

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 financials, which will then help management to strategically manage the Tribe's resources and objectives and comply with all governing regulations.

This Manual provides 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 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 200.317-327 Procurement Standards dated October 1, 2024. 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 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. The Manual can also 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

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 obligated to disclose to their 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:

- a. 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;
- b. Establishing or engaging in business in competition with tribal enterprises or businesses; and
- c. 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 are 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.

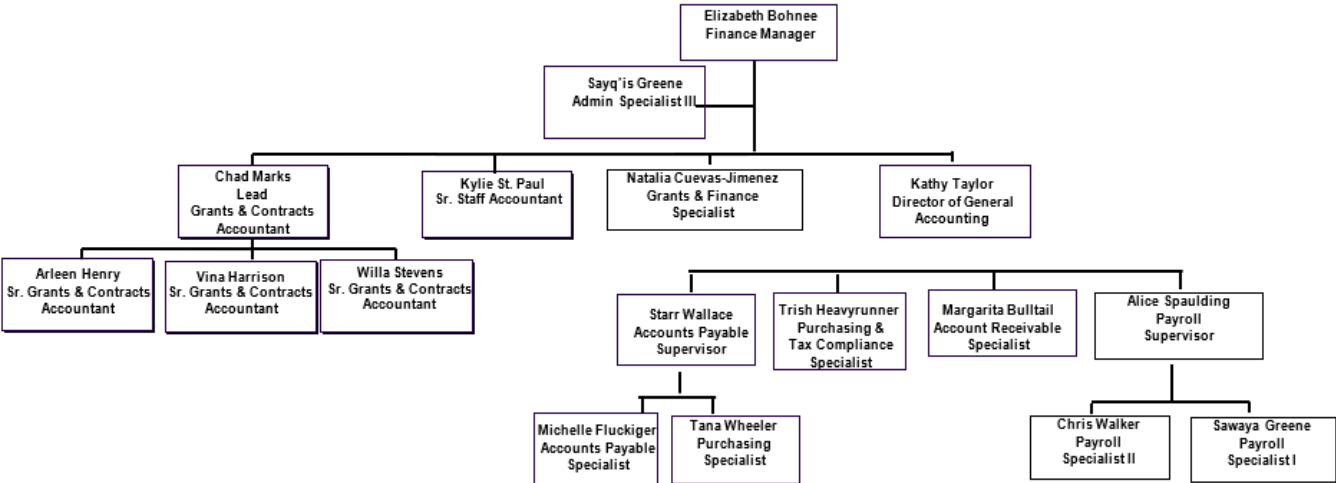
Internal Controls:

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



SECTION I PROCUREMENT & CONTRACT SERVICES

Purpose:

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.

Department and Program 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 and Procurement function is currently managed as part of the Accounts Payable group.

Indian Preference in Procurement:

All departments and programs of the Tribe shall adhere to the Indian Preference provisions established by the Tribal Employment & Rights Ordinance, unless expressly prohibited by federal law. Specially, any contract, subcontract, grant or sub-grant authorizing the use of Federal contract or grant procurements for the benefit of the Tribe, shall require preference in the award or purchase to Indian-owned businesses and enterprises, unless federal law specifically says that tribal laws are preempted.

Policy & Procedures:

1. 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 | \$15,000 | Employee & immediate Supervisor/Project Leader |
| b) | \$15,001 | to | \$50,000 | Above plus Program/Division Manager or Director |
| c) | \$50,001 | to | \$100,000 | Above plus responsible Executive |
| d) | \$100,001+ | | | 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 | \$15,000 | No formal bids required (use best judgment) |
| b) | \$15,001 | to | \$50,000 | Telephone bids required |
| c) | \$50,001 | to | \$100,000 | Written bids required |
| d) | \$100,001+ | | | Advertising for written bids also required |

2. The following conditions must be met for bids:
 - a. A complete, adequate, and realistic specification or description of the item to be purchased.
 - b. Bids shall be awarded to the lowest responsive and responsible bidder, unless otherwise justified. Justification shall be in writing and shall include preferences to Nez Perce Tribe Certified Indian Business, Minority-Owned, Women-Owned or Disadvantaged Small Business and shall be attached to the purchase documents for record.
 - c. If after solicitation from a number of sources, competition is determined inadequate.
 - d. All awards shall be in writing.
3. Factors such as Nez Perce Tribe Certified Indian Business, Minority-Owned, Women-Owned or Disadvantaged Small Business may receive preference, as well as price discounts, transportation costs, and life cycle costs are valid determining factors.
4. The Nez Perce Tribe use preferred vendors whenever possible. Preferred vendors are selected through a formal sourcing processing resulting in a contract and/or price agreement with negotiated pricing, terms and conditions favorable to the tribe.
5. A cost analysis will be performed on all bids, quotes or proposals based on evaluation of competitive bids and the responsiveness to requests for quotes or proposals. A cost analysis will be necessary when adequate price competition is lacking, and for sole source justification. Any or all bids may be rejected for sound, documented reasons.
6. 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.
7. 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.
8. An Informal Bid Summary Sheet for telephone and written bids and the bid or quote from the selected vendor shall be attached to the requisition. All other bids and documentation related to the purchase must be retained by the department for possible examination by the Tribe's independent auditors each fiscal year.
9. Noncompetitive (sole source) proposals may be used only when one or more of the following circumstances apply:
 - a. Supplies or services to be acquired are unique or proprietary to a vendor;
 - b. Emergency purchase is necessary and only one known source can meet the Tribe's needs (lack of planning does not qualify);

c. The federal awarding agency expressly authorizes noncompetitive proposals in response to a written request from the Tribe.

