

Financial Management Virtual Training
April 16-17, 2024
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- CPD 16-02 Substantial Rehabilitation Examples
 - <https://www.hud.gov/sites/documents/16-02CPDN.PDF>
- Form HUD 50080-IHBG eLOCCS Voucher
 - <https://www.hud.gov/sites/dfiles/OCHCO/documents/50080ihbg.pdf>
- OMB Rev Micro and Small Purchase Limits
 - <https://www.whitehouse.gov/wp-content/uploads/2018/06/M-18-18.pdf>
- PG 1998-03 3 Days Rule – can't open this doc
 - https://www.hud.gov/sites/documents/DOC_8282.PDF
- PG 2002-06 CHARGING INDIRECT COSTS TO FEDERAL GRANTS
 - https://www.hud.gov/sites/documents/DOC_8236.PDF
- PG 2002-07 ACCOUNTING FOR LABOR DISTRIBUTION
 - https://www.hud.gov/sites/documents/DOC_8237.PDF
- PG 2002-11 Required Policies
 - https://www.hud.gov/sites/documents/DOC_8240.PDF
- PG 2002-13 Conflict of Interest Admissions

- https://www.hud.gov/sites/documents/DOC_8242.PDF
- PG 2003-04 Tribal Wage Rates
 - https://www.hud.gov/sites/documents/DOC_8221.PDF
- PG 2004-06 Drug free Workplace
 - https://www.hud.gov/sites/documents/DOC_8206.PDF
- PG 2007-08 RECIPIENT SELF-MONITORING & SMMA
 - https://www.hud.gov/sites/documents/DOC_8176.PDF
- PG 2012-03 MONITORING PLANS FOR RECIPIENTS
 - <https://www.hud.gov/sites/documents/GUIDANCE2012-03.PDF>
- PG 2013-07 INDIAN TRIBAL PREF
 - <https://www.hud.gov/sites/documents/2013-07INDIANTRIBALPREF.PDF>
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- PG 2014-03 INSURANCE REQUIREMENTS
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- PG 2014-05 R - PII PROTECTION
 - <https://www.hud.gov/sites/documents/2014-05PIIPROTECTION.PDF>
- PG 2014-08 R LOCCS RESPONSE SYSTEM
 - <https://www.hud.gov/sites/documents/2014-08CONVERTOELOCCS.PDF>
- PG 2014-09 USEFUL LIFE
 - <https://www.hud.gov/sites/documents/2014-09USEFUL-LIFE.PDF>
- PG 2018-02a Guidance IHP APR
 - <https://www.hud.gov/sites/dfiles/PIH/documents/IHPAPRGuidanceFinal.pdf>
- PG 2019-01 PROCESS FOR REPAYMENT OF FEDERAL FUNDS
 - https://www.hud.gov/sites/dfiles/PIH/documents/Repayment_Guidance_PG_2019-01.pdf
- PIH 2000-26 PERFORMANCE MEASURE FOR OBLIGATION OF FUNDS
 - https://www.hud.gov/sites/documents/DOC_8890.PDF
- PIH 2006-39 Accounting for Fixed Assets
 - https://www.hud.gov/sites/documents/DOC_8851.PDF
- PIH 2014-21 DEPOSIT AGREEMENTS & FORMS
 - <https://www.hud.gov/sites/documents/PIH2014-21.PDF>
 - https://www.hud.gov/sites/documents/pih2014-21_hud52736.docx
 - <https://www.hud.gov/sites/documents/p2014-21-attachb.docx>
- PIH 2022-15 ONAP SF425
 - <https://www.hud.gov/sites/dfiles/PIH/documents/2022-15pihn.pdf>
- PIH 2022-28 PROGRAM INCOME & APPENDICES
 - <https://www.hud.gov/sites/dfiles/PIH/documents/PIH2022-28.pdf>
- PIH 2023-01 MICRO-PURCHASE THRESHOLD
 - <https://www.hud.gov/sites/dfiles/OCHCO/documents/2023-01pihn.pdf>
- PIH 2023-26 Implementing GEMS
 - <https://www.hud.gov/sites/dfiles/OCHCO/documents/2023-26pihn.pdf>
- PIH 2023-30 Affordable Housing Activities Under NAHASDA
 - <https://www.hud.gov/sites/dfiles/PIH/documents/PIH2023-30.pdf>

**NAHASDA PROGRAM: 2 CFR PART 200 SUBPART E
COST PRINCIPLES-ALLOWABILITY OF COSTS**

REFERENCE	COST TYPE	DESCRIPTION
200.421	ADVERTISING	ALLOWABLE if costs are incurred for recruitment of staff or trainees, procurement of goods and services, and other specific purposes necessary to meet the requirements of the NAHASDA-supported project or activity.
200.421	PUBLIC RELATIONS	ALLOWABLE if (1) costs are incurred for communicating with the public and the press pertaining to specific accomplishments which result from performance of the NAHASDA program or (2) costs of conducting communication and liaison necessary to keep the public informed on matters of public concern such as notices of awards, financial matters, costs, etc.
200.422	ADVISORY COUNCILS	ALLOWABLE for Advisory councils or committees such as Finance Committees or Investment committees,
200.423	ALCOHOLIC BEVERAGES	UNALLOWABLE.
200.425	AUDIT SERVICES	ALLOWABLE. Periodic financial review is also allowable under NAHASDA. See §1000.546.
200.426	BAD DEBTS	UNALLOWED - Bad debt and related collection and legal costs.
200.427	BONDING COSTS	ALLOWABLE when HUD requires it to protect its interest, or as a general condition of the award. Bonding costs for NFEs are also allowable in the general conduct of its business.
200.428	COLLECTION OF IMPROPER PAYMENTS	ALLOWABLE. For example, recovery of rental assistance payment to tenant deemed ineligible for the assistance.
200.430	COMPENSATION-PERSONAL SERVICES	ALLOWABLE costs to the extent that the amount is reasonable in relation to the work performed. ALLOWABLE if person providing consultant services in an employer-employee type of relationship does NOT receive more than a reasonable rate of compensation for personal services paid with IHBG funds. Compensation CANNOT exceed the equivalent of the daily rate paid for Level IV of the Executive Schedule. See §1000.26(b)(20
200.431	COMPENSATION-FRINGE BENEFITS	ALLOWABLE as part of the overall compensation to employees in proportion to the amount of time or effort in relation to the work performed. UNALLOWABLE: Automobile costs for personal use are unallowable, regardless of whether the cost is reported as taxable income to the employees.

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COST PRINCIPLES-ALLOWABILITY OF COSTS**

REFERENCE	COST TYPE	DESCRIPTION
200.432	CONFERENCES	ALLOWABLE. (1) Costs for meetings, retreats, seminars, and symposiums are allowable, including rental of facilities, speakers' fees, costs of meals and refreshments, local transportation, and other items incidental to the conference. (2) Cost of IDENTIFYING - but not providing - locally dependent care services.
200.433	CONTINGENCY PROVISIONS	ALLOWABLE if (1) Contingency is built into the budget estimates of a construction project, approved by HUD, which is necessary and reasonable for proper and efficient accomplishment of project or program objectives, and (2) is must be verifiable in the NFE's financial records.
200.434	CONTRIBUTION AND DONATIONS	UNALLOWABLE for costs of contribution and donations, including cash, property, and services from the non-Federal entity to other entities.
200.435	DEFENSE AND PROSECUTION OF CRIMINAL AND CIVIL PROCEEDINGS, CLAIMS, APPEALS, AND PATENT INFRINGEMENTS	ALLOWABLE if they are necessary and reasonable and authorized cost of the program. UNALLOWABLE if the non-Federal entity incurs legal costs to defend itself for illegal, violations and noncompliance and against whistleblowers.
200.436	DEPRECIATION	GAAP requires the depreciation of all fixed assets (with some exceptions such as land) for presentation in the financial statement. Depreciation method for fixed assets shall not be changed without approval of HUD or, if charged through a cost allocation plan. See §1000.26(b)(1)(i). ALLOWABLE for NAHASDA to be charged Depreciation for the use of NON-OWNED asset through an allocation plan or indirect cost rate. UNALLOWED to be reimbursed with NAHASDA grant funds for depreciation on an asset purchased with NAHASDA grant funds. REQUIRES HUD'S PRIOR APPROVAL if depreciation method for fixed asset is changed. See §1000.26(b)(1)(i).
200.437	EMPLOYEE HEALTH AND WELFARE COSTS	ALLOWABLE if costs incurred is in accordance with the Tribe/TDHE's DOCUMENTED POLICIES for the improvement of working conditions, employer-employee relations, employee health and employee performance. Changed from Employee morale, health, and welfare costs. UNALLOWABLE are costs associated with Employee Morale . For example, a company picnic for employees and family members.

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COST PRINCIPLES-ALLOWABILITY OF COSTS**

REFERENCE	COST TYPE	DESCRIPTION
200.438	ENTERTAINMENT COSTS	<p>GENERALLY UNALLOWABLE. This includes the cost of amusements, social activities, and related incidental costs.</p> <p>ALLOWABLE ONLY where specific costs that might otherwise be considered entertainment have a programmatic purpose and are authorized in the Indian Housing Plan. This includes the cost of amusements, social activities, and related incidental costs.</p>
200.439	EQUIPMENT AND OTHER CAPITAL EXPENDITURES	ALLOWABLE. Rule of Allowability applies. [NOTE: Must conduct physical inventory at least once every 2 years].
200.441	FINES, PENALTIES, DAMAGES AND OTHER SETTLEMENTS	UNALLOWABLE costs to the NAHASDA Program. Refer to §1000.26(b)(1)(ii).
200.442	FUNDRAISING and	<p>ALLOWABLE. ONLY if fundraising costs are for the purposes of meeting program objectives.</p> <p>UNALLOWABLE if costs incurred for organized fund raising, including financial campaigns, endowment drives, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contribution.</p>
	INVESTMENT MANAGEMENT COSTS	ALLOWABLE. Costs of investing HUD approved IHBG grant funds, including costs related to the physical custody and control of the investment.
200.443	GAINS AND LOSSES ON DISPOSITION OF DEPRECIABLE ASSETS	Losses on the sale of depreciated fixed assets are not reimbursable. GAAP requires that a gain or loss on the sale of depreciated fixed assets (amount realized from the sale of the asset and the undepreciated basis of the property) be recorded for presentation in the financial statement.
200.444	GENERAL COST OF GOVERNMENT	<p>UNALLOWABLE.</p> <p>EXCEPTION - ALLOWABLE ONLY for Indian tribes and Councils of Governments (COGs) (see section 200.64 Local Governments), the portion of salaries and expenses <u>directly attributable to managing and operating Federal programs</u> by the chief executive and his or her staff is allowable. Up to 50% of these costs can be included in the <u>indirect cost</u> calculation without documentation.</p>

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REFERENCE	COST TYPE	DESCRIPTION
200.445	GOODS OR SERVICES FOR PERSONAL USE	<p>UNALLOWABLE.</p> <p>EXCEPTION-ALLOWABLE ONLY WITH HUD'S PRIOR APPROVAL - costs of housing (e.g., depreciation, maintenance, utilities, furnishings, rent), housing allowances and personal living expenses regardless of whether reported as taxable income to the employees.</p>
200.447	INSURANCE AND INDEMNITY	<p>ALLOWABLE.</p> <p>(1) Section 203(c) of NAHASDA requires that TDHEs maintain adequate insurance coverage for housing units that t are owned, operated, or assisted with NAHASDA grant funds.</p> <p>(2) Costs of insurance on the lives of trustees, officers or other employees holding positions or similar responsibilities are allowable only to the extent that that the insurance represents additional compensation.</p> <p>(3) Contributions to any reserve for certain self-insurance programs including worker's compensation, unemployment compensation, and severance pay are allowable, subject to certain provisions.</p> <p>UNALLOWABLE</p> <p>(1) Actual losses which could have been covered by permissible insurance are generally unallowable.</p> <p>(2) Cost of insurance against defects are unallowable. See also §1000.136,138,139,140,141,143,144.</p>
200.449	INTEREST	<p>ALLOWABLE.</p> <p>(1) Financing costs (including interest) to acquire, construct, or replace capital assets are allowable.</p> <p>(2) Cost of interest for approved loan guaranteed under the Title VI Loan guaranteed loan program.</p>
200.450	LOBBYING	UNALLOWABLE.
200.451	LOSSES ON OTHER AWARDS OR CONTRACTS	UNALLOWABLE. Cannot transfer excess cost of another award or contract to IHBG grant for payment.
200.452	MAINTENANCE AND REPAIR COSTS	ALLOWABLE.

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COST PRINCIPLES-ALLOWABILITY OF COSTS**

REFERENCE	COST TYPE	DESCRIPTION
		<p>EMPHASIS: These costs are only allowable to the extent not paid through rental or other agreements.</p> <p>EXCEPTION: Note that rents received from properties funded with IHBG funds are Program Income – under the IHBG program – Tribe/TDHE can elect not to use Program Income first.</p>
200.453	MATERIALS AND SUPPLIES COSTS	ALLOWABLE. Costs incurred for materials, supplies, and fabricated parts necessary for the NAHASDA program.
200.454	MEMBERSHIPS, DUES, SUBSCRIPTIONS	<p>ALLOWABLE. Costs for membership in business technical and professional organizations, subscriptions to business, professional and technical periodicals, and membership in any civic or community organizations.</p> <p>UNALLOWABLE. Cost of membership in organizations whose primary purpose is lobbying are unallowable. See also section §200.450 Lobbying.</p>
200.456	PARTICIPANT SUPPORT COSTS	ALLOWABLE. Direct costs for stipends, subsistence allowances, travel, registration fees, for conferences and training projects. (NOT EMPLOYEES)
200.457	PLANT AND SECURITIES COSTS	ALLOWABLE. Necessary and reasonable expenses incurred for protection and security of facilities and personnel.
200.458	PRE-AWARD COSTS	<p>ALLOWABLE.</p> <p>(1) Costs incurred prior to the effective date of the Federal award, in anticipation of the award, and such costs are necessary for efficient and timely performance of the scope of work.</p> <p>(2) If charged to the award, must be charged to the initial budget period of the award.</p>
200.459	PROFESSIONAL SERVICE COSTS.	ALLOWABLE. Costs of professional services and consultants and must meet the Rule of Allowability.
200.460	PROPOSAL COSTS	ALLOWABLE. Costs of preparing bids, proposals, or applications for federal awards in support of the NAHASDA program.

