a donation of accrued Annual Leave will be submitted to the Department Executive for approval on an Annual Leave Donation form, for the intended purpose and for up to a maximum of 90 days. Accrued Annual Leave may be donated from one employee to another employee only in the situations where the recipient would be entitled to utilize sick leave but has insufficient sick and annual leave available.

12. Donors of Annual Leave are limited to a maximum donation of 40 hours per calendar year. Recipients may receive a maximum of 160 hours from all donors per calendar year. Donated Annual Leave shall be used on a first-donated, first-used basis. Any donated Annual Leave remaining when the recipient's need has ended will be returned to the last donor(s).

13. An employee may request to cash-in up to a cumulative total of 120 hours of earned Annual Leave per calendar year, with a maximum of four (4) cash-ins per year. Each request must leave a balance of at least 40 hours (the Tribe encourages its employees to actually use Annual Leave to avoid potential job burnout). Requests must be made utilizing the approved Annual Leave Cash-in form, approved by their Department Executive or Program/Division Manager or Director, and forwarded to Payroll by 10:00 a.m. on Mondays. Note: these are generally unbudgeted expenditures, so approval should be given keeping in mind the status of the budget being charged.

14. Employees who terminate their employment in one Department and are hired by another Department will be allowed to transfer their Annual and Sick Leave, with the written approval of both Department Managers/Directors responsible for the budgets.

15. Payment for the accrued Annual Leave balance will be made to all employees and NPTEC members upon their termination of employment and upon receipt of an approved Termination Checklist (an HR form). Unused sick leave will not be paid to employees or NPTEC members upon termination of their employment, as this is not a vested employee benefit.

16. The Tribe has a variety of options available to employees for deductions from their payroll either for charitable or other purposes. A Payroll Deduction form is used to process these types of deductions: United Way, loan payments, utility payments (water & sewer and home internet), housing payments, 401 (k) Retirement Plan contributions, etc.

17. Regular, full-time employees who may actually work less than 40 hours per week shall receive Annual & Sick Leave accruals based on a pro-rata basis, consistent with their work schedule.

SECTION V

GRANTS & CONTRACTS MANAGEMENT

Introduction:

Grants and contracts are an extremely important element of funding for the Tribe, with almost 3/4 of its programs funded in this manner. All such awards are subject to many terms and conditions that must be followed by the recipient program. These rules and regulations may be included in the final Award Notice received from the funding agency and, in the case of federal funding, published in the Federal Register. These grants also subject the Tribe to various audit requirements that will review not only the financial aspects of administering the grant, but also program management responsibilities. It is therefore imperative that the various Departments and Programs/Divisions that receive grants have qualified staff managing them who have experience, receive proper training and are familiar with the many requirements that will keep the Tribe in good standing with the funding agencies and authorities.

Objectives:

To provide the financial information and controls necessary to maintain compliance with federal, state, local or private reporting requirements and expedite receipt of awarded funds.

To make the process more efficient for Department and Program/Division Managers and Directors who have the ultimate responsibility to ensure that their programs are in compliance with federal, state, local and private regulations.

To keep expenditures within the limitations set forth by the program objectives, scopes of work and budgets.

To include control elements necessary to prevent misuse of grant and contract resources.

When outside funding is potentially available to a Department or Program/Division funded by one of the Tribe's non-federal, "hard dollar" revenue sources, the Budget & Finance Subcommittee requires that two grant applications be submitted annually, with the objective of reducing ongoing operating expenses as being most desirable (NP 02-187 Amended).

Pre-Award Policies & Procedures:

1. Departments and Programs/Divisions will utilize the Grants Notice of Intent form to inform the Grants & Contracts Coordinator of their intention to apply for a competitive grant.

Failure to comply with this process may result in not being allowed to apply when another program has already received approval to commence work on an application. This form includes a summary/abstract of the project, the grant announcement or RFP, a draft or preliminary budget and a clear designation of the employee who will be responsible to manage the grant and assume the role of Project Coordinator.

2. Once a grant application is near completion, and if no Resolution is required, Departments and Program/Divisions shall submit a draft application and a fully completed Grant Review form to the Grants & Contracts Coordinator 2 weeks before the grant submission deadline. If a tribal Resolution is required per the funding agency's grant announcement, the Grant Review form should be completed in adequate time for the sponsoring program to also present a synopsis of the proposal to their respective subcommittee for approval, in accordance with its regular meeting schedule.

3. Assuming receipt of a grant application in the time manner specified above, the Grants & Contract Coordinator will review all grant and contract applications as follows:

Notice of Intent:

- a) Verify the Tribe's eligibility to apply;
- b) Verify the Tribe meets all of the grant criteria and guidelines;
- c) Verify whether the grant requires a tribal Resolution for submission.