10. Sole source procurements will require approval of the Executive and, when over \$100,000, 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 to avoid or circumvent the approved Accounts Payable & Purchasing policies and procedures.

11. No employee, officer, elected official, or agent of the Tribe shall participate in the selection, award, or administration of a procurement if a conflict of interest, real or apparent, would be involved. Likewise, employees, officers, elected officials, or agents of the Tribe shall not solicit or accept gratuities, favors, or anything of monetary value (not exceeding \$200) from contractors, potential contractors, or parties to sub-agreements in compliance with the Copeland "Anti-Kickback Act", From time to time, vendors will give promotional material or host refreshment/meal.
12. Contractors that develop or draft specifications, requirements, statement of works, or invitations for bids and requests for proposals must be excluded from competing for such procurements.
13. Purchase Orders will 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.
14. 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.
15. 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 |

Contractual Services

1. All contracts for consulting services, leases and similar arrangements will be contracted, only if in-house tribal staff cannot provide the required capabilities and resources and will follow the procurement policy. A Contract Review and Recommendation Checklist form is required for all contracts and will be submitted to the Contracts Staff for initial review and processing, with subsequent approval from the Office of Legal Counsel. Construction and Forestry contracts will require review by the Tribal Right Employment & Rights Office (TERO), that shall require preference in the award or purchase to Indian owned businesses, unless federal law specifically says that tribal laws are preempted.
2. Any contractual services that span longer than three months will require documentation of bids, a requirement under Procurement & Contract Services, Policies & Procedures, sections 2-12. Contracts in the cumulative amount of \$100,000 or more, or lasting more than one year, also requires concurrence by subcommittee and final approval by NPTEC.
3. All contracts of the Tribe must be authorized and signed by the NPTEC Chairman and Secretary. Contract will not be signed without the Contract Review Form and any other supporting procurement documentation.
4. 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. A snapshot of the results indicating they are not on the Debarred List will be attached as supporting documentation.
5. 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.
6. 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 Contracts Staff. In this instance, OLC review and approval shall also be required, followed by signature and final processing by the Accounts Payable Supervisor.
7. 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.

8. 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 the determination that no other contract is suitable and should include a ceiling price.
9. 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).

SECTION II ACCOUNTS PAYABLE

Purpose

To establish a uniform guidance for recording accounts payable and disbursements to ensure they are recorded accurately, completely and in the appropriate accounting period.

Policy & Procedures

Requisition & Purchase Orders

A Requisition form will be used to initiate the process of procuring goods and services to process a purchase order.

1. Although Departments and Programs/Divisions are allocated funds in their budgets for a given period, this allocation is only an authority to request, not to purchase. Individuals initiating a proposed purchase should always take steps to ensure that the items are being obtained at competitive prices and with appropriate quality.
2. Each Requisition must be fully completed and contain a clear and concise description of the material or service being ordered from that 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.
3. Purchase Orders are sent to the department(s) for that department to process the order.

Blanket Purchase Orders

Blanket purchase orders are to be used primarily for services or supplies that are needed on a regular and consistent basis from the same supplier, and when supplies are in bulk and low purchase price, or in case of emergencies, i.e. repair & maintenance, emergency response. etc.

Specific examples include:

- Preventative maintenance items/service (monthly payments)
- Bottled water service
- Facilities & Maintenance items
- Utilities
- Food purchase for meal preparation (HeadStart, Sr. Citizens, Children's Home)

The department is responsible for submitting the original receipts to Finance within 5 business days of the purchase.

The blanket purchase order is only good for 3 months.

Each individual budget entity is assigned a unique Fund number (or numbers) by the Finance Department, and a Requisition or Payment Voucher 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.).

Processing Payments

1. All vendor invoices for purchases using a purchase order will be sent directly to the Finance Department, preferably by the vendor.
2. Invoices and statements from vendors must be received by the Finance Department by one of two acceptable methods:
 - Mailed to: Nez Perce Tribe
Attn: Finance Department
PO Boxes 365
Lapwai, ID 83540
 - Email to: AccountsPayable@nezperce.org or ap@nezperce.org
3. 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.
4. Invoices are 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, and inventoried. 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.
5. All checks are processed through the Tribe's financial software system and include signatures of the current NPTEC Chairman and Treasurer. Transfers between existing tribal bank accounts may, however, be processed via properly authorized banking software by the Director of General Accounting and Finance Manager.
6. Accounts Payable checks for the tribal government are processed every Monday, Wednesday, and Friday, and are available no later than 2:00 p.m. on those days. Checks are delivered to the inter-office mailboxes.

7. Travel advances will be paid prior to the travel date.

ACH/Wire Payments

1. A vendor may request that payments be made to them by electronic payment, such as, wire transfer, ACH account transfer, etc. Before a vendor can be paid by electronic payment, a Direct Deposit Authorization – Accounts Payable form must be submitted to AP.
2. In no instance, will recurring debt requests be set-up to bank accounts.
3. Payments are processed the same as all other AP payments.

Stop Payments or Void Check

The Accounts Payable (AP) Supervisor will coordinate the check(s) that need to be voided, reissued or cancelled, after approval is obtained from the Director of General Accounting or Finance Manager.