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COST PRINCIPLES-ALLOWABILITY OF COSTS**

REFERENCE	COST TYPE	DESCRIPTION
200.461	PUBLICATION AND PRINTING COSTS	ALLOWABLE. Costs of electronic and print media, including distribution, promotion, and general handling.
200.462	REARRANGEMENT AND RECONVERSION COSTS	ALLOWABLE. (a) Costs incurred for ordinary and normal rearrangement, modification, and alteration of facilities. (b) Special arrangements and alterations costs incurred specifically for a Federal award.
200.463	RECRUITMENT COSTS	ALLOWABLE. (1) If recruitment cost is incurred according to the TDHE's standard recruitment program and costs and employment agencies are not more than standard commercial rates for such services. (2) If any form of compensation (fringe benefits, salary allowance) meets test of reasonableness. UNALLOWABLE. If employee resigns for reasons within the employee's control within 12 months after hire, the relocation cost is unallowable and costs paid with federal grant must be repaid. TDHE must seek repayment from the employee.
200.464	RELOCATION COSTS OF EMPLOYEES	Relocation costs are costs incident to the permanent change of duty assignment (for an indefinite period or for a stated period exceeding 12 months) of an existing employee or upon recruitment of a new employee. ALLOWABLE subject to: (1) the move is for the benefit of the employer. (2) reimbursement to the employee is <u>in accordance with an established written policy consistently followed by the employer.</u> (3) the reimbursement does not exceed the employee's actual (or reasonably estimated) expenses. Relocation costs for current employees are allowable, but limited for: 1. the costs of transportation of household, and personal effects to the new location.

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COST PRINCIPLES-ALLOWABILITY OF COSTS**

REFERENCE	COST TYPE	DESCRIPTION
		<ol style="list-style-type: none"> 2. the costs of finding a new home. 3. closing costs, of former home 4. the continuing costs of ownership (for up to six months) of the vacant former home. 5. other necessary and reasonable expenses normally incident to relocation.
200.465	RENTAL COSTS OF REAL PROPERTY AND EQUIPMENT	<p>ALLOWABLE. Where leased assets are concerned, GASB 87, effective for fiscal years after June 15, 2021 defines lease as “A contract that conveys control of the right to use another entity’s nonfinancial asset (capital asset) as specified by the contract for a period of time in an exchange or exchange like transaction”.</p> <p>About Leases:</p> <ol style="list-style-type: none"> 1. The distinction between operating and capital lease have been eliminated. 2. GASB 87 established a single accounting approach that is similar to the existing guidance for capital leases. 3. Definition: ALL LEASES ARE FINANCINGS OF THE RIGHT TO USE A CAPITAL ASSET. 4. Three Types of leases and treatment: <ol style="list-style-type: none"> a. Short-Term Leases: 12 months or less: No balance sheet impact. Cost is Expenses. b. Contract that transfers ownership and no termination option at end of lease: NOT A LEASE, but a FINANCED PURCHASE. [\$200.465(d)] and record similarly as a capital asset. c. Contract that do not fall in the category of a & b above are considered a NON-OWNERSHIP-TRANSFERRING LEASE and are treated with the single model approach: LESSEE CAPITALIZE LEASE: [\$200.465(c)(5) and (e)] <ol style="list-style-type: none"> i) Record RIGHT-OF-USE ASSET (ROU) and Lease Liability ii) DEBIT Amortization Expense, ROU asset and CREDIT Accumulated Amort, ROU Asset

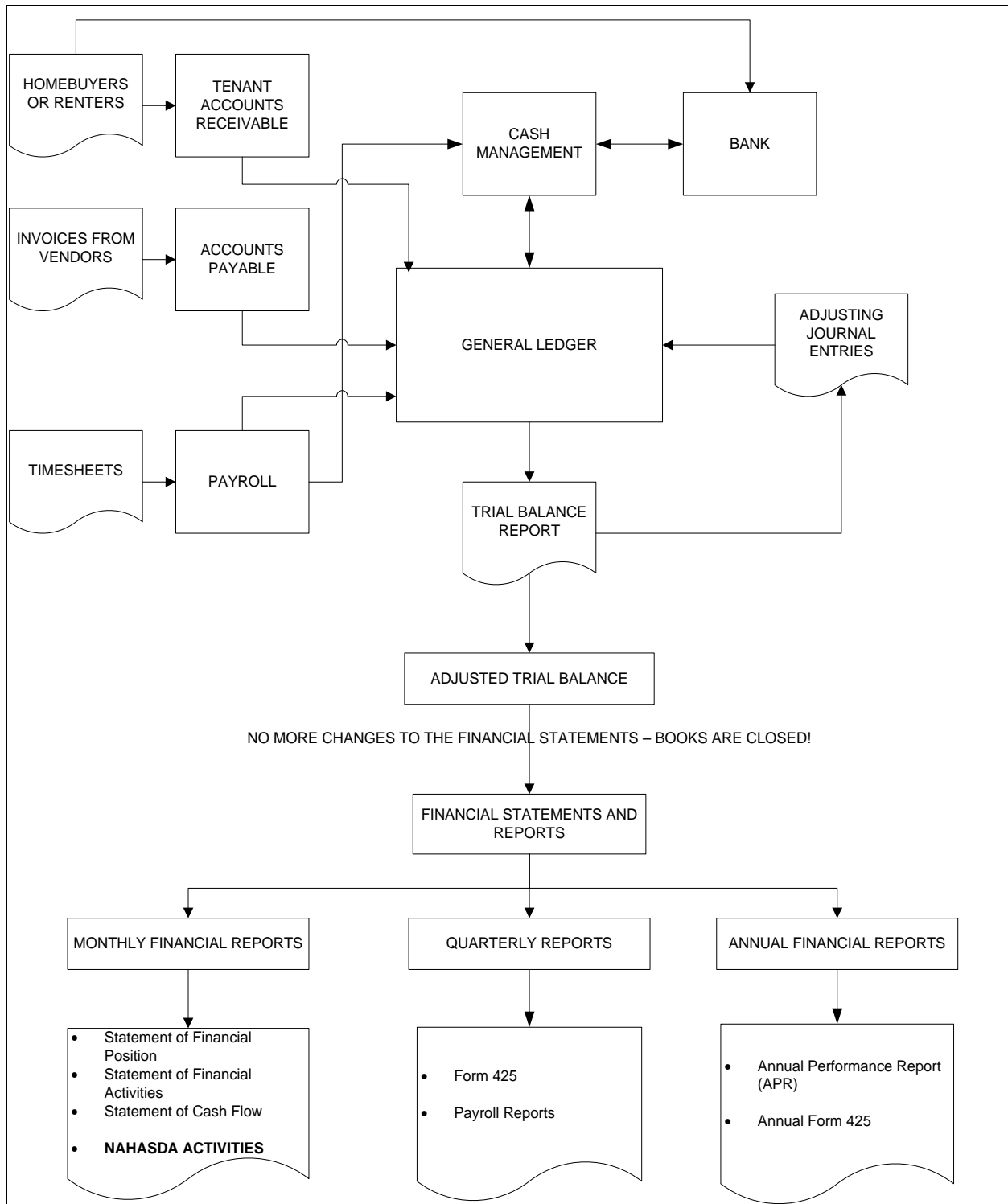
**NAHASDA PROGRAM: 2 CFR PART 200 SUBPART E
COST PRINCIPLES-ALLOWABILITY OF COSTS**

REFERENCE	COST TYPE	DESCRIPTION
200.467	SELLING AND MARKETING COSTS	ALLOWABLE when necessary for the performance of the Federal award. For example, selling and marketing of affordable homes for sale and rentals owned and operated by the Tribe/TDHE.
200.470	TAXES (including Value Added Tax)	<p>ALLOWABLE.</p> <p>(1) Taxes legally required to pay, except for taxes that disproportionately affect federal programs.</p> <p>(2) User fees (gasoline taxes, motor vehicle fees).</p> <p>NOTE: NAHASDA Program - §1000.242 -246 and Sec. 101 of NAHASDA: EXEMPT FROM TAXATION- Rental Housing and lease-purchase homeownership units assisted with IHBG units.</p> <p>Payment in Lieu of Taxes (PILOT) may be negotiated under a Cooperation Agreement between the Tribe/TDHE and the local government to compensate the local government for service costs.</p>
200.471	TELECOMMUNICATION COSTS AND VIDEO SURVEILLANCE COSTS	<p>ALLOWABLE. Costs incurred for telecommunications and video surveillance services or equipment such as phones internet, video surveillance, cloud servers.</p> <p>UNALLOWABLE. Procured, contracted or obtained equipment, services and systems from entities described in §200.216 – Prohibition on certain telecommunications and video surveillance services or equipment.</p>
200.473	TRAINING AND EDUCATION COSTS	ALLOWABLE. The cost of training and education provided to employee development is allowable.
200.474	TRANSPORTATION COSTS	ALLOWABLE. Costs incurred for freight, express, cartage, postage, and other transportation services relating either to goods purchased, in process, or delivered.

**NAHASDA PROGRAM: 2 CFR PART 200 SUBPART E
COST PRINCIPLES-ALLOWABILITY OF COSTS**

REFERENCE	COST TYPE	DESCRIPTION
200.475	TRAVEL COSTS	<p>ALLOWABLE – Travel costs for official business.</p> <p>1. <u>Temporary dependent care costs above and beyond regular dependent care</u> - allowable provided that: (i) direct result of the individual’s travel for the federal award; (ii) costs are reasonable and consistent with documented travel policy; (iii) temporary only for the travel period.</p> <p>Commercial air travel: airfare costs <u>in excess of the basic least expensive unrestricted accommodations class offered by a commercial airlines</u> are unallowable except when such accommodations would:</p> <ul style="list-style-type: none"> (i) require circuitous routing; (ii) require travel during unreasonable hours; (iii) excessively prolong travel; (iv) result in additional costs that would offset the transportation savings; or (v) offer accommodations not reasonably adequate for the traveler's medical needs. first-class or business-class airfare must be justified to be allowable.
200.476	TRUSTEES	<p>ALLOWABLE.</p> <p>Travel and subsistence costs of trustees or Council members or Board of Commissioners costs.</p>

THE ACCOUNTING FLOWCHART



Internal Control Questionnaire and Assessment

2 CFR § 200.303 (a) of the Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards, states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States and the “Internal Control Integrated Framework,” issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Internal Control Primer—Basics of Internal Control

In 1992, the Committee of Sponsoring Organizations (COSO)¹ of the National Commission on Fraudulent Financial Reporting (also known as the Treadway Commission) published a document called: *Internal Control – Integrated Framework*, which defined internal control as “a process, effected by an entity’s board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives” in three categories:

1. Effectiveness and efficiency of operations
2. Reliability of financial reporting, and
3. Compliance with applicable laws and regulations

Internal control can be judged as effective in each of these categories if the board of directors and management have reasonable assurance that:

1. They understand the extent to which the entity’s operations objectives are being achieved.
2. Published financial statements are being prepared reliably.
3. Applicable laws and regulations are being complied with.

The COSO Framework went on to say that internal control consists of five interrelated components as follows:

¹ The Committee of Sponsoring Organizations consists of the American Institute of CPAs (AICPA), the Institute of Management Accountants (IMA), the Institute of Internal Auditors (IIA), Financial Executives International (FEI), and the American Accounting Association (AAA).

1. *Control environment.* Sometimes referred to as the “tone at the top” of the organization, meaning the integrity, ethical values and competence of the entity’s people, management’s philosophy and operating style, the way management assigns authority and responsibility, organizes and develops its people, and the attention and direction provided by the board of directors. It is the foundation for all other components of internal control, providing discipline and structure.
2. *Risk assessment.* The identification and analysis of relevant risks to achieve the objectives which form the basis to determine how risks should be managed. This component should address the risks, both internal and external, that must be assessed. Before conducting a risk assessment, objectives must be set and linked at different levels.
3. *Control activities.* Policies and procedures that help ensure that management directives are carried out. Control activities occur throughout the organization at all levels in all functions. These include activities like approvals, authorizations, verifications, reconciliations, reviews of operating performance, security of assets and segregation of duties.
4. *Information and communication.* Addresses the need in the organization to identify, capture and communicate information to the right people to enable them to carry out their responsibilities. Information systems within the organization are key to this element of internal control. Internal information, as well as external events, activities and conditions must be communicated to enable management to make informed business decisions and for external reporting purposes.
5. *Monitoring.* The internal control system must be monitored by management and others in the organization. This is the framework element that is associated with the internal audit function in the company, as well as other means of monitoring such as general management activities and supervisory activities. It is important that internal control deficiencies be reported upstream, and that serious deficiencies are reported to top management and the board of directors.

Subsequent sections of this document emphasize the “17 Principles” of internal control developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and presented in the Internal Control – Integrated Framework (2013). The five components of internal control listed above are basically identical to the five standards of internal control and reflect the same concepts that the “Standards for Internal Control in the Federal Government” utilizes.

The principles are reflected in groupings of questions related to major areas of control focus within the organization. Each question represents an element or characteristic of control that is or can be used to promote the assurance that operations are executed as management intended.

It should be noted that Tribes/TDHEs (as non-federal entities) may have adequate internal controls even though some or all of the listed characteristics are not present. Tribes/TDHEs could have other appropriate internal controls operating effectively that are not included here. The Tribe/TDHE will need to exercise judgment in determining the most appropriate and cost effective internal control in a given environment or circumstance to provide reasonable assurance for compliance with Federal program requirements.

Completing the Document

On a scale of 1 to 5, with “1” indicating the greatest need for improvements in internal controls and “5” indicating that a strong system of internal controls already exists, select the number that best describes your current operating environment. Please provide details in the comments/explanations field for each statement with a score of 1 or 2.

CONTROL ENVIRONMENT

		<i>Self-Assessment of Policies, Procedures, and Processes</i>					Comments/Explanations
		<i>Weak</i>		<i>Strong</i>			
		1	2	3	4	5	
Principle 1. The organization demonstrates a commitment to integrity and ethical values.							
1.	TRIBE/TDHE management and the board’s expectations translate into an organizational statement of beliefs, values, and standards of conduct that the staff exhibit daily.						
2.	TRIBE/TDHE’s standards of conduct are communicated and reinforced to all levels of the TRIBE/TDHE.						
3.	Processes are in place to evaluate the performance of staff against expected standards of conduct.						
Principle 2. The board demonstrates independence from management and exercises oversight of the development and performance of internal control.							
4.	The Board /Council define, maintain, and periodically evaluate the skills and expertise needed among its members to enable them to question and scrutinize management’s activities and present alternate views.						
5.	How well does the committee that oversees internal control over financial reporting and the integrity and transparency of those reports complete these tasks?						
6.	The board establishes the expectations and evaluates the performance of the chief executive officer or equivalent role.						
Principle 3. Management establishes, with board oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives.							
7.	The organizational structure is appropriate for the size and complexity of the TRIBE/TDHE.						