Grant Review Form:

- a) Ensure proper budget formatting per funding agency specifications;
- b) Ensure the correct indirect cost rate is applied;
- c) Identify if there is a non-federal matching requirement and, if so, that it is capable of being met. Note: Submitting programs must provide specifics about the proposed source of the match and whether it is in-kind, cash (or both), the percentage required under the announcement, or if the match is being offered solely in an effort to score higher in review. Note: Match funds cannot be from other federal funds, unless specified in grant regulations or otherwise approved by Congress;
- d) Review compliance with the OMB Uniform Administrative Guidance.

4. All fully approved/final grant applications must be resubmitted to the Grants & Contracts Coordinator at least 3 days in advance of the funding agency's published grant submission deadline date in order to provide adequate time for electronic input, processing and final review. This will allow any technical issues that may arise during submission to be resolved and, if needed, provide adequate time to amend or resubmit the grant. Confirmation e-mails will be sent to the Project Coordinator following submission for their final review and to verify that all

necessary attachments were included. In most cases, no further changes can be made after the grant submission deadline passes. As such, it is critical that submissions follow the schedule above to allow sufficient time for an adequate final review.

5. The Grants & Contracts Coordinator, or designated alternate, are the only persons authorized by NPTEC to submit electronic applications to funding agencies on behalf of the Tribe. Should there be a need for a Department or Program/Division to submit an application by other means, a copy must be submitted via e-mail (PDF format) to the Grants & Contracts Coordinator at the time of submission.

6. All applications submitted to the funding agencies will include the Tribe's indirect cost rate for that fiscal year, or the most recently approved rate. Any omission or reduction of indirect expense from such approved rate in a proposal must be accurately calculated and will require a waiver and specific approval by NPTEC through Administrative Action (or in an approving Resolution if required). Programs should be prepared to explain and justify to their subcommittee the merits and reasons to proceed with the submission without full reimbursement being made to the Tribe. Note: if a funding agency does not pay the full costs, the Tribe's General Fund has to pay and, as such, it is imperative that informed decisions be made by tribal management.

7. Upon receipt of a grant award notice, Departments and Programs/Divisions shall notify the Grants & Contracts Coordinator immediately, and provide the original award documents. Awardees will also be notified immediately when awards are first received in the Finance Department.

Post-Award Policies & Procedures:

1. Once complete final award documents (Notice of Award, Assistance Agreements, etc.) are received, the Grants & Contracts Coordinator will initiate the process for final review and formal acceptance by the Tribe and forward the materials to the Office of Legal Counsel to review if there are terms and conditions included, and to the TERO office if the project involves construction or forestry projects on the reservation.

2. Once the award documents have been reviewed, and all recommended changes made, the award document will be sent to the Department or Program/Division to present to their respective subcommittee for final acceptance.

3. NPTEC will approve, by Resolution, all awarded grants and contracts prior to implementation and before any commitments are made to expend funds.

4. On a newly awarded grant or contract that is not of a recurring nature with the same funding agency, an Intake Meeting must be scheduled by Program staff with the Grants & Contracts Coordinator. This meeting shall include the responsible Program Manager or Director and their staff responsible for managing the project, and the assigned Accountant, to review the terms and conditions of the award and to make sure that all parties will be operating with a common understanding.

5. All original financial records related to grants and contracts will be maintained in the Finance Department, with programs responsible for maintaining copies as well. Grant and contract regulations and other compliance requirements must be strictly adhered to.

6. The Grant & Contract Accountants' major responsibilities are as follows:

- a) Maintain all financial records for grants and contracts that are assigned to them, keeping them completely reconciled to the Tribe's financial records, and initiating any required adjusting entries to maintain the various accounts under their area of responsibility;
- b) Review and control expenditures, and question or disallow any purchase that would exceed approved budgets or is unallowable under the award;
- c) Monitor and maintain budgets and cash balances;
- d) Invoice funding agencies for reimbursement or draw down funds electronically, as required; and
- e) Prepare internal and external financial reports as required.

7. All invoices to funding agencies related to grants and contracts are to be initiated by the Finance Department and submitted directly to the funding agencies for reimbursement/payment. On occasion, a program may assist in invoice preparation if circumstances warrant.

8. Department and Program/Division Managers and Directors have the ultimate responsibility to ensure that appropriate ongoing records and documentation are kept by each program operating any grant or contract that includes non-federal share matching requirements. The program staff should interact with their assigned Accountant and provide the correct matching amounts and supporting documentation to the Finance Department in a timely manner in order for the Accountant to record and report such match in the appropriate fiscal period.

9. Charges to Federal Awards for salaries and wages must be based on records that accurately reflect the work performed. These records must be supported by a system of internal controls that provide reasonable assurance that the charges are accurate, allowable and properly allocated. They must reflect the total activity for which the employee is compensated by the Tribe, not exceeding 100% of the compensated activities, and support the distribution of the employee's salary among specific activities or cost objectives if the employee works on more

than one Federal Award, a Federal award and non-Federal award, an indirect cost activity and a direct cost activity, or two or more indirect activities which are allocated using different allocation bases.