1. Reissuance
 - a. The AP Supervisor may initiate the reissuance of checks that are being requested by the payee due to various circumstances rendering the check non-negotiable, such as lost, damaged etc.
 - b. Unless the check has been returned to AP, a stop payment at the Financial Institution must be put in place first, and then the check voided in the accounting system in order for a check to be reissued. The payee must wait ten (10) business days before a stop payment can be processed.
 - c. If the physical check was returned, the check must be physically voided.
 - d. Upon approval, the designated AP employee will proceed with the voiding of the original check in the accounting system and issuance of a new check.
2. Cancellation of Check
 - a. When cancellation of check is requested, the originating department must provide justification explaining the reason for cancellation.
 - b. Unless the check has been returned to AP, a stop payment at the Financial Institution must be put in place first, and then the check voided in the accounting system in order for a check to be reissued.
 - c. If the physical check was returned, the check must be physically voided.
 - d. Upon approval, the designated AP employee will proceed with the voiding of the original check in the accounting system and reversing of the canceled check and associated entry.

Check Security

Check stock and unissued checks must be restricted to authorized personnel. All unissued checks will be locked in a secure cabinet located within the Finance department at the end of the day.

The beginning check number for the next check run is sequential to the ending check number of the prior check run, or the discrepancy must be reconciled.

SECTION III - CREDIT CARD PURCHASING

Purpose

The purpose of the Credit Card Policy is for Nez Perce Tribe employees to be able to make necessary purchases while complying with the Nez Perce Tribe Procurement Policy.

Type of Cards:

1. Individual travel credit cards are for travel related expense only.
2. Home Depot Credit card is a requirement under the Patriot Act, Section 326, that requires the use of the card be made only by designated buyers whose name appears on the card.

Policy & Procedures

1. Supervisors are responsible for oversight of tribal credit cards in their departments employee's name or credit cards that an employee in their department checks out.
2. Cardholders must be regular full-time employees.
3. A requisition and purchase order are required for the purchase.
4. Employee card holders:
 - a. No credit card purchases shall be made without prior approval through an authorized requisition or travel authorization.
 - b. Keep all original receipts/invoices for reconciliation at the end of each month.
 - c. Credit card expenditures must be reconciled and submitted with original receipts and copy of the purchase order to the Accounting/Finance Department within 10 business days of the statement date.
 - d. Cardholders who are late and have not reconciled and submitted their monthly expenditure within this period will need to do so immediately. Continued or repeated non-conformance to this policy will result in cancellation of the card and such other actions as appropriate.
 - e. If the card expenditures are not reconciled within a month of the statement and the supporting documentation has not been submitted to the Finance Department, the employee's tribal credit card may be cancelled.

Unauthorized Use

Misuse of the card will result in cancellation of the card, payroll deduction if needed, and withdrawal of company credit card privileges. If the card is used for an employee's personal expenses, or is used in any other unlawful manner, the Nez Perce Tribe reserves the right to recover these monies from the employee by signing the form below authorizing the Tribe to recover from their payroll, any amount incorrectly claimed. Disciplinary action will be taken as appropriate.

Department supervisors will confirm valid expenditures. Individuals will be held accountable for all invalid expenditures with reimbursement procedures following Section II of the Finance Manual.

Prohibited Purchases:

- Alcoholic Beverages
- Cash Advances
- Controlled Substances
- Donations
- Payments to Individuals
- Personal Purchases
- Prepaid Card Purchases
- Vehicles and Vessels with Titles
- Weapons and Ammunition
- Contract payments including, leases and rentals, except for short-term small equipment rentals.

Responsibilities

- Keep the card in a safe and secure place.
- Bear the ultimate responsibility of the card.
- If the card is stolen or lost, report it as soon as possible to the Finance Manager. A police report may need to be filed.
- If any transactions are fraudulent and made by someone else (i.e., hacked), notify Finance immediately.
- Will not use the credit card for personal expenses and will use it only for official business on behalf of the Nez Perce Tribe.
- Misuse of the card (i.e., use it otherwise than in accordance with the instructions in this policy or related policies).
- If the employee cardholder moves to another tribal department or resigns from the tribe, they will return the card with a final reconciliation of all expenditures prior to the last day of employment with that department.
- The employee card holder authorizes the Nez Perce Tribe to recover the funds through payroll deduction for any amounts incorrectly claimed or for reconciliations that are one month in arrears of the statement date if the employee fails to reconcile expenditures within the prescribed procedures and timeframe.
- Employee card holders and their supervisor are required to sign acknowledgement of the card issued. (Attachment XX).

SECTION IV - GIFT CARDS AND DOOR PRIZES

Purpose

The purpose of this policy is to set forth guidelines for the purchase and distribution of gift cards/certificates purchased to ensure compliance with the Nez Perce Tribe policies and procedures, uniform administrative requirements, costs principles and audit requirements. These procedures apply to any purchase and/or distribution of gift cards and door prizes using both tribal and non-tribal funds.

This policy does not apply to gift cards or gift certificates issued pursuant to a general welfare program established by the Tribe.

Gift cards and certificate mean a card, code, paper form or other device that is:

- a. Issued on a prepaid basis primarily for personal, family, or household purposes to a consumer in a specified amount; and
- b. Redeemable upon presentation at a single merchant or an affiliated group of merchants for goods or services. Example: Retail Store Certificate, Restaurant Card, Store Credit, Retail Store Cash, Gas Card, Visa Card

Door Prize

- A prize awarded and distributed at an event.