8.	Specific lines of authority and responsibility are established to ensure compliance with federal and state laws and regulations.						
9.	The TRIBE/TDHE management/board understands the importance of internal controls, including the division of responsibility.						
Principle 4. The organization demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives.							
10.	Regular employee evaluations are documented and shared with employees.						
11.	The TRIBE/TDHE continuously provides mentoring and training opportunities needed to attract, develop, and retain sufficient and competent personnel.						
12.	The TRIBE/TDHE checks credentials, references, and past work experience of potential new hires.						
Principle 5. The organization holds individuals accountable for their internal control responsibilities in the pursuit of objectives.							
13.	The TRIBE/TDHE holds periodic training to ensure employees are aware of their duties pertaining to internal control (e.g. segregation of duties, safeguarding TRIBE/TDHE assets). Training needs are continuously reevaluated.						
14.	Controls and documentation are in place to substantiate that employees have received periodic training and are aware of their duties pertaining to internal controls.						
15.	Disciplinary actions are documented and available for employee review. Where applicable, the TRIBE/TDHE has a documented corrective action program/coaching plan for employees facing disciplinary actions.						

RISK ASSESSMENT

		<i>Self-Assessment of Policies, Procedures, and Processes</i>					Comments/Explanations
		<i>Weak</i>		<i>Strong</i>			
		1	2	3	4	5	
Principle 6. The organization specifies with sufficient clarity to enable the identification and assessment of risks relating to objectives.							
16.	The TRIBE/TDHE specifies objectives with sufficient clarity enabling the identification and assessment of risks that threaten the achievement of those objectives.						
17.	Management uses operational objectives as a basis for allocating the resources needed to attain desired operational and financial performance.						
18.	The TRIBE/TDHE sets entity-wide financial reporting controls and assesses the risks that those controls will not prevent material misstatements, errors, or omissions in the financial statements. Risk acceptance or avoidance is limited to instances where identified risks would not individually or in aggregate result in material misstatements, errors, or omissions.						
Principle 7. The organization identifies risks to the achievement of its objectives across the entity and analyzes risks as a basis for determining how the risks should be managed.							
19.	Management ensures that risk identification considers both internal and external factors and their impact on the achievement of objectives.						
20.	The TRIBE/TDHE adequately and effectively manages risks to the organization and has designed internal controls that mitigate the identified risks.						
21.	The TRIBE/TDHE develops performance indicators for key objectives and monitors the status of the indicators on a regular basis.						

Principle 8. The organization considers the potential for fraud in assessing risks to the achievement of objectives.						
22.	The TRIBE/TDHE periodically performs an assessment of its exposure to fraudulent activity and how the operations could be impacted.					
23.	The TRIBE/TDHE periodically performs an assessment of each of its operating locations potential exposure to fraudulent activity and how the operations could be impacted.					
24.	The TRIBE/TDHE’s assessment of fraud risks considers opportunities for unauthorized acquisition, use and disposal of assets, altering the reporting records, or committing other inappropriate acts.					
Principle 9. The organization identifies and assesses changes that could significantly impact the system of internal control.						
25.	The TRIBE/TDHE has mechanisms in place to identify and react to risks presented by changes in government, regulatory, economic, operating, or other conditions that could affect the achievement of the goals and objectives.					
26.	The most significant risks affecting the TRIBE/TDHE have been identified. Describe these significant risks in the comments/explanation section.					
27.	The most significant risks, identified above, have controls designed and implemented that mitigate risks associated with each.					

CONTROL ACTIVITIES

		<i>Self-Assessment of Policies, Procedures, and Processes</i>					Comments/Explanations
		<i>Weak</i>		<i>Strong</i>			
		1	2	3	4	5	
Principle 10. The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.							
28.	Management determines which relevant business processes require control activities.						
29.	Management considers control activities at various levels in the TRIBE/TDHE.						
30.	Management segregates incompatible duties, and where such segregation is not practical, management selects and develops alternative control activities.						
Principle 11. The organization selects and develops general control activities over technology to support the achievement of objectives.							
31.	Management selects and develops control activities that are designed and implemented to restrict technology access rights to authorized users commensurate with their job responsibilities and to protect the entity’s assets from external threats.						
32.	Management selects and develops control activities over the acquisition, development, and maintenance of technology and its infrastructure to achieve management’s objectives.						
33.	The TRIBE/TDHE has a process that requires regular back-up of computer files and testing of the back-up files to ensure proper functionality.						
Principle 12. The organization deploys control activities through policies that establish what is expected and in procedures that put policies into action.							
34.	The TRIBE/TDHE has policies and procedures addressing proper segregation of duties between the authorization, custody, and recordkeeping for the following tasks, if						

CONTROL ACTIVITIES

		<i>Self-Assessment of Policies, Procedures, and Processes</i>					Comments/Explanations
		<i>Weak</i>		<i>Strong</i>			
		1	2	3	4	5	
	applicable: Prepaid Program Items (Participant Support Costs), Cash/Receivables, Equipment, Payables/Disbursements, Procurement/Contracting, and Payroll/Human Resources. For tasks lacking the appropriate segregation of duties describe any compensating controls in place in the comments/explanations section.						
35.	Management performs periodic review of policies and procedures to determine their continued relevance, and refreshes them when necessary.						
36.	The TRIBE/TDHE maintains policies and procedures to facilitate the recording and accounting of transactions in compliance with laws, regulations, and provisions of contracts and grant agreements.						

INFORMATION AND COMMUNICATION

		<i>Self-Assessment of Policies, Procedures, and Processes</i>					Comments/Explanations
		<i>Weak</i>		<i>Strong</i>			
		1	2	3	4	5	
Principle 13. The organization obtains or generates and uses relevant, quality information to support the functioning of other components of internal control.							
37.	Federal, state, or grant program rules or regulations are reviewed with one or more of the following: governing board, audit, finance or other committee.						
38.	The TRIBE/TDHE maintains and follows procedures for record filing, retention, and disposal of accounting records and supporting documentation in accordance with applicable regulations.						
39.	The TRIBE/TDHE’s accounting system provides for separate identification of federal grant transactions and non-federal transactions and allocations of transactions that benefit both.						
Principle 14. The organization internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of other components of internal control.							
40.	Communication exists between management and the board of directors so that both have information needed to fulfill their roles with respect to the TRIBE/TDHE’s objectives.						
41.	The Code of Conduct, or other policies, expressly prohibits override of internal controls by management.						
42.	Management has a process for the development, approval and implementation of policy updates and communicates those updates to staff.						
Principle 15. The organization communicates with external parties regarding matters affecting the functioning of other components of internal control.							
43.	The TRIBE/TDHE has a Whistleblower policy for people to report suspected improprieties regarding fraud; errors in financial reporting, procurement, and contracting; improper use or disposition of equipment; and misrepresentation or false						

INFORMATION AND COMMUNICATION

		<i>Self-Assessment of Policies, Procedures, and Processes</i>					Comments/Explanations
		<i>Weak</i>		<i>Strong</i>			
		1	2	3	4	5	
	statements.						
44.	The TRIBE/TDHE has processes in place to communicate relevant and timely information to external parties.						
45.	The TRIBE/TDHE has processes in place to communicate the results of reports provided by the Independent Auditor, and Federal Awarding Agencies to the Board/Council.						

MONITORING ACTIVITIES

		<i>Self-Assessment of Policies, Procedures, and Processes</i>					Comments/Explanations
		<i>Weak</i>		<i>Strong</i>			
		1	2	3	4	5	
Principle 16. The organization selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning.							
46.	The TRIBE/TDHE periodically evaluates business processes such as cash management, budget to actual results, repayment or reprogramming of interest earnings, draw down of funds, procurement, and contracting activities.						
47.	The TRIBE/TDHE ensures compliance with period of availability requirements.						
48.	TRIBE/TDHE management periodically visits other decentralized locations (including subrecipients) to determine whether policies and procedures are being followed as intended.						
Principle 17. The organization evaluates and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the board of directors, as appropriate.							
49.	The TRIBE/TDHE periodically evaluates internal controls, tests for compliance with federal requirements, and communicates the results of those evaluations to the TRIBE/TDHE’s Board/Council.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
50.	The TRIBE/TDHE monitors subrecipients to ensure that federal funds provided are expended only for allowable activities, goods, and services and communicates the monitoring results to the TRIBE/TDHE’s Board/Council.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Credit Card Holder Agreement and Acknowledgement of Understanding

A credit card account has been authorized in your name. The credit card is issued on the company credit line, and you have an established credit card limit of \$_____. It is your responsibility to insure the card is safeguarded, and all purchases made on the credit card are in compliance with _____ (Tribe/TDHE) policies and procedures, and applicable laws, regulations. A credit card is a privilege and all cardholders agree to the following:

1. I understand that I will be making financial commitments on behalf of _____(Tribe/TDHE) will strive to obtain the best value for all purchases.
2. I have read and will follow the Procurement Policies and Credit Card Procedures and state that I fully understand my responsibility to follow these policies and procedures in all procurements using the credit card assigned to me. Failure to comply with this Agreement may result in either revocation of my use privileges or other corrective action, up to and including termination of employment.
3. Every transaction must be supported by an itemized receipt detailing the purchase, account code, and authorized approval.
4. Credit cards will not be used for unauthorized or non-eligible expense purchases.
5. I will submit detailed receipts and approvals for all charges within three business days of receipt of the credit card charges
6. I am responsible for all charges on the card, and will reconcile the statement each period. I will resolve any discrepancies by either contacting the merchant or the credit card company.
7. The credit card is issued in my name. I will safeguard the credit card against loss, theft, and unauthorized use. I am responsible for all charges against this card.
8. I understand and agree that the credit card shall be used for only authorized purchases. If the card is lost or stolen, I will immediately notify the Credit Card company and _____ (Tribe/TDHE) accounting personnel.

Acknowledgement of Understanding

By signing below I indicate that I understand and agree to comply with the policy and procedures of _____(Tribe/TDHE). Failure to follow Credit Card Procedures, Procurement Policy Procedures and Travel Policy and Procedures may result in forfeiture of credit card privileges and/or disciplinary action.

Employee Signature

Printed Name

Date

Tribal Administrator – Signature

Date

CREDIT CARD PROCEDURE – SAMPLE

The credit card is a mechanism for procuring goods or services using the micro-purchase method of procurement (under \$5,000) and can be used for approved travel.

The credit card is a method for simplifying purchases for daily operations but it does not alleviate the cardholder's responsibilities for following the Tribe/TDHE procurement policies prior to procuring commodities or services. Additionally, credit card use for travel shall be in accordance with the Tribe/TDHE's travel policy and procedures.

- a. Cardholders are required to complete the Cardholders Agreement (attached) acknowledging their responsibilities as cardholders.
- b. Credit cards will be used for business purposes only. Personal use is not authorized. All charges shall be on itemized receipts. Authorized purchases include:
 - Supplies
 - Travel expenses
 - Gas/fuel for company vehicles
- c. Credit cards are assigned to specific employees, named on the card, and are not to be used by other employees.
- d. There will be limits attached to each cardholders' credit card. These limits are designated by the Tribal Administrator and/or President (or set out in this policy and are managed by Accounting Personnel.
- e. Each cardholder is responsible for attaching a pay request to each charge and obtaining their supervisors review and approval before submitting to accounting for processing.
- f. All charges shall be processed for payment by the employee within 48 hours of the charge.
- g. Accounting personnel will enter approved charges in the accounting system.
- h. Accounting personnel will reconcile charges to credit card statements monthly.
- i. The Tribal Administrator (President) shall review and approve payment of the credit card statement.
- j. Credit cards will be cancelled to the cardholder if cardholder does not adhere to these policies and procedures.

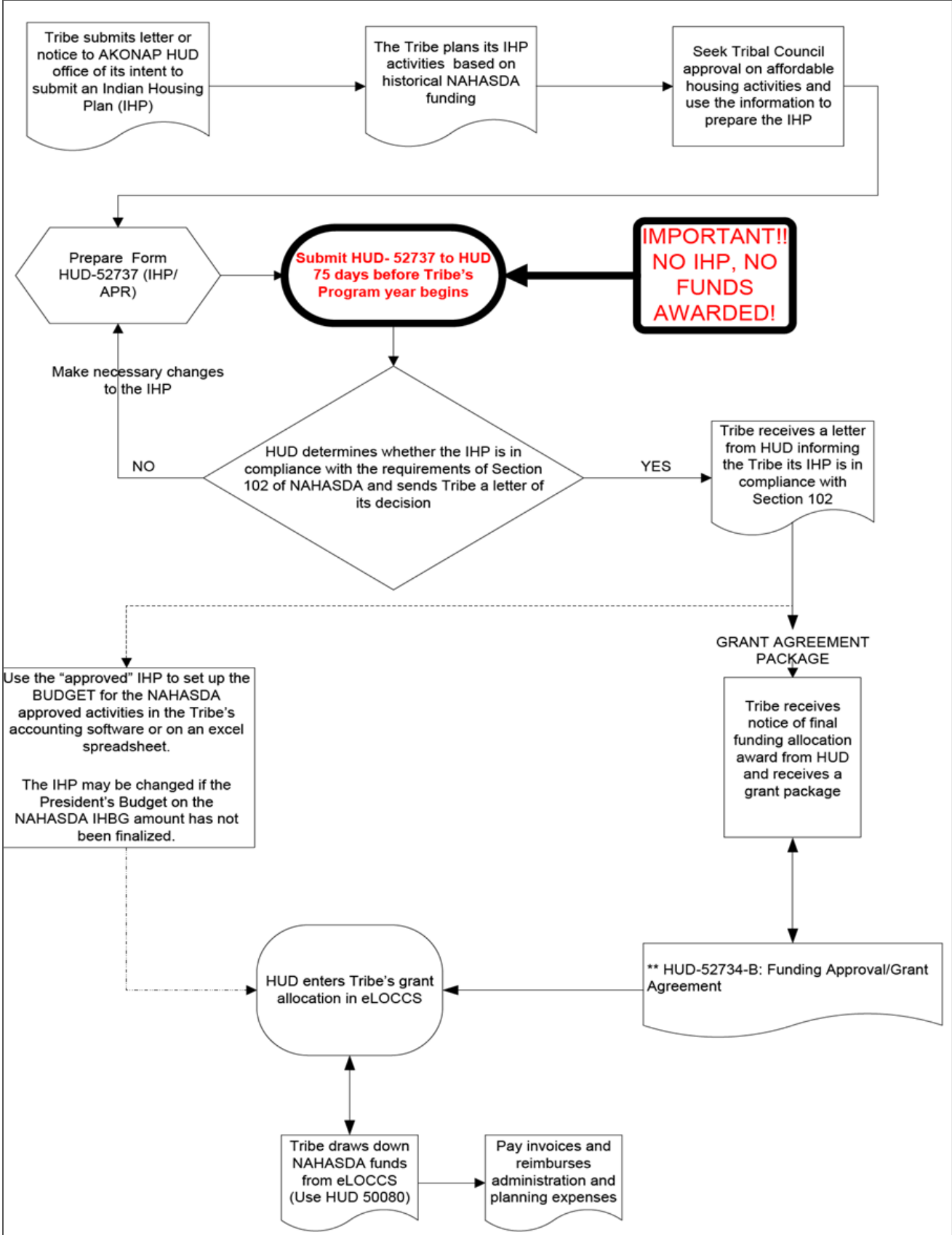
**Upnorth Village Tribal Housing
Fixed Assets Schedule
December 31, 20XX**