Budget estimates (i.e. estimates determined before the services are performed) alone do not qualify as support for charges to Federal awards, but may be used for interim accounting purposes provide that they produce a reasonable approximation of the activity actually performed, significant changes in the corresponding work activity are identified and entered into the records in a timely manner, and the Program includes an after-the-fact review of the interim charges such that all necessary adjustments are made such that the final amount charged to the Federal award is accurate, allowable and properly allocated.

10. Narrative program progress reports shall be submitted by the Departments and Programs/ Divisions to the funding agencies at intervals specified in the grant award or contract requirements. Financial reports shall be submitted by the assigned Accountant to the funding agencies at intervals specified. Note: Late submissions by either party may result in audit findings that are extremely negative to the Tribe. Copies of all records related to a grant must be retained by each party for possible examination by the Tribe's independent auditors each fiscal year, including documentation that the SAM website was utilized before outside contractors were hired.

11. Accounting records and source documents shall be maintained by the Finance Department in a manner sufficient to comply with the audit requirements of OMB Circular A-133 and agency regulations. Records shall be kept a minimum of 3 years following final closeout of the applicable grant, or longer if there is litigation, claim, negotiation, audit or other action involving the records. Superfund agreements require a 10-year retention period, plus written approval from the EPA award official before destroying any records. As always, Accountants and individual Departments and Programs/Divisions should determine if they have unique needs requiring longer retention periods, keeping in mind that there could also be legal ramifications to the Tribe by keeping records longer than necessary. Contact the Office of Legal Counsel if there are any questions in this regard.

12. The Departments and Program/Divisions shall work with funding agencies to obtain advance approval for any line item budget modifications, when required. After receiving agency approval, the approved Budget Modification form will be utilized and forwarded to the assigned Accountant for processing, including documentation of agency approval.

13. Requests for an extension of the performance/budget period, and budget modifications for either an increase or decrease in funding or scope of work, must be approved in advance by the funding agency, and approval notice from the awarding agency sent to the assigned Accountant immediately upon receipt. If required, an amended Resolution may be necessary.

SECTION VI

PROPERTY, PLANT & EQUIPMENT

(Fixed Assets)

Objectives:

To include all elements necessary to purchase, maintain information about and track Fixed Assets by the acquiring Department and Program/Divisions and to produce information that is necessary for internal and external reporting purposes, including proper accounting for depreciation for audit purposes.

To make the Fixed Asset accounting process more efficient for Departments and Program/Division Managers and Directors who have the ultimate responsibility to ensure that all transactions are in compliance with federal regulations and tribal policies.

To include control elements necessary to properly account for all additions, deletions, or transfers and to safeguard Fixed Assets.

Policies & Procedures:

1. Acquisitions will be recorded on the Tribe's Fixed Asset records (capitalized) when the purchase price of that item is \$5,000 and above and the item has a useful life greater than one year. Generally Accepted Accounting Principles ("GAAP") generally require Fixed Assets to be recorded at their cost, including all normal expenditures to bring the asset to a location and in final condition for its intended use. In the case of equipment, such costs may include transportation, installation, assembly, external consultants directly involved in installation/programming, etc. In the case of buildings, such costs may include architectural fees, excavation and site preparation, utilities, wiring, etc.
2. Fixed Asset purchases should be itemized individually in all approved budgets, and expenditures in excess of total approved budgeted amounts will not be processed without NPTEC approval.
3. Purchases must comply with the Accounts Payable and Purchasing policies in Section I of this Manual, including the requirement for competitive bids. Requisitions shall code Fixed Asset purchases for equipment to Account 7100, in the appropriate fund in which it is budgeted.
4. With the exception of software, intangible assets and other cases where it is not practical, all Fixed Asset purchases require a Tribal Asset Tag to be applied. The Tax & Compliance

Officer maintains an inventory of tags, and they should be requested whenever an asset is received. The acquiring Department or Program/Divisions are responsible for physically applying the tag and remitting two color photographs of the asset acquired to the Tax & Compliance Officer for storage in the Fixed Asset database – one photo of the overall asset and the other displaying its tag number after application. It is the responsibility of all Managers and Directors to ensure that all property requiring a property tag is, in fact, tagged when first placed into service.

5. All transfers of Fixed Assets between Departments and Programs/Divisions must be ultimately approved by the responsible Accountant (to ensure compliance with applicable regulations) and the Director of General Accounting or the Finance Manager. A Fixed Asset Transfer form shall be submitted to the Finance Department indicating the following:

- a) Description of transferred property, including tag number and serial number;
- b) Department or Program/Division transferring the Fixed Asset;
- c) Department or Program/Division receiving the Fixed Asset; and
- d) Signatures of the Respective Department and Program/Division Managers or Directors, and Department Executives, all of who must approve the transfer.

Note: Many grants & contracts will not allow an Asset to be transferred during the period a grant is active.