Policy & Procedures:

A requisition must be completed PRIOR to purchasing gift cards/certificates and door prizes. If departments utilize grant funds, written approval from their respective funding agency with supporting documents is required prior to purchasing gift cards/certificates and/or door prizes. The requisition must clearly define each item being purchased, with quantity and amount. It is recommended to limit the number of gift cards/certificates purchased at one time so that the disbursement documentation is manageable. If multiple gift cards/certificates and/or items are purchased, appropriate measures must be taken to safeguard the gift cards/certificate and/or items that are not distributed immediately. It is recommended that gift cards/certificates be purchased in modest denominations, i.e., not more than \$50.00 per gift card/certificate.

The requisition must include the following information:

- a. Vendor Name (entity from which gift cards/certificates are to be purchased);
- b. Amount of each gift cards/certificates;
- c. Description of what is to be Purchased (number/face amount of gift cards/certificates to be purchased);
- d. Description of Intended Use of gift Cards/Certificates (e.g., drawing, student recognition);
- e. Month/Year cards are to be distributed;

- f. A flyer of the event.

A "Gift Card/Certificate Disbursement Log" is required to record the dispensing of all gift cards/certificates purchased by the department. The original proof of purchase and Acceptance Agreement must be kept on file by the department, together with the log. The log should contain the following information:

- a. The log should be updated each time a gift card/certificate is disbursed to an individual. The following information must be entered for each gift card/certificate distributed: (a) the date of distribution; (b) the recipient's name; (c) the recipient's status (i.e., employee or non-employee).
- b. The vendor from whom the gift card/certificate was purchased, as well as the gift card/certificate number must be identified and entered in the "Vendor Name and Gift Card/Certificate Number" column of the Log. The amount of the gift card/certificate must be entered in the "Amount" column.

For Door Prizes, an Acceptance Agreement will need to be prepared that will contain the following information:

- a. The recipient's name and address;
- b. Description of the gift card/certificate;
- c. The value of the gift card/certificate;
- d. The recipient's signature and date.

Internal Control

Adequate internal accounting control (i.e., segregation of duties, physical control over assets, and written authorization for expenditures, etc.) must be established and maintained. Sound internal control will safeguard assets and ensure financial record accuracy.

The department must submit a copy of the log, to the Finance Department within 10 business days of the event.

SECTION V TRAVEL

Purpose

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 ensuring that 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 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:

1. Employee and Supervisor determine that travel is necessary and pre-plan details of trip;
2. A Travel Authorization form is required for all travel to ensure the correct budget is used and that there are sufficient funds in that budget; the Travel Authorization will include the airfare, hotel and/or car rental charges, outlining all arrangements and costs;
3. Following receipt of a fully approved Travel Authorization, the traveler will contact the authorized travel agency or use their department travel credit card to make reservations for airlines, hotels, rental cars, etc. (unless the employee, with Supervisor approval, chooses to instead make personal travel arrangements using a personal credit card, and subsequently seek reimbursement at the conclusion of his or her travel);
4. Employees will submit a check voucher for conference registration fees (if applicable).

5. 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.;
6. Within 3 business days of returning to work , the traveler completes a Travel Settlement form itemizing all travel expenses including all original receipts;
7. 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 Policy & Procedures:

1. Program/Division Managers or Directors must authorize all travel for staff directly related to the Departments and Programs/Divisions whose budgets they oversee. The NPTEC Chairperson will authorize and approve all travel for NPTEC, Executives, the NPTEC Support Staff and all Boards & Commissions.
2. 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 the Travel Authorization form is received by the Finance Department and determined to be in compliance, a copy will be returned to the employee who may then proceed with making travel arrangements.
3. Local Travel - 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 required. Local travel is defined as being less than 150 miles (one-way) and not requiring an overnight stay.
4. For local travel, per diem allowance for lunch only. Travel for more than 12 hours, but less than 24 hours, will be eligible for 75% of the allowable daily rate for M&IE.
5. All travel will comply with General Services Administration ("GSA") Travel Regulations. The GSA Travel Regulations currently in force are published online in the Federal Register at <https://www.gsa.gov/travel/plan-book/per-diem-rates>. 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.
6. 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.
7. Transportation expenses may be reimbursed for taxi, Uber, etc., for the travel between the airport and hotel, and the meeting location to/from the hotel, and when traveling between hotel and places where meals can be obtained, only if meals cannot be obtained at the place of lodging.

8. Travelers may be authorized the use of a rental vehicle when such use is determined to be advantageous for cost savings. The use of a rental car should be justified as an economical, business necessity and not as a matter of personal convenience. All rentals should be at the corporate/government rate or the lowest possible rate per day. When traveling in groups, sharing of cars should be practiced to minimize costs.
9. Travel should be planned as far in advance as possible to obtain the best rate for airfare and hotel rooms (at least 14 days). Following receipt of a fully approved Travel Authorization form, travel arrangements can be booked using the Tribe's authorized travel agency, or travel credit card. Employees are responsible for providing this form to the travel agency authorizing them to begin incurring charges on behalf of the Tribe.
10. 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.
11. The travel agency or department card holder 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 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.
12. 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 to avoid charges to the Tribe for travel that does not take place.
13. A Travel Advance Request form will be submitted consistent with the Accounts Payable check run day (Section II, Accounts Payable, Processing Payments #6) 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.
14. 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.