Date	Item	Source	Beginning Balance	Additions	Deletions	Ending Balance
<u>Land</u>						
6/1/1998	Land/Office Bldg: 1.5 acres	Donated Village Corp	30,000	0		30,000
7/15/2015	Land/Triplex 1.5: acres	Donated Village Corp	30,000	0		30,000
11/31/2015	Land/2 x 4 plexes	Donated Village Corp	60,000	0		60,000
	Total Land		120,000	0	0	120,000
<u>Infrastructure/Land Improvements</u>						
1/6/2016	4 Plexes water sewer	ANTHC	0	38,500		38,500
1/6/2016	4 Plexes Sand and Gravel Pad	ICDBG	0	150,000		150,000
	Total Land		0	188,500	0	188,500
<u>Buildings</u>						
1/1/1991	MH Homes (4)	HUD	200,000	0	0	200,000
1/1/1996	1937 Act 8 unit multifamily	HUD	630,700	0	0	630,700
10/1/2000	Office Building	BIA/NAHASDA	424,075	0	0	424,075
7/20/2011	single family home	NAHASDATitle VI	230,000	0	0	230,000
7/20/2011	single family home	NAHASDATitle VI	230,000	0	0	230,000
1/1/2012	single family home	NAHASDATitle VI	230,000	0	0	230,000
1/1/2012	single family home	NAHASDATitle VI	230,000	0	0	230,000
	Total Buildings		2,174,775	0	0	2,174,775
<u>Equipment</u>						
7/1/2010	Allweld Boat 18' w/Mercury 115 HP	EPA/IGAP	21,500			21,500
12/1/2015	Honda 4 wheeler VIN 1234	EPA/IGAP	7,689			7,689
3/31/2015	Ford single cap VIN 6698	BIA TPA	26,750			26,750
7/15/2016	Honda 4 wheeler VIN 9988 & Trailer	IRR		11,506		11,506
	Total Equipment		55,939	11,506	0	67,445
	Total All Assets		2,350,714	200,006	0	2,550,720
<u>Construction in Progress</u>						
	(2) 4 plexes under construction	NAHASDA/Debt/	0	429,060	0	429,060
	Total CWIP		0	429,060	0	429,060

**Upnorth Village Tribal Housing
Depreciation Schedule
December 31, 20XX**

Date	Item	Ending Balance	Life	Beginning Accumulated Depreciation	20XX Additions	20XX Deletions	Ending Accumulated Depreciation	Net
<u>Land</u>								
6/1/1998	Land/Office Bldg: 1.5 acres	30,000		0			0	30,000
7/15/2015	Land/Triplex 1.5: acres	30,000		0			0	30,000
11/31/2015	Land/2 x 4 plexes	60,000		0			0	60,000
		<u>120,000</u>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>120,000</u>
<u>Infrastructure/Land Improvements</u>								
1/6/2016	4 Plexes water sewer	38,500	240	0	1,925		1,925	36,575
1/6/2016	4 Plexes Sand and Gravel Pad	150,000	0	0			0	150,000
		<u>188,500</u>		<u>0</u>	<u>1,925</u>	<u>0</u>	<u>1,925</u>	<u>186,575</u>
<u>Buildings</u>								
1/1/1991	MH Homes (4)	200,000		0 non-depreciable			0	200,000
1/1/1996	1937 Act 8 unit multifamily	630,700	360	420,467	21,023	0	441,490	189,210
10/1/2000	Office Building	424,075	360	215,571	14,136	0	229,707	194,368
7/20/2011	single family home	230,000	360	33,861	7,667	0	41,528	188,472
7/20/2011	single family home	230,000	360	33,861	7,667	0	41,528	188,472
1/1/2012	single family home	230,000	360	30,667	7,667	0	38,333	191,667
1/1/2012	single family home	230,000	360	30,667	7,667	0	38,333	191,667
		<u>2,174,775</u>		<u>765,094</u>	<u>65,826</u>	<u>0</u>	<u>830,920</u>	<u>1,343,855</u>
<u>Equipment</u>								
7/1/2010	Allweld Boat 18' w/Mercury 115 HP	21,500	120	11,825	2,150	0	13,975	7,525
12/1/2015	Honda 4 wheeler VIN 1234	7,689	84	92	1,098	0	1,190	6,499
3/31/2015	Ford single cap VIN 6698	26,750	120	2,006	2,675	0	4,681	22,069
7/15/2016	Honda 4 wheeler VIN 9988 & Trailer	11,506	84	0	685	0	685	10,821
		<u>67,445</u>		<u>13,923</u>	<u>6,608</u>	<u>0</u>	<u>20,531</u>	<u>46,914</u>
		<u>2,550,720</u>		<u>779,016</u>	<u>74,359</u>	<u>0</u>	<u>853,376</u>	<u>1,697,344</u>
<u>Construction in Progress</u>								
	(2) 4 plexes under construction	429,060	0					
		<u>429,060</u>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

PROCESS FOR RECEIVING IHP FUNDS



HUD REVIEW LETTER - IHP



U.S. Department of Housing and Urban Development
Region X – Anchorage Field Office
Alaska Office of Native American Programs
3000 C Street, Suite 401
Anchorage, AK 99503-3914
www.hud.gov/akonap

To: Tribe/TDHE

November 2, 2021

Subject: Federal Fiscal Year 2022 Indian Housing Block Grant Award

Dear Chairman/President/Executive Director:

The Alaska Office of Native American Programs (AKONAP), is pleased to inform the (Tribe/TDHE name) that the Indian Housing Plan (IHP) submitted on October 15, 2021, for the Indian Housing Block Grant (IHBG) program has been found to be in compliance with the requirements of Section 102 of the Native American Housing Assistance and Self-Determination Act (NAHASDA) and the implementing regulations at 24 CFR part 1000.

The IHP includes continuation of the Model Activities of the Central Facilities Upgrades approved by the 2013 IHP amendment and the Office, Resident, and Community Building upgrades approved in the 2019 IHP amendment.

In accordance with 24 CFR § 1000.214, grant funds will be provided to a recipient when two conditions are met:

1. The IHP for FY 2022 has been determined to be in compliance with Section 102 of NAHASDA; and,
2. Federal funds are available.

The first condition has been met; unfortunately grant funds for FFY 2022 are not available. The (Tribe/TDHE name) **will be notified as soon as the funds become available.** The final grant amount may be different from the amount estimated in the IHP, however, the (Tribe/TDHE name) does not need to submit a revised IHP unless the funds allocated to maintain 1937 Housing Act units is reduced or a new activity has been added to the FY 2022 IHP.

As a recipient of IHGB funds under NAHASDA, (Tribe/TDHE name) assumes the administrative requirements at 24 CFR part 1000. As referenced in the grant agreement, an environmental review record is required in accordance with 24 CFR § 1000.18 – 1000.24. Funds may not be obligated or used for any activities requiring a release of funds by HUD until such release is issued in writing.

The AKONAP looks forward to working with the (Tribe/TDHE name) to achieve the goals and objectives set forth in the FY 2022 IHP. For further technical assistance in the successful implementation of the grant, please contact (name), Lead Grants Management Specialist; toll free at (877) XXX-XXXX, extension XXX, direct at (907) 677-XXXX or by email to name@hud.gov.

Sincerely,

Director
Grants Management Division

Attachment A to HUD-52734-B

Additional Information Required by 2 CFR § 200.210

As of December 26, 2014, all new grant agreements between HUD and Indian Housing Block Grant (IHBG) recipients are required to include the terms established in 2 CFR § 200.210. The IHBG Funding Agreement has not yet been updated to include all of the required terms. Your FFY 2021 IHBG Award is also subject to the following terms:

Federal Award Project Description: The IHBG program is a formula grant that provides a range of affordable housing activities on Indian reservations and Indian areas. Eligible activities include housing development, assistance to housing developed under the Indian Housing Program, housing services to eligible families and individuals, crime prevention and safety, and HUD-approved model activities that provide creative approaches to solving affordable housing problems.

Recipient's DUNS Number: XXXXXXXXXX

Period of Performance Date: February 25, 2021 - September 30, 2030

CFDA Number and Name: 14.867 – Indian Housing Block Grant

Indirect Cost Rate: In accordance with 2 CFR § 200.414, (Tribe/TDHE name) is subject to the indirect cost rate negotiated with its cognizant agency, as defined in 2 CFR § 200.19. If (Tribe/TDHE name) has never received a negotiated indirect cost rate, (Tribe/TDHE name) can elect to charge a de minimus rate of 10% of modified total direct costs (as defined in 2 CFR § 200.68), which may be used indefinitely.



U.S. Department of Housing and Urban Development
Region X – Anchorage Field Office
Alaska Office of Native American Programs
3000 C Street, Suite 401
Anchorage, AK 99503-3914
<http://www.hud.gov/akonap>

MAR 05 2021

To: Tribe/TDHE

Subject: Federal Fiscal Year 2021 Indian Housing Block Grant

Dear Chairman/President/Executive Director:

The U.S. Department of Housing and Urban Development (HUD), Alaska Office of Native American Programs (AKONAP), is pleased to inform the (Tribe/TDHE name) that funds are now available for the Federal Fiscal Year (FFY) 2021 Indian Housing Plan (IHP), which was found to be in compliance with requirements of Section 102 of the Native American Housing Self-Determination Act (NAHASDA) on November 23, 2020.

The final funding allocation is \$XXXXXX. While the final funding allocation is different from the amount estimated in the IHP, it is not necessary to amend the IHP unless funds allocated to maintain 1937 Housing Act units are reduced or a new activity is added.

The (Tribe/TDHE name) will be able to access funds through the eLOCCS once registered and the enclosed signed award document is returned to AKONAP. In order to expedite the process for reserving grant funds, the AKONAP has scanned and emailed the following document.

- Form HUD-52734-B Funding Approval/Agreement. Please print, sign, date, scan and email to AKONAP to the attention of the Grants Management Specialist. Please keep a copy on file.

As a recipient of IHBG funds under NAHASDA the (Tribe/TDHE name) assumes the administrative requirements at 24 CFR Part 1000. As referenced in the grant agreement, an environmental review record is required in accordance with 24 CFR §§ 1000.18 – 1000.24. Funds may not be obligated or used for any activities requiring a release of funds by HUD until such release is issued in writing.

AKONAP looks forward to working with the (Tribe/TDHE name) to achieve the goals and objectives set forth in the IHP. For technical assistance in the successful implementation of

of the grant, contact (name), Grants Management Specialist; toll free at (877) 302-9800, extension XXX, direct at (907) 677-XXX or by email to XXX@hud.gov.

Sincerely,

(name)
AKONAP Administrator

Enclosures

HUD REVIEW OF ANNUAL PERFORMANCE REPORT



U.S. Department of Housing and Urban Development

Alaska Office of Native American Programs

3000 C Street, Suite 401

Anchorage, Alaska 99503

<http://www.hud.gov/akonap>

June 2, 2021

TO: Tribe/TDHE

Subject: Review of Annual Performance Report for Indian Housing Block Grant 55IHXXXXXXXX for Program Year Ended December 31, 2020

Dear Chairman/President/Executive Director:

On March 31, 2021, the Alaska Office of Native American Programs (AKONAP) received the (Tribe/TDHE name) Annual Performance Report (APR) for the above referenced grant for the program year ended December 31, 2020.

The Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA), at Section 404, as amended, requires the Department of Housing and Urban Development to assess, at least annually, each recipient's performance under the Act. This letter is to inform (Tribe/TDHE name) that HUD has completed the review of the APR for the program year ended December 31, 2020. The review was designed to evaluate the APR and provide comments to recipients on data quality and overall performance. The following performance measures were considered:

Whether the (Tribe/TDHE name):

- carried out its eligible activities in a timely manner;
- carried out its eligible activities and certifications in accordance with the requirements and the primary objectives of NAHASDA and with other applicable laws;
- has continuing capacity to carry out activities;
- complied with the Indian Housing Plan (IHP); and,
- submitted an accurate APR.

AKONAP's review was limited to an examination of the APR submission and information readily available and would not necessarily disclose all deficiencies or matters of noncompliance. The review disclosed that the APR is complete and (Tribe/TDHE name) has complied with the IHP in carrying out its eligible activities in a timely manner.

Furthermore, the review did not disclose any deficiencies, or noncompliance with applicable laws and regulations; therefore, AKONAP offers no recommendations.

AKONAP congratulates the (Tribe/TDHE name) on its achievements and its participation in the Indian Housing Block Grant program. For questions or technical assistance, please contact me toll free at (877)XXX-XXXX, extension XXX or at my direct line at (907) 677-XXXX or by e-mail to name@hud.gov.

Sincerely,

Name
Grants Evaluation Specialist

For Recipient's Use:

INDIAN HOUSING PLAN/ANNUAL PERFORMANCE REPORT (NAHASDA §§ 102(b)(1)(A) and 404(a)(2))

This form meets the requirements for an Indian Housing Plan (IHP) and Annual Performance Report (APR) required by the United States Department of Housing and Urban Development. In addition to these requirements, a tribe or tribally designated housing entity (TDHE) may elect to prepare a more comprehensive IHP. If a tribe or TDHE elects to prepare a more comprehensive IHP, the required elements of this IHP must still be submitted on the prescribed HUD form. The information requested does not lend itself to confidentiality.

Regulatory and statutory citations are provided throughout this form as applicable. Recipients are encouraged to review these citations when completing the IHP and APR sections of the form.