6. Any disposal of surplus Fixed Assets requires submission of a Fixed Asset Disposal form approved by the Department Executive, with a proposed disposal of any asset with a current value of \$5,000 or more also requiring NPTEC approval through the appropriate subcommittee. When feasible, disposals will be by a public bid process and advertised by the disposing Department or Program/Division. A listing of all assets to be sold will be included on the form and submitted to the Tax & Compliance Officer in the Finance Department, prior to the sale, describing said asset(s), including tag and serial/VIN number(s).

7. Disposal of vehicles (cars, trucks, boats, snowmobiles, ATVs, trailers, etc.) will also require a transfer of title. Contact the Finance Department for any assistance needed in obtaining title documentation.

8. All funds received from disposals will be treated in accordance with grant or contract provisions, where applicable. Unless otherwise specified, proceeds shall be credited to the Department or Program/Division disposing of the asset, preferably in the same fund in which it was acquired.

9. Leasing should be considered as an alternative to purchasing when it will help in the management of the particular budget or the Tribe's overall cash flow situation. This policy

should be considered and analyzed by Departments and Programs/Divisions at the time budgets are prepared.

10. NPTEC members, Department Executives and Program/Division Managers and Directors are responsible for all tribal property under their control, with particular emphasis at the time of an employee's termination, to make sure all tribally issued property is returned to the Department and Program/Division. Note: this principle also applies to tribal property not otherwise qualifying as a Fixed Asset (see #13 below).

11. A formal physical inventory of tribal Fixed Assets will be taken once every two fiscal years under the direction of the Tax & Compliance Officer, pursuant to federal regulations, and in certain circumstances upon the close-out of a grant or contract. All Departments and Programs/Divisions should be prepared to assist as needed in this activity.

12. Tribal Law Enforcement shall be notified immediately in the event that any tribal property is destroyed, damaged or stolen. A copy of such report will be forwarded to the Director of General Accounting and Tax & Compliance Officer in the Finance Department. Such report will include:

- a) A description of the property destroyed, damaged or stolen, including its tag and serial/VIN number(s);
- b) The location and date of the incident;
- c) An explanation of the circumstances of the damage or theft;
- d) A photo of the damaged property; and
- e) A copy of the completed police report will be returned to the responsible Department of Program/Division and to the Finance Department, which will then initiate an insurance claim, when applicable. Insurance proceeds, less any deductible, will be credited to the Department or Program/Division whose property was damaged, destroyed, stolen or lost.

13. It is generally not practical to track smaller, lower costing items centrally through the Tribe's Fixed Asset database. As such, it is imperative that the Department or Program/Division acquiring more sensitive items that are not capitalized (laptop and desktop computers, tablets, printers, cameras, etc.) develop and maintain an internal inventory system, preferably by employee whenever feasible (see #10 above).

14. There shall be no personal use of tribally owned equipment, unless specifically authorized in writing by a Department Executive and for a tribal-related or sanctioned purpose. In addition, sharing of property of tribal assets between Departments and Programs/Divisions must also be approved in writing by each Department Executive and, more importantly, be specifically allowable under any grant terms and conditions or otherwise approved by the funding agency.

SECTION VII

ACCOUNTS RECEIVABLE & CASH RECEIPTS

Objectives:

To ensure all collections and deposits of funds due to the Tribe are processed accurately.

Working with the Accounts Receivable Specialist, the responsible Accountants share the ultimate responsibility to ensure that all funds due to the Tribe from grants, contracts, customers, etc. are received in a timely manner.

To include control elements necessary to segregate duties and reduce the likelihood of fraud.

Policies & Procedures:

1. Reasonable efforts will be made to collect past due funds owed to the Tribe. Seriously past due accounts may be turned over to a collection agency, or have legal proceedings instituted for collection.
2. All paperwork necessary for collection and reimbursement of funds should be submitted to the Finance Department on a timely basis. The Accountants will generally prepare all invoices to funding agencies and, where authorized, process the drawdown of funds.
3. Any funds received by Departments and Programs/Divisions are to be remitted to the Finance Department on a daily basis preferably, and in any event no later than weekly. Collections must be accompanied by documentation indicating the source, nature of the amount received and the fund account number to be credited. Until submitted, funds must be properly safeguarded and access limited to necessary employees. Note: this may include amounts that will eventually be refunded (such as court bonds held until a certain condition is satisfied). When refundable, the responsible Department or Program/Division should utilize a Requisition (with backup support) to initiate the refund payment to the appropriate individual or agency.
4. All checks and cash received by the Finance Department will be deposited to the bank no later than on a weekly basis, with checks processed through the Digital Corp. Teller Scan as soon as practicable, depending on daily workloads. The Office Assistant will enter the checks in the cash receipts log on a daily basis when received, noting the date received, check number, maker, description and the amount. The responsible Accountant will receive and review the bank deposit slip then forward to the Accounts Receivable Specialist for proper crediting.