15. Calculation of miles to be reimbursed for the use of POV's on regular workdays will generally use the employee's regular workstation as the starting point, depicted by the following: H–W–D where H stands for the employee's home, W is their regular workstation 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 workstation 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 Policy & 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 (HRM 5.5.19). All expenditures of \$5.00 or more require original receipts, with the exception of per diem meal allocations and personal car mileage. Receipts include hotel, taxi/uber, and baggage fees. All reimbursement requests for miscellaneous expenses must be itemized with receipt and be a direct business expense with the official travel. 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.
4. Travel advances or reimbursement for emergency travel expenses may be authorized when it becomes necessary to interrupt scheduled travel and return home under the following circumstances:
 - a. The traveler becomes incapacitated by illness or injury not due to the traveler's own misconduct;

- b. The death or serious illness of the traveler's family; or
 - c. A catastrophic occurrence or impending disaster, such as fire or flood, which directly affects the employee's home, requiring that the employee return home immediately.
5. Travel advances or reimbursements for emergency travel expenses include:
- a. Per diem at the location where the employee incurred or was treated for incapacitating illness or injury for a reasonable period of time (generally not to exceed 14 days);
 - b. Transportation and per diem expenses for travel to an alternate location to receive treatment; or
 - c. Transportation and per diem expenses for the traveler's return trip home.

SECTION VI - PETTY CASH REIMBURSEMENTS

Purpose

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.

Policy & 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. If a situation occurs where a Petty Cash expenditure needs to be made for more than \$50.00, 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. There will be no exceptions.

SECTION VII

PAYROLL

Purpose

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.

Policy & 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) with attached copy of social security card;

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.

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 by 10:00 a.m. on the Friday prior to payroll. 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 an employee does not have Sick Leave available 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 leave balances appearing on each paystub.**
6. Overtime pay is not allowed unless specifically authorized in the Program's budget and approved by the Department Manager. 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.
7. All payroll disbursements will be made by check or direct deposit. Employees are encouraged to utilize the direct deposit method to receive their compensation.
8. Payroll checks will be issued bi-weekly on the Thursday and on alternating Thursdays, NPTEC's weekly payroll and other miscellaneous payroll corrections, leave cash-ins, etc. will be processed. Payroll will have the checks ready for distribution between 8:30 a.m. and 11:30 a.m.
9. 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 not be issued directly to the employee.
10. 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. 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.
11. A new W-4 form should 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.
12. Requests on behalf of an employee to receive a donation of accrued Annual Leave will be submitted

to the Executive for approval on an Annual Leave Donation form, for the intended purpose of the donation request 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.

13. 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).
14. 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. Requests must be made utilizing the approved Annual Leave Cash-in form, approved by their Department or Program/Division Manager or Director, and forwarded to Payroll by 10:00 a.m. on Fridays.
15. 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.
16. 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.
17. 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.
18. Regular, full-time employees who work less than 40 hours per week shall receive Annual & Sick Leave accruals based on a pro-rata basis, consistent with their work schedule.

Other Taxable Income

- Gift Cards

SECTION VIII - GRANT MANAGEMENT

Purpose

Grants 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 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 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 Departments and Programs/Divisions that receive grants have qualified staff managing them who have experience, receive proper training and are familiar with the 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 resources.

All awarded grant funds must be expended prior to utilizing the tribe's hard dollar revenue sources.

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 Policy & Procedures:

Departments and Programs/Divisions will utilize the Grant Notice of Intent form to inform the Grants Management Staff 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.

1. 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 Management Staff, 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. Allow adequate time for sub-committee review and approval which can take 2-3 weeks.
2. Assuming receipt of a grant application in the time manner specified above, the Grants Management staff will review all grant applications as follows:

Notice of Intent:

- a. Verify the Tribe's eligibility to apply;
- b. Verify the Tribe meets all 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 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.
3. All fully approved/final grant applications must be resubmitted to the Grants Management Staff at least 3 days in advance of the funding agency's published grant submission deadline date 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 allow sufficient time for an adequate final review.
 4. Nez Perce Tribal Executive Committee authorizes the Grants Management Staff or delegate to submit grants on behalf of the Tribe if required through on-line grant portals (Resolution NP 13-150), if approved by Resolution, Administrative Action, or Grant Review Form, not including final acceptance or approval. 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 Management Staff

at the time of submission.

5. 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 (. 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. Documentation should be provided to subcommittee showing the cap or limit on indirect.

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.

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

Post-Award Policy:

Once the final award documents (Notice of Award, Assistance Agreements, etc.) are received the tribal program receiving the award will initiate the award process utilizing the Contract Review form for final review and formal acceptance by the Tribe and forward the review form with documents to the Contract Staff. The packet is forwarded to Office of Legal Counsel to review if there are terms and conditions included.

1. On a newly awarded grant that is not of a recurring nature with the same funding agency, an Intake Meeting must be scheduled by Program staff with the Sr. Grants Coordinator. This meeting shall include the responsible Program Manager or Director, Project Coordinator, 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.
2. Final award documents will be sent to Finance Department for the Lead Accountant to review and assign to one of the Accountant to manage throughout the project period.
3. All original financial records related to grants s will be maintained in the Finance Department, with programs responsible for maintaining copies as well. Grant t regulations and other compliance requirements must be strictly adhered to.
4. The Accountants' major responsibilities are as follows and further defined in the Grants & Special Revenue Procedures:
 - a. Maintain all financial records for grants 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.
5. All invoices to funding agencies related to grants 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.
6. 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 act 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 for the accountant to record and report such match in the appropriate fiscal period.
7. 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.
8. 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.
9. Narrative program progress reports shall be submitted by the Departments and Programs/ Divisions to the funding agencies at intervals specified in the grant award 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.
10. Grant reporting requirements and deadlines should be strictly adhered to too. Travel, training, and

other duties should not have a higher priority than reporting requirements or deadlines when it comes to grant terms and conditions that put federal funding at risk.