Under the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) (25 U.S.C. 4101 et seq.), HUD will provide grants, loan guarantees, and technical assistance to Indian tribes and Alaska Native villages for the development and operation of low-income housing in Indian areas. Grants will be made to eligible recipients under the Indian Housing Block Grant (IHBG) program. To be eligible for the grants, recipients must submit an IHP that meets the requirements of the Act. The recipient is required to submit the IHP to HUD at least 75 days prior to the start of its 12-month program year (NAHASDA § 102(a)(1)). The APR is due no later than 90 days after the end of the recipient's program year (24 CFR § 1000.514).

The IHP and the APR (previously two separate forms) are now combined into one form. The sections pertaining to the IHP are submitted **before** the beginning of the 12-month program year, leaving the APR (shaded) sections blank. If the IHP has been updated or amended, use the most recent version when preparing the APR. After the 12-month program year, enter the results from the 12-month program year in the shaded sections of the form to complete the APR. More details on how to complete the IHP and APR sections of the form can be found in the body of this form. In addition, a separate IHP and APR report form guidance is available at http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/ih/codetalk/nahasda/guidance.

FORM COMPLETION OPTIONS: The IHP/APR form may be completed either in hard copy or electronically. Hard copy versions may be completed either by hand or typewriter. Alternatively, the form may be completed electronically as it is a Word document. It is recommended that the form be completed electronically because it is more efficient to complete, submit, and review the form. Furthermore, electronic versions of the form may be submitted to HUD as an email attachment. To document official signatures on the electronic version, you should sign a hard copy of the pages and either fax that signed page or email it as an attachment to your Area Office of Native American Programs. The sections of the IHP that require an official signature are Sections 1 and 8, and Sections 15 and 16, if applicable. For the APR, Section 1 requires an official signature.

Public reporting burden for the collection of information is estimated to average 62 hours, 25 hours for the IHP and 37 hours for the APR. This includes the time for collecting, reviewing, and reporting the data. The IHP data is used to verify that planned activities are eligible, expenditures are reasonable, and recipient certifies compliance with related requirements. The APR data is used to audit the program accurately and monitor recipient progress in completing approved activities, including reported expenditures, outputs, and outcomes. This agency may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number.

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Note: The page numbers in the Table of Contents can update automatically as the IHP or APR is completed. To update the page numbers, right-click anywhere in the table, select “Update Field” and select “update page numbers only.”

SECTION 1: COVER PAGE

(1) Grant Number:

(2) Recipient Program Year:

(3) Federal Fiscal Year:

(4) Initial Plan (Complete this Section then proceed to Section 2)

(5) Amended Plan (Complete this Section, Section 8 if applicable, and Section 16)

(6) Annual Performance Report (Complete items 27-30 and proceed to Section 3)

(7) Tribe

(8) TDHE

(9) Name of Recipient:		
(10) Contact Person:		
(11) Telephone Number with Area Code:		
(12) Mailing Address:		
(13) City:	(14) State:	(15) Zip Code:
(16) Fax Number with Area Code (if available):		
(17) Email Address (if available):		

(18) If TDHE, List Tribes Below:

(19) Tax Identification Number:
(20) DUNS Number:
(21) CCR/SAM Expiration Date:
(22) IHBG Fiscal Year Formula Amount:
(23) Name of Authorized IHP Submitter:
(24) Title of Authorized IHP Submitter:
(25) Signature of Authorized IHP Submitter:
(26) IHP Submission Date:
(27) Name of Authorized APR Submitter:
(28) Title of Authorized APR Submitter:
(29) Signature of Authorized APR Submitter:
(30) APR Submission Date:

Certification: The information contained in this document is accurate and reflects the activities actually planned or accomplished during the program year. Activities planned and accomplished are eligible under applicable statutes and regulations.

Warning: If you knowingly make a false statement on this form, you may be subject to civil or criminal penalties under Section 1001 of Title 18 of the United States Code. In addition, any person who knowingly and materially violates any required disclosure of information, including intentional disclosure, is subject to a civil money penalty not to exceed \$10,000 for each violation.

ONE YEAR PLAN & ANNUAL PERFORMANCE REPORT

SECTION 2: HOUSING NEEDS

(NAHASDA § 102(b)(2)(B))

(1) Type of Need: Check the appropriate box(es) below to describe the estimated types of housing needs and the need for other assistance for low-income Indian families (column B) and all Indian families (column C) inside and outside the jurisdiction.

(A) Type of Need	Check All That Apply	
	(B) Low-Income Indian Families	(C) All Indian Families
(1) Overcrowded Households	<input type="checkbox"/>	<input type="checkbox"/>
(2) Renters Who Wish to Become Owners	<input type="checkbox"/>	<input type="checkbox"/>
(3) Substandard Units Needing Rehabilitation	<input type="checkbox"/>	<input type="checkbox"/>
(4) Homeless Households	<input type="checkbox"/>	<input type="checkbox"/>
(5) Households Needing Affordable Rental Units	<input type="checkbox"/>	<input type="checkbox"/>
(6) College Student Housing	<input type="checkbox"/>	<input type="checkbox"/>
(7) Disabled Households Needing Accessibility	<input type="checkbox"/>	<input type="checkbox"/>
(8) Units Needing Energy Efficiency Upgrades	<input type="checkbox"/>	<input type="checkbox"/>
(9) Infrastructure to Support Housing	<input type="checkbox"/>	<input type="checkbox"/>
(10) Other (specify below)	<input type="checkbox"/>	<input type="checkbox"/>

(2) Other Needs. *(Describe the "Other" needs below. Note: this text is optional for all needs except "Other.")*:

(3) Planned Program Benefits. *(Describe below how your planned programs and activities will address the needs of low income families identified above. Also describe how your planned programs will address the various types of housing assistance needs. NAHASDA § 102(b)(2)(B)):*

(4) Geographic Distribution. *(Describe below how the assistance will be distributed throughout the geographic area and how this geographic distribution is consistent with the needs of low income families. NAHASDA § 102(b)(2)(B)(i)):*

SECTION 3: PROGRAM DESCRIPTIONS

(NAHASDA § [102(b)(2)(A)], [233(a)], [235(c)], [404(b)], 24 CFR §1000.512(b)(2) and (3))

Planning and Reporting on Program Year Activities

For the IHP, the purpose of this section is to describe each program that will be operating during the 12-month program year. Each program must include the eligible activity, its planned outputs, intended outcome, who will be assisted, and types and levels of assistance. Each of the eligible activities has a specific, measurable output. The first column in the table below lists all eligible activities, the second column identifies the output measure for each eligible activity, and the third column identifies when to consider an output as completed for each eligible activity. Copy and paste text boxes 1.1 through 1.10 as often as needed so that all of your planned programs are included.

For the APR, the purpose of this section is to describe your accomplishments, actual outputs, actual outcomes, and any reasons for delays.

Eligible Activities May Include (citations below reference sections in NAHASDA)

Eligible Activity	Output Measure	Output Completion
(1) Modernization of 1937 Act Housing [202(1)]	Units	All work completed and unit passed final inspection
(2) Operation of 1937 Act Housing [202(1)]	Units	Number of units in inventory at Program Year End (PYE)
(3) Acquisition of Rental Housing [202(2)]	Units	When recipient takes title to the unit
(4) Construction of Rental Housing [202(2)]	Units	All work completed and unit passed final inspection
(5) Rehabilitation of Rental Housing [202(2)]	Units	All work completed and unit passed final inspection
(6) Acquisition of Land for Rental Housing Development [202(2)]	Acres	When recipient takes title to the land
(7) Development of Emergency Shelters [202(2)]	Households	Number of households served at any one time, based on capacity of the shelter
(8) Conversion of Other Structures to Affordable Housing [202(2)]	Units	All work completed and unit passed final inspection
(9) Other Rental Housing Development [202(2)]	Units	All work completed and unit passed final inspection
(10) Acquisition of Land for Homebuyer Unit Development [202(2)]	Acres	When recipient takes title to the land
(11) New Construction of Homebuyer Units [202(2)]	Units	All work completed and unit passed final inspection
(12) Acquisition of Homebuyer Units [202(2)]	Units	When recipient takes title to the unit
(13) Down Payment/Closing Cost Assistance [202(2)]	Units	When binding commitment signed
(14) Lending Subsidies for Homebuyers (Loan) [202(2)]	Units	When binding commitment signed
(15) Other Homebuyer Assistance Activities [202(2)]	Units	When binding commitment signed

(16) Rehabilitation Assistance to Existing Homeowners [202(2)]	Units	All work completed and unit passed final inspection
(17) Tenant Based Rental Assistance [202(3)]	Households	Count each household once per year
(18) Other Housing Service [202(3)]	Households	Count each household once per year
(19) Housing Management Services [202(4)]	Households	Count each household once per year
(20) Operation and Maintenance of NAHASDA-Assisted Units [202(4)]	Units	Number of units in inventory at PYE
(21) Crime Prevention and Safety [202(5)]	Dollars	Dollars spent (report in Uses of Funding Table only)
(22) Model Activities [202(6)]	Dollars	Dollars spent (report in Uses of Funding Table only)
(23) Self-Determination Program [231-235]		
Acquisition	Units	When recipient takes title to the unit
Construction	Units	All work completed and unit passed final inspection
Rehabilitation	Units	All work completed and unit passed final inspection
Infrastructure	Dollars	Dollars spent (report in Uses of Funding Table only)
(24) Infrastructure to Support Housing [202(2)]	Dollars	Dollars spent (report in Uses of Funding Table only)
(25) Reserve Accounts [202(9)]	N/A	N/A

Outcome May Include:

(1) Reduce over-crowding	(7) Create new affordable rental units
(2) Assist renters to become homeowners	(8) Assist affordable housing for college students
(3) Improve quality of substandard units	(9) Provide accessibility for disabled/elderly persons
(4) Improve quality of existing infrastructure	(10) Improve energy efficiency
(5) Address homelessness	(11) Reduction in crime reports
(6) Assist affordable housing for low income households	(12) Other – must provide description in boxes 1.4 (IHP) and 1.5

IHP: PLANNED PROGRAM YEAR ACTIVITIES (NAHASDA § 102(b)(2)(A))

For each planned activity, complete all the non-shaded sections below. It is recommended that for each program name you assign a unique identifier to help distinguish individual programs. This unique number can be any number of your choosing, but it should be simple and clear so that you and HUD can track tasks and results under the program and collect appropriate file documentation tied to this program.

- One way to number your programs is chronologically. For example, you could number your programs 2011-1, 2011-2, 2011-3 etc.
- Or, you may wish to number the programs based on type. For example rental 1, rental 2, homebuyer 1, homebuyer 2 etc. This type of numbering system might be appropriate if you have many programs that last over several years.
- Finally, you may wish to use an outline style of numbering. For example, all programs under your first eligible activity would start with the number 1 and then be consecutively numbered as 1.1, 1.2, 1.3 etc. The programs under the second eligible activity would be numbered as 2.1, 2.2., 2.3 etc.

APR: REPORTING ON PROGRAM YEAR PROGRESS (NAHASDA § 404(b))

Complete the shaded section of text below to describe your completed program tasks and actual results. Only report on activities completed during the 12-month program year. Financial data should be presented using the same basis of accounting as the Schedule of Expenditures of Federal Awards (SEFA) in the annual OMB Circular A-133 audit. For unit accomplishments, only count units when the unit was completed and occupied during the year. For households, only count the household if it received the assistance during the previous 12-month program year.

1.1 Program Name and Unique Identifier:

1.2 Program Description *(This should be the description of the planned program.):*

1.3 Eligible Activity Number *(Select one activity from the Eligible Activity list. Do not combine homeownership and rental housing in one activity, so that when housing units are reported in the APR they are correctly identified as homeownership or rental.):*

1.4 Intended Outcome Number *(Select one outcome from the Outcome list. Each program can have only one outcome. If more than one outcome applies, create a separate program for each outcome.):*

Describe Other Intended Outcome *(Only if you selected "Other" above.):*

1.5 Actual Outcome Number *(In the APR identify the actual outcome from the Outcome list.):*

Describe Other Actual Outcome *(Only if you selected "Other" above.):*

1.6 Who Will Be Assisted *(Describe the types of households that will be assisted under the program. Please note: assistance made available to families whose incomes fall within 80 to 100 percent of the median should be included as a separate program within this section.):*

1.7 Types and Level of Assistance *(Describe the types and the level of assistance that will be provided to each household, as applicable.):*

1.8 APR: *(Describe the accomplishments for the APR in the 12-month program year. In accordance with 24 CFR § 1000.512(b)(3), provide an analysis and explanation of cost overruns or high unit costs.):*

--

1.9: Planned and Actual Outputs for 12-Month Program Year

Planned Number of Units to be Completed in Year Under this Program	Planned Number of Households To Be Served in Year Under this Program	Planned Number of Acres To Be Purchased in Year Under this Program	APR: Actual Number of Units Completed in Program Year	APR: Actual Number of Households Served in Program Year	APR: Actual Number of Acres Purchased in Program Year

<p>1.10: APR: If the program is behind schedule, explain why. (24 CFR § 1000.512(b)(2))</p>

NOTE: Remember to complete all the text boxes in Section 3 for each IHBG-funded program. If you are completing an electronic version of this form, you may copy and paste text boxes 1.1 through 1.10 as needed to describe each of your programs. If you are completing this form in hard copy, you may photocopy Section 3 as needed to describe each of your programs.