5. Any funds received as a donation or otherwise intended as a “pass-through” to a 3rd party person or entity shall have the written approval of the Treasurer on the Requisition related to that subsequent payment.

SECTION VIII DONATIONS

Objectives:

To include all elements necessary to receive, maintain and control amounts received as donations or dedicated funds.

To make the accounting and receipt of dedicated funds and other donations efficient for those Departments and Programs/Divisions who have the ultimate responsibility to ensure that the desires of the donor are met.

Policies & Procedures:

1. Sponsors of a particular cause will submit a Plan of Operations to NPTEC requesting a tribal Resolution to establish dedicated funds that will include the following:
 - a) Summary of the submitting organization/entity/individual's mission;
 - b) Summary of the purpose of said dedicated funds or purpose of donation;
 - c) Criteria for usage of dedicated funds and/or income generated by same;
 - d) Length of time for existence of the fund;
 - e) Criteria for managing assets of the fund;
 - f) Criteria for oversight committee of the fund; and
 - g) Reporting requirements for the fund.

2. The Nez Perce Tribe is an Indian tribal government within the meaning of the Internal Revenue Code of 1986, as amended, Section 7871, and since the Tribal Government Statue Act, P.L.97-473 of 1983 treats Tribes as states, as such all gifts or grants for a public purpose made to the Tribe have the same deductibility status as if the donation, gift or grant were given to a state government. All such gifts would therefore, be deductible from the donor's tax return as if the gift were made to a charitable organization. In addition, the Tribe has established a 501c (3) non-profit corporation that can be utilized to receive donations from certain private foundations.

3. A Requisition form will be submitted by the Department or Program/Division responsible for the donation to disburse its funds according to the terms in the Resolution or Plan of Operations.

4. Departments and Programs/Divisions shall provide receipts or thank you letters to the donating party for all gifts or contributions.

SECTION IX

REPORTS & BUDGETS

Introduction:

Accountants shall be responsible to provide each Department and Program/Division with a financial report package, electronically in PDF format, at the end of each month that contains the current Budget Status Report (comparing actual expenditures vs. budget for the current month and year-to-date) and Trial Balance Detail Report (containing individual transactions contained in the current month actuals). Due to timing in closing out the monthly transactions, applying Indirect Costs, etc., it is expected that these reports will be available by the 10th working day of the following month. However, at any point in the month, Department Executives and their Managers & Directors may request they be provided such reports current as of that date (which may not include all transactions for the month or the application of Indirect Costs to the budget). Labor Distribution Reports are also available from the responsible Accountants, upon request, showing the employees, hours and amounts charged to a given budget for the period.

Adjustments to Actual:

On the Program side, it is expected that actual expenditures, especially labor allocations, will be carefully reviewed when processing the original source document (Requisitions, Payroll Vouchers, etc.), and subsequent reports reviewed on a timely basis such that any errors can be identified and sent to the responsible Accountant on an Expenditure Adjustment form before the last day of the following month for correction in that month. Corrections to labor allocations need to be submitted on a Labor Adjustment form by the close of business on the Friday preceding a bi-weekly payroll run in order to be processed with that next payroll. Timely corrections are crucial to accurate reporting.

Budget Modifications:

As mentioned in Section I, Paragraph 9, exceeding an approved total budget amount will not be allowed without approval by the Budget & Finance Subcommittee and NPTEC. In general, a Budget Modification form should be processed only when required by the terms and conditions of an outside agency-funded grant or contract, and before the expenditure is incurred. When submitted to the Finance Department, such forms shall be accompanied by written (or e-mail) approval from the funding agency.

For tribally-funded and Indirect programs, the following types of budget modifications will not be processed without approval by the respective Department Executive, subcommittee Chairperson and NPTEC Treasurer:

- 1) Transfers based on savings in Salary and Fringe Benefit line items to any other expense account;
- 2) Transfers between accounts that decrease Indirect Cost recovery from previously approved levels;
- 3) Transfers between accounts that increase the Travel line item budget; and
- 4) Transfers that simply attempt to revise budgets, after the fact, to match actual expenditures already incurred.

Individual line items within an approved tribal budget may be over or under budget to allow for better financial analysis of variances and improved future budgeting, provided that the total program budget is not exceeded. Actual expenditures shall never be misclassified as to their true nature in order to fit into approved budgetary line items. Those employees managing tribal budgets should instead be prepared to provide reasons and justification when expenditures materially exceed a budgeted line item amount.

A budget is a best guess estimate, sometimes made over a year in advance of what may or may not actually occur. As such, natural variances will take place as situations change over such a long time period (employee turnover, economic changes, etc.). The goal in budgeting is to make the best projection possible, and then analyze the line item variances and the reasons they occur, whether positive or negative, and then incorporate that knowledge into an improved subsequent year budget. Multiple line item budget modifications throughout the year tend to hide unexpected situations that were encountered, and falsely indicate near-perfect planning at year-end when that was not really the case. These budget modifications add little end value, and can cause significant administrative effort throughout the year by program staff, Finance Department staff, and upper management asked to review and approve the changes.