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 seven (7) 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.
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. The program is responsible for submitting the Grant Review form for the extension, continuation, or modification of the grant.

SECTION IX - PROPERTY, PLANT & EQUIPMENT (Fixed Assets)

Purpose

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 following federal regulations and tribal policies.

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

Policy & Procedures:

1. Acquisitions will be recorded on the Tribe's Fixed Asset records (capitalized) when the purchase price of that item is \$10,000 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 Finance Department 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 Finance Department 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, , all of whom must approve the transfer.

Note: Many grants 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 Transfer & Disposal form approved by the Respective Department and Program/Division Managers, with a proposed disposal of any asset with a current value of \$10,000 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 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 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 that 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, 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 every two years under the direction of the Finance Manager, pursuant to federal regulations, and in certain circumstances upon the close-out of a grant. All Departments and Programs/Divisions should be prepared to assist as needed in this activity.
12. Tribal Law Enforcement shall be notified immediately if any tribal property is destroyed, damaged or stolen. A copy of such report will be forwarded to 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. Department Program/Division Managers will track sensitive items that are not capitalized (drones, bicycles, trailers, laptop and desktop computers, tablets, printers, cameras, specialized equipment, etc.) and maintain an internal inventory system. This list will be provided to the Finance Department (see #11 above).
14. There shall be no personal use of tribally owned equipment, unless specifically authorized in writing by a Department Manager 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 Executive and, more importantly, be specifically allowable under any grant terms and conditions or otherwise approved by the funding agency.

SECTION X - ACCOUNTS RECEIVABLE & CASH RECEIPTS

Purpose

To establish a uniform policy pertaining to the collection, custody, reporting and deposit of cash and cash equivalents, and to ensure the overall safeguarding of the tribe's assets. 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, customers, etc. are received in a timely manner.

To include control elements necessary to segregate duties so that employees are not responsible for more than one function to reduce the likelihood of fraud.

Policy & Procedures:

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.

1. 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.
2. 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.
3. 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 Check Scan Remote Deposit Capture (RDC) as soon as practicable.. 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.
4. Any funds received as "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.

5. Cash Receipts

- a. Cash receipts are defined as transactions consisting of negotiable instruments, cash, and electronic deposits that are subject to the risk of loss or theft.
- b. Each transaction must be entered into the tribe's financial software system that creates serial numbered receipts

6. Bank and investment accounts must be reconciled monthly.

SECTION XI DONATIONS

Purpose

To include all elements necessary to receive, maintain and control amounts received as donations, fundraising events, 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.

Policy & Procedures:

Fundraising Activities

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.

Private Donations

1. For donations \$5,000 or less that is not identified for a specific department/program, the Executive will determine the program(s) to receive the donation from the list of program(s) identified by NPTEC each fiscal year.
2. Donations that exceed \$5,000 will require NPTEC approval to determine where funds will go to, if the donation does not note a specific program/department.
3. The Nez Perce Tribe is treated as States for certain purposes under the Internal Revenue Code, 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.

A Requisition form will be submitted by the Department or Program/Division responsible for the

donation to disburse its funds according to the approved use of funds.

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

An account will be set up in the financial management system to track donations. Donations of \$5,000 or less will be posted to Fund 1215 sub-account. The program should use the donated funds in that current fiscal year, or request to roll-over the donated funds to the next fiscal year.

SECTION XII - GASB 87 LEASES

Purpose:

To establish guidelines and procedures for identifying, classifying, and accounting for leases in accordance with GASB Statement No. 87. This policy ensures the accurate reporting of leases in the financial statements of Nez Perce Tribe. This policy applies to all departments within the Tribe involved in acquiring, using, or managing leased assets and lease agreements.

Lease Exclusions

Under GASB 87, certain types of leases are scoped out of the definition of leases. These exclusions include:

1. **Short-Term Leases:** Contracts with a maximum possible term of 12 months or less, including any options to extend, are excluded. Payments for these short-term leases are recognized as outflows of resources.
2. **Contracts for Intangible Assets:** Software agreements or other agreements for intangible assets without tangible component are not considered leases.
3. **Contracts that Transfer Ownership:** If the contract transfers ownership of the underlying asset to the lessee by the end of the contract and does not contain a purchase option, it is excluded from the scope of leases.

Criteria for Lease Recognition

An arrangement will be classified as a lease if it meets the following criteria:

- The contract conveys control of the right to use a specific asset for a specified period.
- There is an identifiable asset associated with the lease.
- Payments are made in exchange for the right to use the asset.

Recording Lease Liabilities and Assets

The lease liability is recognized at the commencement of the lease term and is measured as the present value of expected lease payments over the term of the arrangement. The liability is discounted using either the implicit rate in the contract (if determinable) or the Tribe's incremental borrowing rate (the rate the Tribe would pay to borrow funds under similar terms).

The lease asset (right-to-use lease asset) is initially measured based on the amount of the lease liability, adjusted for:

- Any payments made prior to the lease term start date.
- Any initial direct costs associated with the arrangement (e.g., implementation fees).

Lease Capitalization Threshold

The Tribe will recognize lease assets and liabilities with present value of future payments that exceeds the Tribe's leases capitalization threshold of \$25,000.