SECTION 4: MAINTAINING 1937 ACT UNITS, DEMOLITION, AND DISPOSITION

(1) Maintaining 1937 Act Units (NAHASDA § 102(b)(2)(A)(v)) *(Describe specifically how you will maintain and operate your 1937 Act housing units in order to ensure that these units will remain viable.):*

(2) Demolition and Disposition (NAHASDA § 102(b)(2)(A)(iv)(I-III), 24 CFR 1000.134) *(Describe any planned demolition or sale of 1937 Act or NAHASDA-assisted housing units. If the recipient is planning on demolition or disposition of 1937 Act or NAHASDA-assisted housing units, be certain to include the timetable for any planned demolition or disposition and any other information that is required by HUD with respect to the demolition or disposition.):*

SECTION 5: BUDGETS

(1) **Sources of Funding** (NAHASDA § 102(b)(2)(C)(i) and 404 (b)) (Complete the **non-shaded** portions of the chart below to describe your estimated or anticipated sources of funding for the 12-month program year. **APR Actual Sources of Funding -- Please complete the shaded portions of the chart below to describe your actual funds received. Only report on funds actually received and under a grant agreement or other binding commitment during the 12-month program year.**)

SOURCE	IHP					APR					
	(A) Estimated amount on hand at beginning of program year	(B) Estimated amount to be received during 12-month program year	(C) Estimated total sources of funds (A + B)	(D) Estimated funds to be expended during 12-month program year	(E) Estimated unexpended funds remaining at end of program year (C minus D)	(F) Actual amount on hand at beginning of program year	(G) Actual amount received during 12-month program year	(H) Actual total sources of funding (F + G)	(I) Actual funds expended during 12-month program year	(J) Actual unexpended funds remaining at end of 12-month program year (H minus I)	(K) Actual unexpended funds obligated but not expended at end of 12-month program year
1. IHBG Funds											
2. IHBG Program Income											
3. Title VI											
4. Title VI Program Income											
5. 1937 Act Operating Reserves											
6. Carry Over 1937 Act Funds											
LEVERAGED FUNDS											
7. ICDBG Funds											
8. Other Federal Funds											
9. LIHTC											
10. Non-Federal Funds											
TOTAL											

Notes:

- a. For the IHP, fill in columns A, B, C, D, and E (non-shaded columns). **For the APR, fill in columns F, G, H, I, J, and K (shaded columns).**
- b. Total of Column D should match the total of Column N from the **Uses Table** on the following page.
- c. **Total of Column I should match the Total of Column Q from the Uses Table on the following page.**
- d. For the IHP, describe any estimated leverage in Line 3 below. For the APR, describe actual leverage in Line 4 below (APR).

(3) Estimated Sources or Uses of Funding (NAHASDA § 102(b)(2)(C)). *(Provide any additional information about the estimated sources or uses of funding, including leverage (if any). You must provide the relevant information for any planned loan repayment listed in the Uses Table on the previous page. This planned loan repayment can be associated with Title VI or with private or tribal funding that is used for an eligible activity described in an IHP that has been determined to be in compliance by HUD. The text must describe which specific loan is planned to be repaid and the NAHASDA-eligible activity and program associated with this loan):*

(4) APR (NAHASDA § 404(b)) *(Enter any additional information about the actual sources or uses of funding, including leverage (if any). You must provide the relevant information for any actual loan repayment listed in the Uses Table on the previous page. The text must describe which loan was repaid and the NAHASDA-eligible activity and program associated with this loan.):*

SECTION 6: OTHER SUBMISSION ITEMS

(1) Useful Life/Affordability Period(s) (NAHASDA § 205, 24 CFR § 1000.142) *(Describe your plan or system for determining the useful life/affordability period of the housing it assists with IHBG and/or Title VI funds must be provided in the IHP. A record of the current, specific useful life/affordability period for housing units assisted with IHBG and/or Title VI funds (excluding Mutual Help) must be maintained in the recipient's files and available for review for the useful life/affordability period.):*

(2) Model Housing and Over-Income Activities (NAHASDA § 202 (6), 24 CFR § 1000.108) *(If you wish to undertake a model housing activity or wish to serve non-low-income households during the 12-month program year, those activities may be described here or in a separate submission. Each approved model activity must be included as a separate program in Section 3 (Program Descriptions) and the APR portions of Section 3 must be completed in the APR submission for any approved model activity.):*

(3) Tribal and Other Indian Preference (NAHASDA § 201(b)(5), 24 CFR § 1000.120)

If preference will be given to tribal members or other Indian families, the preference policy must be described. This information may be provided here or in the program description section of the 1-year plan.

Does the Tribe have a preference policy? Yes No

If yes, describe the policy.

(4) Anticipated Planning and Administration Expenses (NAHASDA § 102(b)(2)(C)(ii), 24 CFR § 1000.238)

Do you intend to exceed your allowable spending cap for Planning and Administration? Yes No

If yes, describe why the additional funds are needed for Planning and Administration. For a recipient administering funds from multiple grant beneficiaries with a mix of grant or expenditure amounts, for each beneficiary state the grant amount or expenditure amount, the cap percentage applied, and the actual dollar amount of the cap.

(5) Actual Planning and Administration Expenses (NAHASDA § 102(b)(2)(C)(ii), 24 CFR § 1000.238)

Did you exceed your spending cap for Planning and Administration? Yes No

If yes, did you receive HUD approval to exceed your spending cap on Planning and Administration? Yes No

If you did not receive approval for exceeding your spending cap on Planning and Administration costs, describe the reason(s) for exceeding the cap. (See Section 6, Line 5 of the Guidance for information on carry-over of unspent Planning and Administration expenses.)

(6) Expanded Formula Area – Verification of Substantial Housing Services (24 CFR § 1000.302(3))

If your Tribe has an expanded formula area, (i.e., an area that was justified based on housing services provided rather than the list of areas defined in 24 CFR § 1000.302 Formula Area (1)), the Tribe must demonstrate that it is continuing to provide substantial housing services to that expanded formula area. Does the Tribe have an expanded formula area?

Yes No If no, proceed to Section 7.

If yes, list each separate geographic area that has been added to the Tribe's formula area and the documented number of Tribal members residing there.

For each separate formula area expansion, list the budgeted amount of IHBG and other funds to be provided to all American Indian and Alaska Native (AIAN) households and to only those AIAN households with incomes 80% of median income or lower during the recipient's 12-month program year:

Total Expenditures on Affordable Housing Activities for:		
	All AIAN Households	AIAN Households with Incomes 80% or less of Median Income
IHBG funds:		
Funds from other Sources:		

(7) APR: If answered "Yes" in Line 6, for each separate formula area expansion, list the actual amount of IHBG and other funds expended for all AIAN households and for only AIAN households with incomes 80% of median income or lower during the recipient's 12-month program year.

Total Expenditures on Affordable Housing Activities for:		
	All AIAN Households	AIAN Households with Incomes 80% or less of Median Income
IHBG funds:		
Funds from other Sources:		

SECTION 7: INDIAN HOUSING PLAN CERTIFICATION OF COMPLIANCE
(NAHASDA § 102(b)(2)(D))

By signing the IHP, you certify that you have all required policies and procedures in place in order to operate any planned IHBG programs.

(1) In accordance with applicable statutes, the recipient certifies that It will comply with Title II of the Civil Rights Act of 1968 in carrying out this Act, to the extent that such title is applicable, and other applicable federal statutes.

Yes No

(2) To be eligible for minimum funding in accordance with 24 CFR 1000.328, the recipient receiving less than \$200,000 under FCAS certifies that there are households within its jurisdiction at or below 80 percent of median income.

Yes No Not Applicable

(3) The following certifications will only apply where applicable based on program activities.

(a) The recipient will maintain adequate insurance coverage for housing units that are owned and operated or assisted with grant amounts provided under NAHASDA, in compliance with such requirements as may be established by HUD.

Yes No Not Applicable

(b) Policies are in effect and are available for review by HUD and the public governing the eligibility, admission, and occupancy of families for housing assisted with grant amounts provided under NAHASDA.

Yes No Not Applicable

(c) Policies are in effect and are available for review by HUD and the public governing rents charged, including the methods by which such rents or homebuyer payments are determined, for housing assisted with grant amounts provided under NAHASDA.

Yes No Not Applicable and

(d) Policies are in effect and are available for review by HUD and the public governing the management and maintenance of housing assisted with grant amounts provided under NAHASDA.

Yes No Not Applicable

SECTION 8: IHP TRIBAL CERTIFICATION
(NAHASDA § 102(c))

This certification is used when a Tribally Designated Housing Entity (TDHE) prepares the IHP on behalf of a tribe. This certification must be executed by the recognized tribal government covered under the IHP.

- (1) The recognized tribal government of the grant beneficiary certifies that:
- (2) It had an opportunity to review the IHP and has authorized the submission of the IHP by the TDHE; or
- (3) It has delegated to such TDHE the authority to submit an IHP on behalf of the Tribe without prior review by the Tribe.

(4) Tribe:	
(5) Authorized Official's Name and Title:	
(6) Authorized Official's Signature:	
(7) Date (MM/DD/YYYY):	

SECTION 9: TRIBAL WAGE RATE CERTIFICATION
(NAHASDA §§ 102(b)(2)(D)(vi) and 104(b))

By signing the IHP, you certify whether you will use tribally determined wages, Davis-Bacon wages, or HUD determined wages. Check only the applicable box below.

- (1) You will use tribally determined wage rates when required for IHBG-assisted construction or maintenance activities. The Tribe has appropriate laws and regulations in place in order for it to determine and distribute prevailing wages.

- (2) You will use Davis-Bacon or HUD determined wage rates when required for IHBG-assisted construction or maintenance activities.

- (3) You will use Davis-Bacon and/or HUD determined wage rates when required for IHBG-assisted construction except for the activities described below.

(4) List the activities using tribally determined wage rates:

SECTION 10: SELF-MONITORING

(NAHASDA § 403(b), 24 CFR § 1000.502)

(1) Do you have a procedure and/or policy for self-monitoring?

Yes No

(2) Pursuant to 24 CFR § 1000.502 (b) where the recipient is a TDHE, did the TDHE provide periodic progress reports including the self-monitoring report, Annual Performance Report, and audit reports to the Tribe?

Yes No Not Applicable

(3) Did you conduct self-monitoring, including monitoring sub-recipients?

Yes No

(4) Self-Monitoring Results. *(Describe the results of the monitoring activities, including inspections for this program year.):*

SECTION 11: INSPECTIONS

(NAHASDA § 403(b))

(1) **Inspection of Units** (Use the table below to record the results of recurring inspections of assisted housing.)

(A) Activity		(B) Total number of units (Inventory)	Results of Inspections			(F) Total number of units inspected
			(C) Units in standard condition	(D) Units needing rehabilitation	(E) Units needing to be replaced	
1.	1937 Housing Act Units:					
	a. Rental					
	b. Homeownership					
	c. Other					
1937 Act Subtotal						
2.	NAHASDA-Assisted Units:					
	a. Rental					
	b. Homeownership					
	c. Rental Assistance					
	d. Other					
NAHASDA Subtotal						
Total						

Note: Total of column F should equal the sum of columns C+D+E.

(2) Did you comply with your inspection policy: Yes No:

(3) If no, why not:

SECTION 12: AUDITS

(24 CFR §§ 1000.544 and 548)

This section is used to indicate whether an Office of Management and Budget Circular A-133 audit is required, based on a review of your financial records.

Did you expend \$500,000 or more in total Federal awards during the APR reporting period?

Yes No

If Yes, an audit is required to be submitted to the Federal Audit Clearinghouse and your Area Office of Native American Programs.

If No, an audit is not required.

SECTION 13: PUBLIC AVAILABILITY

(NAHASDA § 408, 24 CFR § 1000.518)

- (1)** Did you make this APR available to the citizens in your jurisdiction before it was submitted to HUD (24 CFR § 1000.518)?

Check one: Yes No

- (2)** If you are a TDHE, did you submit this APR to the Tribe(s) (24 CFR § 1000.512)?

Check one: Yes No Not Applicable

- (3)** If you answered "No" to question #1 and/or #2, provide an explanation as to why not and indicate when you will do so.

- (4)** Summarize any comments received from the Tribe(s) and/or the citizens (NAHASDA § 404(d)).

SECTION 14: JOBS SUPPORTED BY NAHASDA
(NAHASDA §404(b))

Use the table below to record the number of jobs supported with IHBG funds each year.

Indian Housing Block Grant Assistance (IHBG)	
(1) Number of Permanent Jobs Supported	
(2) Number of Temporary Jobs Supported	

(3) Narrative (optional):

SECTION 15: IHP WAIVER REQUESTS
 (NAHASDA § 101(b)(2))

THIS SECTION IS ONLY REQUIRED IF THE RECIPIENT IS REQUESTING A WAIVER OF AN IHP SECTION OR A WAIVER OF THE IHP SUBMISSION DUE DATE. A waiver is valid for a period not to exceed 90 days. Fill out the form below if you are requesting a waiver of one or more sections of the IHP. **NOTE:** This is NOT a waiver of the IHBG program requirements but rather a request to waive some of the IHP submission items.

(1) List below the sections of the IHP where you are requesting a waiver and/or a waiver of the IHP due date. *(List the requested waiver sections by name and section number):*

(2) Describe the reasons that you are requesting this waiver *(Describe completely why you are unable to complete a particular section of the IHP or could not submit the IHP by the required due date.):*

(3) Describe the actions you will take in order to ensure that you are able to submit a complete IHP in the future and/or submit the IHP by the required due date. *(This section should completely describe the procedural, staffing or technical corrections that you will make in order to submit a complete IHP in the future and/or submit the IHP by the required due date.):*

(4) Recipient:	
(5) Authorized Official's Name and Title:	
(6) Authorized Official's Signature:	
(7) Date (MM/DD/YYYY):	

SECTION 16: IHP AMENDMENTS

(24 CFR § 1000.232)

Use this section for IHP amendments only.

Fill out the text below to summarize your IHP amendment. Copy and paste Section 16 for each amendment. This amendment is only required to be submitted to the HUD Area Office of Native American Programs when (1) the recipient is adding a new activity that was not described in the current One-Year Plan that has been determined to be in compliance by HUD or (2) to reduce the amount of funding that was previously budgeted for the operation and maintenance of 1937 Act housing under NAHASDA § 202(1). All other amendments will be reflected in the APR and do not need to be submitted to HUD.

NOTES:

- (1) If Line 2 in Section 8 (IHP Tribal Certification) is checked in the current IHP, a new certification must be signed and dated by the authorized tribal official and submitted with the IHP Amendment.
- (2) Section 1 (Cover Page) is recommended but not required with an IHP Amendment submission.

APR: REPORTING ON PROGRAM YEAR PROGRESS (NAHASDA § 404(b))

Complete the shaded section of text below to describe your completed program tasks and actual results. Only report on activities completed during the 12-month program year. Financial data should be presented using the same basis of accounting as the Schedule of Expenditures of Federal Awards (SEFA) in the annual OMB Circular A-133 audit. For unit accomplishments, only count units when the unit was completed and occupied during the year. For households, only count the household if it received the assistance during the previous 12-month program year.