Below are some excerpts from the Preface to GASB #34, the government accounting standard the Tribe must comply with:

“Showing budgetary compliance is an important component of government’s accountability...Requiring governments to report their original budget...adds a new analytical dimension and increases the usefulness of the budgetary comparison. Budgetary changes are not, by their nature, undesirable. However, we believe that the information will be important - in the interest of accountability - to those who are aware of, and perhaps made decisions based on, the original budget. It will also allow users to assess the government’s ability to estimate and manage its general resources.”

In general, the Tribe begins its tribally funded budget process in late spring for the upcoming fiscal year, with most of the activity centered over the summer months. Each year, informational packets will be distributed along with that year’s preparation and review schedule.

SECTION X INDIRECT COSTS

Introduction:

From an overall standpoint, two types of funding basically support the Tribe's operations: agency-funded grants and contracts and "hard dollar" sources. Agency-funded grants and contracts generally reimburse the Tribe for its expenditures on a dollar-for-dollar basis, and currently fund approximately 75% of the Tribe's programs. The Tribe does not provide a "mark-up" or profit factor. These programs are subject to strict federal or other regulations. Many of the Tribe's internal programs have their direct costs funded by hard dollar sources, which include revenues received from the Tribe's various enterprises (casinos, convenience stores, etc.), taxes (fuel, tobacco, sales & hotel), leasing, lottery, investments, etc. No matter how these programs are funded, all budgets are allocated a proportionate share of the Tribe's "Indirect" costs in addition to the direct costs of running the program.

Indirect costs are defined in the federal regulations as "those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted without effort disproportionate to the results achieved." Within the Tribe, Departments such as Human Resources, Finance, Plant Maintenance, Housekeeping, Communications, Emergency Management, Technology Services, Law & Justice and Executive Direction, GIS, Grant Writers, NPTEC Support Staff, and portions of NPTEC (50%) and OLC (25%) make up the costs eligible for inclusion in the Tribe's Indirect Cost Pool. Since they are included in the amounts charged to federal agencies, Indirect Costs are also considered to be "federal funds" and, as such, are subject to the same rules other funded programs follow, and are ineligible to be used for matching purposes.

Note: Capital outlays to acquire Fixed Assets are not an allowable cost in the Indirect Cost Pool for that fiscal year. As such, those expenditures need to be carefully analyzed, documented and justified since their purchase requires the Tribe's General Fund to "front" those costs for a longer period of time. The annual depreciation expense that is booked for those assets over their useful lives will then be allowable in subsequent year Indirect Cost Pools, continuing annually until the original costs are fully recovered. For the Tribe's cash flow purposes, it may be important for Indirect Cost Programs to consider leasing/financing versus purchasing assets in order to ensure cost recovery in the year of the expenditure.

In general, the Finance Department will submit the Tribe's proposed indirect cost negotiations agreement to the Interior Business Center within one hundred and eighty (180) days following the fiscal year end. In simplest terms, the rate is basically calculated by dividing the total "expenses" in the Indirect Cost Pool by the adjusted total of all the direct program costs,

both agency-funded and tribally-funded. However, there are many adjustments that also factor in to that calculation. Presently, the Tribe's programs account for, and must therefore absorb, approximately 25% of the Indirect Cost Pool each year.

Why Do Programs Have to Pay Indirect?

As mentioned above, the Tribe's funding sources do not provide for a profit factor. Yet, all of the Tribe's programs generally require the support of its Indirect Cost Programs in order to operate successfully (hiring employees, paying employees, maintaining facilities, providing technology, etc.). If the Tribe's outside agencies and hard dollar programs do not fully pay for these costs, the burden falls on the Tribe's General Fund to pay for them.

Further complicating matters, not all federal and state programs pay the fully approved rate. Certain legislation has imposed "caps" on indirect cost recovery in certain programs funded by grants. These may have the effect of reducing the Tribe's recovery to 15%, 10%, or even less, in which cases the General Fund has to make up that difference and effectively subsidize the program with internal funds

Below is a summary of the Tribe's recently approved Indirect Cost Rates:

Fiscal Year 2019	28.10%
Fiscal Year 2018	27.50%
Fiscal Year 2017	26.75%
Fiscal Year 2016	25.65%
Fiscal Year 2015	25.50%
Fiscal Year 2014	24.39%
Fiscal Year 2013	24.86%
Fiscal Year 2012	22.83%

SECTION XI DEFINITIONS & CHART OF ACCOUNTS

Definitions:

ACCOUNT NUMBER: A group of numbers used to identify the fund, department or sub-fund, and description of an account. For example 1011-02-7070 is broken down as follows: 1011 = Indirect cost fund, 02 = Finance Department and 7070 = Supplies.