Amortization of Lease Asset

The right-to-use lease asset is amortized over the shorter of its useful life or the lease term. Amortization should be calculated on a straight-line basis unless another method better reflects the asset's use.

Subsequent Reassessment

Contracts should be reviewed periodically or upon significant changes to reassess and update the lease liability and asset amounts. Reassessments should occur when:

- There is a modification or extension of the contract.
- Changes to estimated amounts or discount rates arise.

Disclosure Requirements

Financial statements will include disclosures on the Tribe's lease activities, including:

- A description of lease arrangements.
- Information on the total lease asset and liability balances.
- Details on significant assumptions used in measurement.
- Schedule of future lease principal and interest payments.

Roles and Responsibilities

- **Finance Manager:** Evaluate any potential leases provided by department heads to determine GASB 87 applicability. Review and approve lease journal entries and disclosures. Ensure all leases are properly identified, classified, and recorded in accordance with this policy and GASB-87.
- **Department Managers:** Notify the Finance Department of any new, modified, or terminated potential leases.

SECTION XIII - GASB 96 Subscription-Based Information Technology Arrangements (SBITA) Policy

Purpose

To establish guidelines and procedures for identifying, classifying, and accounting for Subscription-Based Information Technology Arrangements (SBITAs) in accordance with GASB Statement No. 96. This policy ensures the accurate reporting of SBITAs in the financial statements of Nez Perce Tribe (the Tribe). This policy applies to all departments within the Tribe involved in acquiring, using, or managing subscription-based information technology services.

SBITA Exclusions

Under GASB 96, certain types of software agreements are scoped out of the definition of Subscription-Based Information Technology Arrangements (SBITAs). These exclusions include:

1. **Short-Term SBITAs:** Contracts with a maximum possible term of 12 months or less, including any options to extend, are excluded. Payments for these short-term SBITAs are recognized as outflows of resources.
2. **Contracts with Stand-Alone Tangible Capital Assets:** Software agreements that involve only tangible capital assets without any significant software component are not considered SBITAs.
3. **Contracts with Insignificant Software Components:** If a contract includes both a tangible capital asset and a software component, but the software component is insignificant, it is excluded from the scope of SBITAs.

Read more here: [Summary - Statement No. 96 \(gasb.org\)](https://www.gasb.org/summary-statement-no-96)

Criteria for SBITA Recognition

An arrangement will be classified as an SBITA if it meets the following criteria:

The contract conveys control of the right to use a specific IT asset for a specified period.

There is an identifiable asset associated with the subscription.

Payments are made in exchange for the right to use the IT asset.

Recording SBITA Liabilities and Assets

The subscription liability is recognized at the commencement of the subscription term and is measured as the present value of expected subscription payments over the term of the arrangement. The liability is discounted using either the implicit rate in the contract (if determinable) or the Tribe's incremental borrowing rate (the rate the Tribe would pay to borrow funds under similar terms).

The subscription asset (right-to-use subscription asset) is initially measure based on the amount of the subscription liability, adjusted for:

Any payments made prior to the subscription term start date.
Any initial direct costs associated with the arrangement (e.g., implementation fees)

SBITA Capitalization Threshold

The Tribe will recognize subscription assets and liabilities with present value of future payments that exceeds the Tribe's SBITAs capitalization threshold of \$25,000.

Amortization of Subscription Asset

The right-to-use subscription asset is amortized over the shorter of its useful life or the subscription term. Amortization should be calculated on a straight-line basis unless another method better reflects the asset's use.

Subsequent Reassessment

Contracts should be reviewed periodically or upon significant changes to reassess and update the subscription liability and asset amounts. Reassessments should occur when:

There is a modification or extension of the contract.
Changes to estimated amounts or discount rates arise.

Disclosure Requirements

Financial statements will include disclosures on the Tribe's SBITA activities, including:

A description of SBITA arrangements.
Information on the total subscription asset and liability balances.
Details on significant assumptions used in measurement.
Schedule of future SBITA principal and interest payments

Roles and Responsibilities

Finance Manager: Evaluate any potential SBITA provided by department heads to determine GASB 96 applicability. Review and approve lease journal entries and disclosures. Ensure all SBITAs are properly identified, classified, and recorded in accordance with this policy and GASB-96.

Department Managers: Notify the Finance Department of any new, modified, or terminated SBITAs.

SECTION XIV

SUB RECIPIENT MONITORING

Purpose:

This policy establishes procedures for managing federal grant funds awarded to subrecipients. (Grantee) is committed to ensuring that subaward funds are used for authorized purposes and are compliant with all federal, state, and organizational requirements, in accordance with 2 CFR § 200.332 (“Requirements for Pass-through Entities”).

This policy applies to all federally funded subawards made by (Grantee) to subrecipients.

Policy & Procedure

1. Subrecipient Identification and Agreement

Before issuing a subaward, (Grantee) will:

- a. Clearly identify the subrecipient in accordance with 2 CFR § 200.1.
- b. Issue a written subaward agreement that includes:
 - Federal award identification
 - Compliance requirements
 - Applicable statutes, regulations, and terms/conditions of the federal grant
 - Approved indirect cost rate, if applicable
 - Requirements for access to records and financial statements

2. Subrecipient Risk Assessment

Prior to making any subaward, (Grantee) will evaluate each subrecipient’s risk of noncompliance, considering factors such as:

- a. Prior experience with similar subawards
- b. Results of previous audits, including resolution of any findings
- c. Changes in subrecipient personnel or systems
- d. Financial stability
- e. The extent and results of previous monitoring by (Grantee)

The level and type of monitoring will be based on this risk assessment.