(1) Program Name and Unique Identifier:
(2) Program Description (<i>This should be the description of the planned program.</i>):
(3) Eligible Activity Number (<i>Select one activity from the Eligible Activities list in Section 3. Do not combine homeownership and rental housing in one activity, so that when units are reported in the APR they are correctly identified as homeownership or rental.</i>):
(4) Intended Outcome Number (<i>Select one Outcome from the Outcome list in Section 3.</i>):
Describe Other Intended Outcome (<i>Only if you selected "Other" above.</i>):

(5) Actual Outcome Number (Select one Outcome from the Outcome list in Section 3.):

Describe Other Actual Outcome (Only if you selected "Other" above.):

(6) Who Will Be Assisted (Describe the types of households that will be assisted under the program. Please note: assistance made available to families whose incomes fall within 80 to 100 percent of the median income should be included as a separate program within this Section.):

(7). Types and Level of Assistance (Describe the types and the level of assistance that will be provided to each household, as applicable.):

(8). APR: (Describe the accomplishments for the APR in the 12-month program year. In accordance with 24 CFR § 1000.512(b)(3), provide an analysis and explanation of cost overruns or high unit costs.):

(9). Planned and Actual Outputs for 12-Month Program Year

Planned Number of Units to be Completed in Year Under this Program	Planned Number of Households To Be Served in Year Under this Program	Planned Number of Acres To Be Purchased in Year Under this Program	APR: Actual Number of Units Completed in Program Year	APR: Actual Number of Households Served in Program Year	APR: Actual Number of Acres Purchased in Program Year

(10). APR: If the program is behind schedule, explain why. (24 CFR § 1000.512(b)(2))

(11) Amended Sources of Funding (NAHASDA § 102(b)(2)(C)(i) and 404 (b)) (Complete the **non-shaded** portions of the chart below to describe your estimated or anticipated sources of funding for the 12-month program year. **APR Actual Sources of Funding -- Please complete the shaded portions of the chart below to describe your actual funds received. Only report on funds actually received and under a grant agreement or other binding commitment during the 12-month program year.**)

SOURCE	IHP					APR					
	(A) Estimated amount on hand at beginning of program year	(B) Estimated amount to be received during 12-month program year	(C) Estimated total sources of funds (A + B)	(D) Estimated funds to be expended during 12-month program year	(E) Estimated unexpended funds remaining at end of program year (C minus D)	(F) Actual amount on hand at beginning of program year	(G) Actual amount received during 12-month program year	(H) Actual total sources of funding (F + G)	(I) Actual funds expended during 12-month program year	(J) Actual unexpended funds remaining at end of 12-month program year (H minus I)	(K) Actual unexpended funds obligated but not expended at end of 12-month program year
11. IHBG Funds											
12. IHBG Program Income											
13. Title VI											
14. Title VI Program Income											
15. 1937 Act Operating Reserves											
16. Carry Over 1937 Act Funds											
LEVERAGED FUNDS											
17. ICDBG Funds											
18. Other Federal Funds											
19. LIHTC											
20. Non-Federal Funds											
TOTAL											

Notes:

- a. For the IHP, fill in columns A, B, C, D, and E (non-shaded columns). **For the APR, fill in columns F, G, H, I, J, and K (shaded columns).**
- b. Total of Column D should match the total of Column N from the **Uses Table** on the following page.
- c. **Total of Column I should match the Total of Column Q from the Uses Table on the following page.**

(12) Amended Uses of Funding (NAHASDA § 102(b)(2)(C)(ii)) (Note that the budget should not exceed the total funds on hand and insert as many rows as needed to include all the programs identified in Section 3. **Actual expenditures in the APR section are for the 12-month program year.**)

PROGRAM NAME (tie to program names in Section 3 above)	Unique Identifier	IHP			APR		
		(L) Prior and current year IHBG (only) funds to be expended in 12-month program year	(M) Total all other funds to be expended in 12-month program year	(N) Total funds to be expended in 12-month program year (L + M)	(O) Total IHBG (only) funds expended in 12-month program year	(P) Total all other funds expended in 12-month program year	(Q) Total funds expended in 12-month program year (O+P)
Planning and Administration							
Loan repayment							
TOTAL							

- Notes:**
- a. Total of Column L cannot exceed the IHBG funds from Column C, Row 1 from the Sources Table on the previous page.
 - b. Total of Column M cannot exceed the total from Column C, Rows 2-10 from the Sources Table on the previous page.
 - c. Total of Column O cannot exceed total IHBG funds received in Column H, Row 1 from the Sources Table on the previous page.
 - d. Total of Column P cannot exceed total of Column H, Rows 2-10 of the Sources Table on the previous page.
 - e. Total of Column Q should equal total of Column I of the Sources Table on the previous page.

(13) Recipient:	
(14) Authorized Official's Name and Title:	
(15) Authorized Official's Signature:	I certify that all other sections of the IHP approved on _____ are accurate and reflect the activities planned.
(16) Date (MM/DD/YYYY):	

BASIC FINANCIAL MANAGEMENT TRAINING MATERIAL

DESIGNING INTERNAL CONTROLS – EXAMPLE 2

REMEMBER INTERNAL CONTROLS ARE UNIQUE TO YOUR ORGANIZATION

COMPLIANCE: Are expenses eligible to the grant, are you in compliance with federal and state requirements, are you following GAAP? Do you have policy and procedure for consistent treatment of like transactions?

EFFECTIVENESS AND EFFICIENCY: is there separation of duties, are you protecting your assets, do policies and procedures insure effective and efficient operations while assigning authority and responsibility?

RELIABILITY: do your internal controls insure reliable finance reporting, is everyone held to the same standard, can the granting agency rely on your financial reports to be accurate and compliant?

Tribal Council

- 1) Approves all contracts purchases and contracts over a certain dollar amount
- 2) Approves disposition of assets
- 3) Approves the annual budget and indirect cost proposal
- 4) Approves policies and procedures
- 5) Approves Tribally Determined Wage Rates
- 6) Approves the annual audit

Tribal Administrator

- 1) Manages Internal Controls of the organization
- 2) Reviews and approves financial reports on a regular basis
- 3) Signer on all checks
- 4) Approves procurements over a certain dollar value or with a value range
- 5) Approves the bank reconciliations
- 6) Reviews and approves all credit card reconciliations, approves for payment
- 7) Approves all new hires, including compensation and benefit
- 8) Reviews and signs grant reports to granting entities (Financial and Program)
- 9) Approves monthly and quarterly payroll liabilities (if prepared by Finance Director)
- 10) Approves all out of state travel

Program Managers

- 1) Prepares Program reports
- 2) Purchase authorization up to certain limits (example: up to \$1,000 or \$2000)
- 3) Reviews and approves all time worked by employees for their program(s)

BASIC FINANCIAL MANAGEMENT TRAINING MATERIAL

DESIGNING INTERNAL CONTROLS – EXAMPLE 2

- 4) Authorizes overtime or other per policies
- 5) Approves in-state training and travel

Finance Director

- 1) Reviews and approves all accounts payable before checks are processed
- 2) Reviews and approves payroll before payroll checks are processed
- 3) Prepares internal and external finance reports for all grants
- 4) Prepares (or approves) bank reconciliation
- 5) Approves Credit card transactions and reconciliations, authorizes payments
- 6) Prepares (or approves) payment of monthly and quarterly payroll liabilities
- 7) Prepares monthly financial reports before distribution to Program Managers.
- 8) Reconciles general ledger accounts on a regular basis
- 9) Reviews and approves bank deposit slip, cash, cash log
- 10) Coordinates and manages the annual audit
- 11) Prepares the annual Indirect Cost Proposal

Bookkeeper

- 1) Processes accounts payable
- 2) Reconciles to credit card statement and enters invoices for payment
- 3) Processes payroll and payroll liabilities
- 4) Assists with general ledger maintenance
- 5) Reconciles cash to cash receipt log, posts cash, prepares bank deposit
- 6) Reconciles and replenishes petty cash
- 7) Invoices tenant accounts receivable on a monthly basis

Receptionist

- 1) Receives all incoming mail
- 2) Distributes invoices to accounts payable
- 3) Stamps all checks received for deposit and prepares cash received log
- 4) Processes all travel requests
- 5) Orders office supplies
- 6) Manages petty cash

SAMPLE FINANCIAL MANAGEMENT POLICY AND PROCEDURES

(TRIBES/TDHE'S ADMINISTERING THE INDIAN HOUSING BLOCK GRANT)

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1. GENERAL PURPOSE

The purpose of the TRIBE/TDHE's **Financial Management and Internal Controls Policy** is to establish guidelines for control of the administration and implementation of the TRIBE/TDHE's funds in accordance with the TRIBE/TDHE's goals and objectives; to properly safeguard the assets of the TRIBE/TDHE to make sound financial decisions, and have the ability to provide accurate financial reports.

TRIBE/TDHEs are non-federal entities administering federal programs, and are therefore required to account for and present their basic financial statements according to Generally Accepted Accounting Principles (GAAP) standards set by the Governmental Accounting Standards Board (GASB).

This Policy governs the financial management system of the TRIBE/TDHE and complies with the provisions of Title 2, Part 200 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Grant Guidance").

2. FINANCIAL RESPONSIBILITIES

This policy and any later changes shall be submitted to the [Tribal Council or Board of Commissioners] ("Board") for approval. The Council/Board is responsible for ensuring that any policy to be adopted is appropriate for the TRIBE/TDHE.

The Council/Board appoints and delegates financial and budget authority to the Executive Director and the Finance Manager. The Finance Manager oversees the day-to-day financial management activities of the TRIBE/TDHE's funds, ensuring the accuracy of the accounting records, internal controls are in place and adhered to, financial reports are prepared and communicated to the Executive Director timely.

The Finance Manager, is responsible for the preparation and maintenance of the accounting software's chart of accounts, maintenance of the general ledger, reconciliation of subsidiary system accounts such as cash management, accounts payable, accounts receivable, job costing, payroll, journal entries, and responsibility of preparing required reports for compliance with the Internal Revenue Service (IRS), State and Federal grant reporting requirements.

3. ACCOUNTING METHODS & STANDARDS

Accounting methods employed by the TRIBE/TDHE shall, at a minimum, satisfy such requirements as may be prescribed by federal or state laws, regulations or guidelines. Additional accounting methods shall be employed to satisfy applicable government accounting standards promulgated by such competent authoritative

sources as the Governmental Accounting Standards Board (GASB) and Financial Accounting Standards Board (FASB), where applicable.

4. REVENUE RECOGNITION

Revenue shall be recognized in the accounting period in which they are earned and measurable. The TRIBE/TDHE's major revenue categories are:

- **Governmental Grants:** Federal, State, and Local: These revenue types are recognized in accordance with the legal and contractual requirements of the specific programs. Grant revenues are recognized based on expenditures recorded.
- **Unrestricted Donations and Contributions:** Revenues are recognized when received.
- **Rental Income:** Revenues are recognized when earned, based on monthly billings to residents.
- **Other Income:** Revenues are recognized as earned.
- **Interest and Dividend Income:** Revenues from interest and dividend income from cash and investments, and interest from mortgage loans issued to borrowers are recognized when earned.
- **Gain/Loss on sale of assets:** A gain or loss is recognized when an asset is sold or disposed of.

5. EXPENSE RECOGNITION

Expenses are generally recognized in the accounting period in which they are incurred, when measurable. Exceptions to this general rule include:

- **Prepaid Expenses:** Expenses are recognized as they are used or consumed.
- **Capital Assets:** Assets are recorded at historical costs and expensed through depreciation over the useful life of the assets.

6. ACCOUNT RECORDS, IDENTIFICATION, AND SOURCE DOCUMENTS

In the administration of federal, state and local government awards, the TRIBE/TDHE's financial management system must be set up so that it can provide for the following:

The TRIBE/TDHE must maintain adequate accounting records that are supported by source documents which are the basis for the accounting transactions that are

entered into the TRIBE/TDHE's accounting system. Examples include checks, invoices, copies of checks and receipts, timesheets, etc.

The TRIBE/TDHE must maintain records which adequately identify the source and application of funds provided. For example:

- a. **Federal Awards:** All Federal awards received and expended by the TRIBE/TDHE must be properly identified and accounted for and must include, as applicable, the Catalog of Federal Domestic Assistance (CDFA) title and number, grant identification number and year, name of the federal agency, and the name of the pass-through entity, if any.
- b. **State and Local Awards:** All State and Local awards received and expended by the TRIBE/TDHE must be properly identified and accounted for and must include, as applicable, the title and name of the grant award, the award number and the year, and the name of the pass-through entity, if any.

The TRIBE/TDHE must maintain source documents that adequately support the grant award, authorizations, obligations, unobligated balances, assets, expenditures, income and interest.

7. RECORDS AND INFORMATION MANAGEMENT

The TRIBE/TDHE shall apply uniform rules for the TRIBE/TDHE's records (including financial) and information which meet legal standards and best practices for effective records and information management for existing records and yet to be created records, and shall apply to all employees and contractors who generate information for the TRIBE/TDHE. The TRIBE/TDHE shall ensure:

- Control of all the TRIBE/TDHE's information, regardless of media form;
- Records are retained in accordance with legal, business and federal, state, and local government program requirements;
- Records are maintained and stored in a manner that is secure and accessible through the retention period;
- Appropriate safeguards are in place against illegal access, removal, loss, or destruction of the TRIBE/TDHE's records and information;
- Disposal of records and information is performed in accordance with an approved records retention schedule.

In addition to the TRIBE/TDHE's general records and information retention policy, the TRIBE/TDHE shall also comply with the NAHASDA program requirements on records management in accordance with 1000.552, wherein:

- Records must be retained for 3 years from the end of the tribal program year during which the expenditures occurred.
- If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the 3-year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular 3-year period, whichever is later.

8. FINANCIAL REPORTS

The TRIBE/TDHE must be able to produce accurate, current, and complete disclosure of the financial results of each of the financially assisted activities made in accordance with the financial reporting requirements of the grant or subgrant. The TRIBE/TDHE shall use the financial reports as tools to manage, control, ensure compliance, monitor, and inform the TRIBE/TDHE on its financial activities.

- Reports to Grant Agencies:** The TRIBE/TDHE shall complete and submit all reports to Federal, State, and local grant agencies in accordance with, and in the format and timelines required by the agency. The Finance Director shall oversee all administrative and financial reports, including the HUD Standard Form 425 (Quarterly Transaction Report), the IHP and the APR, before the due dates designated by HUD, as such forms and deadlines may change from time to time.
- Management and Council/Board reports:** The TRIBE/TDHE shall prepare and make available to management and the Council/Board on a monthly basis, financial reports to include:
 - Statement of Net Position.
 - Statement of Revenues, Expenses, and Changes in Net Position.
 - Statement of Cash Flow.
 - Budget to actual reports detailing significant variances of sources and uses of funds as a management tool.

9. CASH MANAGEMENT POLICY

The TRIBE/TDHE recognizes the importance of cash management to insure there are sufficient funds to pay for the expenses of operating the TRIBE/TDHE's housing programs. The Finance Director shall be responsible for monitoring the daily cash flow and balances of all cash funds, including investments.