ALLOWABLE COSTS: OMB Uniform Administrative Guidance defines this category of costs as having to meet the following general criteria:

- Be reasonable for the performance of the award and be allocable thereto under these principles;
- Conform to any limitations or exclusions set forth in these principles or in the award as to types or amount of cost items;
- Be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the organization;
- Be accorded consistent treatment;
- Be determined in accordance with generally accepted accounting principles;
- Not be included as a cost or used to meet cost sharing or matching requirements of any other federally financed program in either the current or a prior period; and
- Be adequately documented.

ASSET: A valuable item that is owned. Examples include cash, accounts receivable, equipment, buildings, land, etc.

APPROPRIATION: Funds set aside for a specific purpose.

BALANCE SHEET: A statement of the Assets, Liabilities, and Fund Balance (or Equity), as of a specified date. Total Assets equal total Liabilities plus Fund Balance.

BUDGET: An itemized summary of projected/most probable income and expenditures for a given fiscal period.

CHART OF ACCOUNTS: A list of all account numbers used by an organization to record activity into the general ledger.

COLLUSION: Where two or more persons secretly operate together to gain an unfair advantage over others for personal gain.

CONTRACT: A legally enforceable agreement with a party for a specified amount of valid consideration to be paid to that party for a specific deliverable(s) outlined in a scope of work.

CREDIT: The right side of a journal entry, which can represent an increase in revenues and liabilities (the natural balance) or decrease in expenses and assets.

DEBIT: The left side of a journal entry, which can represent an increase in expenses and assets (the natural balance) or a decrease in revenues and liabilities.

DEFERRED REVENUE: Revenue that is received but not yet earned or recognized.

DIRECT COST: Costs that can be specifically identified with a particular cost objective.

DISBURSEMENT: Funds paid out.

ENCUMBRANCE: Commitments related to unperformed contracts for goods or services. Used in budgeting, encumbrances are not GAAP expenditures or liabilities, but represent the estimated amount of assets reserved for outstanding purchase orders. Some agency contracts may allow these costs to be recovered during the closeout period.

ENTERPRISE FUNDS: Account for the operations financed and operated in a manner similar to private business enterprises.

EXPENSE: Items that do not qualify for capitalization, either because of the amount or the fact they are expected to be consumed in less than a year. A decrease in financial resources.

FIDUCIARY FUNDS: Funds to account for assets held in a trustee capacity.

FIXED ASSET: A single tangible item valued at \$5,000 or more with a useful life longer than one year is classified as a fixed asset. Examples of fixed or “capital” assets include land, buildings, equipment, and vehicles.

FRINGE BENEFIT: An employee benefit given in addition to one’s wages or salary. Examples include payroll taxes, health insurance and retirement plan contributions.

FUND: A fiscal and accounting entity with a self-balancing set of accounts which is segregated for the purpose of tracking specific activities in accordance with special regulations or restrictions.

FUND BALANCE: The difference between the assets and liabilities of a governmental fund which, at the end of a fiscal period, is increased or decreased by netting revenues and expenses.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES: Also referred to as GAAP, these are the rules of accounting established by experienced professional accountants and bodies such as the Financial and Government Accounting Standards Boards.

GENERAL FUND: Accounts for all “essential government functions” and financial resources except those required to be accounted for in another fund or paid for under an alternative funding source.

GENERAL LEDGER: A record of monetary transactions of an organization posted in the form of debits and credits.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD: Also referred to as GASB, this is the board that is the authority for establishing accounting standards for governmental entities such as the Tribe.

GRANT: Any agreement, memorandum of agreement, contract or grant agreement or award that provides funding to the Nez Perce Tribe or its entities to perform a specific project. Grants may be provided to the Tribe or its entities by the federal government, state, a business, an organization, foundation, or individual.

INDIRECT COST: Costs incurred for a common or joint purpose benefiting more than one cost objective. Assigning these costs to more than one objective requires an effort that is disproportionate to the results achieved. Examples of indirect costs include Finance and Human Resources Department staffs and electricity and maintenance for the administration building.

JOURNAL ENTRY: A two-sided entry consisting of a debit and a credit used to record information into the general ledger, sometimes referred to as a journal voucher.

LIABILITY: Obligations of an entity. An example of a current liability is accounts payable whereas a long-term liability may be a bank loan payable in more than one year.

MEMORANDUM OF AGREEMENT (MOA): A document written between two or more parties to cooperatively work together on an agreed upon project or goal, the MOA will contain specific language regarding the responsibilities of each party and the benefits for each party. There is a list of binding terms and it usually has an obligation of funds specified for the project or objective.

MEMORANDUM OF UNDERSTANDING (MOU): A document written between two or more parties that indicates a common line of action. It is used in cases where the parties do not wish to have a legal commitment or in situations where the parties cannot create a legally enforceable agreement.

OMB: The federal Office of Management and Budget.