3. Ongoing Monitoring of Subrecipients

(Grantee) will monitor subrecipient performance throughout the grant period. Monitoring activities may include:

- a. Reviewing programmatic and financial reports required by the subaward
- b. Following up and ensuring corrective action for any identified deficiencies
- c. Conducting onsite visits or desk reviews, as deemed necessary based on risk
- d. Providing technical assistance as appropriate

4. Single Audit Compliance

(Grantee) will determine whether each subrecipient is required to have a Single Audit in accordance with 2 CFR § 200.501 (currently, if \$1,000,000 or more in federal funds are expended during a fiscal year). Subrecipients will be required to provide copies of relevant Single Audit reports and to disclose any findings related to subawards from (Grantee). (Grantee) will:

- a. Review each subrecipient's audit report for findings related to its funds
- b. Ensure timely corrective action is taken on any such findings

5. Enforcement Actions

If a subrecipient fails to comply with federal, state, organizational, or grant requirements, or with the terms and conditions of the subaward, (Grantee) may take one or more of the following actions:

- a. Impose additional conditions as described in 2 CFR § 200.208
- b. Disallow costs or withhold payments
- c. Suspend or terminate the subaward
- d. Pursue other remedies as permitted by law or the subaward agreement

6. Documentation and Recordkeeping

(Grantee) will maintain documentation related to risk assessments, monitoring activities, communications with subrecipients, and corrective actions in accordance with federal record retention requirements (2 CFR § 200.334).

Responsibilities

- **Program/Grant Managers:** Conduct risk assessments, monitor subrecipients, and maintain documentation.
- **Finance/Compliance Staff:** Review financial/key compliance reports, Single Audit documentation, and assist with enforcement actions.
- **Executive or Authorized Official:** Make final decisions regarding enforcement or subaward termination.

SECTION XV

REPORTS & BUDGETS

Purpose

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 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:

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 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 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 time (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 XVI

INDIRECT COSTS

Purpose

From an overall standpoint, two types of funding basically support the Tribe's operations: agency- funded grants and "hard dollar" sources. Agency-funded grants 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, , Technology Services, Law & Justice and Executive Direction, , 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 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 into that calculation.

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 must make up that difference and effectively subsidize the program with internal funds.

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.

ACCRUAL: Recognition of an expense that has been incurred, but not paid, or revenue that has been earned, but not received.

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.

ASSISTED LISTING NUMBER (ALN): A grant five-digit number assigned to federal grants that identifies the funding agency and the specific assistance listing associated with the grant, that is used for tracking and reporting purposes in government programs.

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 \$10,000 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.

GASB: Government Accounting Standards Board. An independent, private-sector organization that develops and issues accounting and financial reporting standards for federal agencies and the U.S. state and local government.

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 (GL): The central accounting record for the tribe, including all individual accounts that record the assets, liabilities, fund balance, revenue, and expenses.

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, 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 staff and electricity and maintenance for the administration building.

INTERIOR BUSINESS CENTER (IBC): A division of the U.S. Department of Interior which negotiates and annual indirect cost rate.

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.

LEASE: A lease is a contract that conveys control of the right to use another party’s (a lessor’s) asset, as specified in the contract, for a period of time in an exchange or exchange-like transaction.

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.

OFFICE OF MANAGEMENT AND BUDGET (OMB): The Federal government office overseeing annual budgeting for federal funding of U.S. Indian governments. The OMB also issues circular A-87 which establishes principles and standards providing a uniform approach for determining costs pertinent to federally funded grants, and Circular A-133 which describes audit standards for the audit of states and local governments, including tribes.

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.

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.

SBITA A SBITA is a contract that conveys control of the right to use another party’s (a SBITA vendor’s) information technology (IT) software, alone or in combined with tangible capital assets (the

underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA): . A schedule that reports the Tribe's federal awards for the fiscal year, the **Assisted Listing Number (ALN)** , agency award number, period of award, 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.

SUBRECIPIENT: An entity that receives a subaward from (Grantee) to carry out part of a federal program, but does not include an individual who is a beneficiary of such program.

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	Computer Services
7024	Attorney Fees
7025	Contractual
7035	Training
7055	Mileage
7060	Travel
7064	GSA Vehicles
7065	Vehicle Maintenance
7066	Service to Participants/Stipends
7070	Supplies
7080	Repairs & Maintenance
7082	Vehicle Fuel
7090	Telephone
7095	Software Subscriptions/Agreements
7100	Capital Outlays (equipment and other assets)
7200	Utilities
7700	Other Expenses
7800	Indirect Expense
7801	Match Expense (non-federal share)

FORMS

- Original/New Budget
- Budget Modification
- Grant Notice of Intent
- Grant Review
- Annual Leave Cash-In Request
- Annual Leave Donation Request
- Direct Deposit Authorization – Payroll
- Direct Deposit Authorization – Accounts Payable
- Salary Advance Request
- Voluntary Payroll Deduction
- Expenditure/Labor Adjustment
- Fixed Asset Transfers & Disposals
- Inter-Department Billings & Allocation
- Mileage & Miscellaneous Business Expense Reimbursement
- Petty Cash Reimbursement
- Requisition
- Signature Authority Delegation
- Travel Authorization
- Travel Settlement
- Travel Advance Request