OMB UNIFORM ADMINISTRATIVE GUIDANCE: Published in the Federal Register under 2 CFR Chapters 1 and 2, Part 200, these final rules governing administrative requirements, cost principles and audit requirements for federal awards became effective for audits starting with the Nez Perce Tribe's Fiscal Year 2015. This document superseded and streamlined previous requirements that were contained in several OMB Circulars, and is sometimes referred to as the "Super Circular."

PAYEE: One to whom money is to be paid.

PROPRIETARY FUNDS: The funds used to account for governmental activities that are similar to "for profit" business operations in the private sector.

REASONABLE COSTS: OMB Uniform Administrative Guidance defines reasonable costs as follows: A cost is reasonable when in its nature or amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the costs. The question of the reasonableness of specific costs must be scrutinized with particular care in connection with organizations or separate divisions thereof that receive the preponderance of their support from awards made by Federal agencies. In determining the reasonableness of a given cost, consideration shall be given to:

- Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the organization or the performance of the award;
- The restraints or requirements imposed by such factors as generally accepted sound business practices, arm's length bargaining, federal and state laws and regulations, and terms and conditions of the award;
- Whether the individuals concerned acted with prudence in the circumstances, considering their responsibilities to the organization, its members, employees, and clients, the public at large, and the government; and
- Significant deviations from the established practices of the organization that may unjustifiably increase the award costs.

REVENUE: Increase in financial resources. Other than reimbursement-type revenues received from its grants and contracts, the Tribe receives revenue from various taxes (Tobacco, Fuel, Sales & Hotel), from the casinos under the Gaming Revenue Allocation Plan, utilities and broadband customer billings, sale of fishing permits, TERO and other licenses and fees, leases and crop share, facility rents, lottery proceeds, interest & dividends on bank accounts and invested funds, etc. This type of revenue is often referred to as being from a "hard dollar" source.

SEFA: One of the required annual financial reports under OMB Circular A-133 that is part of the Tribe's audit – Schedule of Expenditures of Federal Awards. This report lists all of the Tribe's federal awards for the fiscal year, the Catalog of Federal Domestic Assistance (CFDA) number, agency award number, period of award, amount authorized and actual expenditures during the year.

SPECIAL REVENUE FUNDS: Funds accounting for specific revenue sources that are legally restricted to be expended for specific purposes, such as the Tribe's various grants and contracts.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE: A financial statement that shows revenue, expenditures, and changes in fund balance during a specified period of time.

TRIAL BALANCE: A list of the balances of the accounts in a ledger fund by double entry, with the debit and credit balances shown in separate columns. The totals of the debits and credits must be equal for the Trial Balance to balance.

UNALLOWABLE COSTS: The following costs are unallowable under OMB Uniform Administrative Guidance:

- Alcoholic beverages

- Bad debts
- Contingencies
- Contributions and donations
- Entertainment
- Fines and penalties
- Fund raising
- Interest and other financing costs except where authorized under the circular
- Legislative expenses
- Lobbying expenses
- Under-recovery of costs of other grants or agreements

Chart of Accounts:

Included below is a listing of the most frequently used Account Numbers that employees should be aware of, and that are paired up with the appropriate fund number assigned to the Tribe's various Departments and Programs/Divisions when completing Requisitions or otherwise authorizing invoices for payment. Certain budgets may use some or all of these accounts. When an employee has a specific request or need to accumulate and track costs in a different account, contact your responsible Accountant to discuss the matter and they should be able to establish a new account for your use.

<u>Number</u>	<u>Description</u>
7010	Salary & Wages
7015	Fringe Benefits
7020	Consultants
7023	Stipends
7024	Attorney Fees
7025	Contractual
7035	Training
7055	Mileage
7060	Travel
7064	GSA Vehicles
7065	Vehicle Maintenance
7066	Service to Participants
7070	Supplies
7080	Repairs & Maintenance
7082	Vehicle Fuel
7090	Telephone
7100	Capital Outlays (equipment and other assets)
7200	Utilities
7700	Other Expenses
7800	Indirect Expense
7801	Match Expense (non-federal share)

Appendix A FORMS

Accounts Payable (Purchasing & Travel):

**Requisition
GSA Rates – Meals & Incidental Expenses and Mileage Reimbursement
Travel Authorization
Travel Advance Request
Travel Settlement
Mileage & Miscellaneous Business Expense Reimbursement**

Petty Cash:

Petty Cash Reimbursement

Payroll:

**Payroll Voucher
Direct Deposit Authorization
Salary Advance Request
Annual Leave Cash-in Request
Voluntary Payroll Deduction
Annual Leave Donation Request**

Contract & Grant Accounting:

**Grant Notice of Intent
Grant Review**

Property, Plant & Equipment:

Fixed Asset Transfers & Disposals

Reports & Budgets:

**Signature Authority Delegation
Expenditure/Labor Adjustment
Budget Modification
Inter-Department Billings & Allocations**