On a monthly basis, the Finance Director shall provide a report that shows the cash position from all sources that are accounted for in the cash accounts and investment accounts, along with bank and investment statements. The

TRIBE/TDHE's cash and investment funds may be from a variety of sources such as NAHASDA IHBG funds, non-restricted funds, unused donations, and program income.

The Finance Director shall be responsible for providing monthly reports to the Executive Director, to include:

- Book cash and investment position reports;
- Cash flow projections for the following month;
- Investments statements from the depository or the broker that show the activities of the accounts, such as amounts deposited and withdrawn, investment revenues, fees, and gains or losses on investment.

If at any time, the Finance Director finds the TRIBE/TDHE in a potential cash deficiency situation, the Council/Board and the Executive Director must be notified immediately.

Any cost allocable to a particular Federal award may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the Federal awards, or for other reasons. For example, the TRIBE/TDHE shall not divert funds between programs and/or activities, even when such programs/activities are each assisted by HUD (for example, the HUD-funded Indian Housing Block Grant ("IHBG") and Indian Community Development Block Grant ("ICDBG") programs).

10. BUDGET ADMINISTRATION

a. *Budget Responsibility and Adoption:*

The TRIBE/TDHE's annual budget represents a financial plan for management to carry out the objectives of the TRIBE/TDHE's affordable housing activities. The TRIBE/TDHE's Executive Director, Finance Manager and managers are responsible for preparing the annual budget, and are responsible for presenting the annual budget to the Council/Board for final approval.

Total projected revenues or sources and uses of funds are identified and included in the annual budget, allowing for inclusion of all funding sources and all funding outlays during the budget period. In addition to grant revenue, other sources of funds, such as debts (for example, Title VI loans) are included in the annual budget to accurately portray total resources used to fund operating and capital plans in the fiscal year, and expenditure budgets for grant awards are in compliance with the grant agreement. The Council/Board approves the annual Indian Housing Plan and those approved activities are included in the TRIBE/TDHE's annual housing program budget.

b. ***Budget Preparation Timing:***

The budget process should begin early in the fiscal year to allow the Executive Director, the Finance Director, and the department managers to engage in the process and present the budget to the Council/Board for approval.

In accordance with the NAHASDA regulations, the Indian Housing Plan (IHP) is due 75 days prior to the TRIBE/TDHE's fiscal year end, therefore, the TRIBE/TDHE should have the IHP prepared and approved ahead of time in order for the IHP to be incorporated in the overall housing budget for the next fiscal year.

Once the budget has been approved, the Finance Director shall input the approved budget in the accounting system for the new fiscal year.

c. ***Budget Management and Report:***

Program managers shall be responsible for managing transactions that are charged against their department budgets, and are accountable for ensuring their department revenues and expenses posted against their department budget are accurate, and are responsible for providing justifications on budget variables.

The budget for specific grant awards provides a spending plan against which fiscal and program performance can be measured. Therefore, the TRIBE/TDHE's accounting system must be set up in a manner that allows the TRIBE/TDHE to produce financial reports that compare expenditures with budget amounts in compliance with the Federal award agreement.

11. PURCHASE OF GOODS AND SERVICES

The TRIBE/TDHE's purchases shall be governed by its Council/Board approved procurement policy, which establishes guidelines to ensure reasonable buying practices and competition, quality and integrity.

12. ALLOWABLE COSTS

As the recipient of federal awards, the TRIBE/TDHE bases its allowable cost principles on Subpart E of the Uniform Grant Guidance and shall expend IHBG funds only for activities that are expressly approved in the Indian Housing Plan (IHP). No moneys shall be expended for activities that are unallowable or that are included as a cost of any other federally-funded program in either the current or a prior year.

The total cost of a federal award is the sum of the allowable direct and allocable indirect costs, less any applicable credits.

In determining the allowable costs for federal awards, the TRIBE/TDHE must apply the following criteria to costs:

- Be necessary, reasonable, and allocable;
- Conform to any limitations or exclusions ;
- Be consistent with policies and procedures;
- Apply treatment of cost consistently;
- Generally be treated in accordance with generally accepted accounting principles (GAAP);

The TRIBE/TDHE must adequately document costs to include, compliance with statutory and national policy requirements and be able to prepare reports that measures performance (for example, SF-425 and the Annual Performance Report (APR)).

The NAHASDA program specifically excludes certain costs, and therefore, no costs associated with these activities shall be charged to the program. These exceptions are listed at 1000.26(a).

The TRIBE/TDHE shall have written procedures for determining the allowability of costs that comply with the terms and conditions of the federal award as outlined in this section.

13. CAPITAL ASSETS

Capital assets means tangible or intangible assets used in operations having a useful life of more than one year which are capitalized in accordance with GAAP. Capital assets include:

- Land, buildings (facilities), equipment, and intellectual property (including software) whether acquired by purchase, construction, manufacture, lease-purchase, exchange, or through capital leases; and
- Additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations or alterations to capital assets that materially increase their value or useful life (not ordinary repairs and maintenance).

The TRIBE/TDHE shall comply with its capital asset policy and procedures that provides guidance for employees to manage and safeguard the TRIBE/TDHE's capital assets, including active management of assets with processes in place for tracking additions through purchases and donations, disposition, and depreciation.

- **Donated assets** shall be recorded at their fair market value (FMV) at the time of donation. The TRIBE/TDHE may depreciate the donated asset, but is prohibited from charging the value of the donated item, or costs associated with the donated asset to the federal award.
- **Depreciation of assets** is allowable using the straight-line method. Any other depreciable method used by the TRIBE\TDHE must be pre-approved by HUD.

Adjustments for depreciation should be made as necessary, and tracked with a capital asset depreciation schedule. At a minimum, the schedule should include: Capital asset classification (for example, Land, Equipment, Building), description of the assets, initial costs or FMV of the donated asset, depreciable life, date purchased, accumulated depreciation, current year depreciation, and net asset value at the end of the year.

a) CAPITALIZATION PROCEDURES

- I. Physical assets, such as property and equipment, are an integral part of the operation of the TRIBE/TDHE and shall be safeguarded in much the same manner as cash assets.
- II. All Department property and equipment shall be stored in a secure place.
- III. The Finance Department of the TRIBE/TDHE shall maintain a property ledger in the book of accounts of the Department, which shall include a list of all capitalized items for inventory control purposes.
- IV. Detailed records of individual capital assets shall be kept and periodically (at least annually) balanced with the general ledger accounts.
- V. All property and equipment owned by the TRIBE/THDE (other than real estate) shall be divided into two categories: Expendable items or Non-expendable items, defined as follows:
 - i. Expendable items are purchased or donated items having a useful life of less than twelve (12) months and costing less than \$5,000.00, and can be expended.
 - ii. Non-expendable items are purchased or donated items having a useful life of more than twelve (12) months and costing more than \$5,000.00.
- VI. The Finance Director of the TRIBE/TDHE or his/her designee for budgeting and financial control purposes shall capitalize non-expendable items.

Detailed records of individual capital assets shall be kept and periodically (at least annually) balanced with the general ledger accounts. Adjustments for depreciation should be made as necessary.

- VII. The TRIBE/TDHE shall make a physical inventory of all equipment and property (other than real estate) at least annually, which shall be reconciled to the general ledger accounts.

b) REAL PROPERTY PROCEDURES

- I. The TRIBE/TDHE shall maintain a property ledger for all units developed and improvements made to real estate in order to ensure that amounts expended comply with applicable Total Development Costs (“TDC”) and/or Dwelling Construction and Equipment (“DC&E”) requirements. The amount of IHBG assistance (including TDC, DC&E and/or any amounts expended on repair and modernization) shall be tracked for useful life purposes.
- II. The TRIBE/TDHE shall track and determine whether the income derived from units developed under the 1937 Housing Act should be classified as program income upon conveyance of each unit. Income shall be classified as program income if the rehabilitation and modernization costs attributed to any unit developed under the 1937 Housing Act exceeded forty percent (40%) of the DC&E amount of such unit.

14. AUDIT

The TRIBE/TDHE shall have a financial audit completed annually by a certified, external, independent accounting firm, unless the TRIBE/TDHE is required by constitution or statute, to undergo audits biennially. The Finance Director shall have direct responsibility in overseeing the implementation of the audit. The selection of an auditor shall be competitively procured using the Request for Proposal (RFP) method with the objective of obtaining a high quality audit, and the selected audit firm must provide a peer review report as part of the selection process.

The Executive Director and the Finance Director shall make available the completed audit report to the Council/Board. The auditors shall present the audit to the Council/Board for the Council/Board to approve and accept.

The audit shall meet the Generally Accepted Government Auditing Standards (GAGAS) and comply with the audit requirements under Title 2 Part 200 of the Uniform Grant Guidance. The TRIBE/TDHE’s audit shall include audit of the TRIBE/TDHE’s federal, state, and local government funded programs expended during the audit period.

- a. **Single Audit:** If the TRIBE/TDHE expends \$750,000 or more of federal funds during the fiscal year, it is subject to a single audit and must comply with the scope of audit within the Uniform Grant Guidance where auditor shall test for the TRIBE/TDHE's:
 - I. Compliance with the requirements of the federal program, and
 - II. Internal Control over the compliance of the program.
- b. **Audit Findings and follow-up:** The TRIBE/TDHE shall submit the audit to HUD with the Annual Performance Report ("APR"). The TRIBE/TDHE shall develop a plan to correct all deficiencies (if any) noted in the audit and shall implement sufficient and appropriate corrective actions in order to preclude repeat findings in subsequent audits. The TRIBE/TDHE shall be required to describe in the audit document, reasons for the reoccurrence of the finding, planned corrective action, and any partial corrective action taken.
- c. **Report Submission:** The audit shall be submitted to the Federal Audit Clearinghouse (FAC) within thirty (30) days after receipt of the auditor's report, or nine (9) months after the end of the audit period, whichever is earlier.
- d. The TRIBE/TDHE may opt not to authorize the FAC to make the reporting package publicly available on a website. If the TRIBE/TDHE chooses this option, it shall be responsible for submitting the reporting package directly to any pass-through entities through which it has received a Federal award and to pass-through entities for which the summary schedule of prior audit findings reported the status of any findings related to Federal awards that the pass-through entity provided.

15. PETTY CASH

The TRIBE/TDHE is authorized to maintain a petty cash fund of \$_____. The purpose of the fund is to have a small amount of cash available for paying small amounts owed, rather than writing a check. The petty cash shall be in the safekeeping of the designated custodian who shall keep track of payouts from the fund with receipts. At all times, the amount of cash on hand and the receipts must total the amount of authorized petty cash. When the cash in the petty cash fund is low, the custodian shall request a check to replenish the cash that has been paid out. The fund shall be subject to surprise audits.

16. BANKING AND INVESTING SERVICES

The administration and investment of the TRIBE/TDHE's Indian Housing Block Grant (IHBG) requires the establishment of bank and investment accounts which can only be accessed through the Electronic Line of Credit Control System

(eLOCCS). HUD prescribes specific procedures for a TRIBE/TDHE to set up a bank account and investment accounts with a bank or a broker/dealer. These are:

Banking and services shall be arranged through competitive solicitation, when practical under the circumstances. The depository must be a financial institution that is sufficiently insured by the Federal Deposit Insurance Corporation (“FDIC”) or National Credit Union Share Insurance Fund (“NCUSIF”).

The following HUD forms shall be executed when receiving HUD funds for the following purposes:

- I. **Form HUD-51999: General Depository Agreement.** This form is used to open an account that shall serve as a single bank account for the deposit of all payments that are received from HUD through the Electronic Line of Control System (“eLOCCS”). A copy of the agreement form should be kept on file.
- II. **Form HUD-52736A: Depository Agreement Banking Accounts.** This form is used to establish an account with a banking institution (Depository) as a depository for funds borrowed by the TRIBE/TDHE and guaranteed under Title VI of NAHASDA, and for investment purposes for approved reserve accounts and/or NAHASDA IHBG grant funds pre-approved for investments. The funds must comply with investments prescribed by HUD. A copy of the agreement form should be kept on file.
- III. **Form HUD-52736B: Depository Agreement (Brokers/Dealers):** The purpose of form HUD-52736A is similar to HUD-52736A, except that this form shall be used when the TRIBE/TDHE uses a Broker-Dealer for investing NAHADA funds. In this agreement, the Broker/Dealer warrants and represents that it is registered as a broker-dealer under the Securities Exchange Act of 1934(15 U.S.S. 78a et seq.) with the Securities and Exchange Commission and shall be a member of the Securities Investor Protection Corporation (SIPC). A copy of the agreement form should be kept on file.

APPENDIX 1: EFFECTIVE INTERNAL CONTROLS AND ACCOUNTABILITY

Notwithstanding the policies described earlier in this document, the TRIBE/TDHE has established a number of internal control procedures to ensure:

- The grant awards are managed to comply with statutes, regulations, and the terms and conditions of the award;
- The TRIBE/TDHE evaluate and monitor the grant awards to ensure compliance with statutes, regulations, and the terms and conditions of the award;
- The TRIBE/TDHE shall take prompt action to correct identified instances of noncompliance including noncompliance identified in audit findings;
- The TRIBE/TDHE must take reasonable measures to safeguard sensitive information and assets purchased with grant awards, consistent with privacy obligations of confidentiality of applicable federal, State, local, and tribal laws.

In addition, The TRIBE/TDHE has established written procedures to implement internal controls over cash handling and requirements for payment methods that:

- Ensure there are sufficient funds to cover payments made for program and operations activities;
- Ensure adequate internal controls are in place in the handling of cash receipts from the time of receipt to deposit in the appropriate depository or broker account;
- Establish written procedures to ensure the amount and the timing of grant award advances drawn for the purpose of paying program expenses have not been drawn unreasonably in advance of when the funds are needed for program expenses.
- Establish adequate internal controls and written procedures to ensure payments are made only for approved purposes;
- Maintain adequate accounting records for cash receipts and payments.

A. Separation of Duties

This Policy is based on the principle of separation of duties. Accordingly, no single person shall have the authority to authorize a transaction, execute a transaction, record a transaction, and have custody of any resulting assets.

B. Special Procedures Regarding Tenant Accounting

1. An employee designated by the Department Director shall maintain all tenant ledgers.

2. In the event of tenant ledger adjustments, the Occupancy Specialist of the Department or his/her designee will complete an adjustment request for submission to the employee designated by the Department Director as having responsibility for tenant ledger maintenance.
3. The adjustment request shall be in writing with the proper justification noted on and/or attached with each request.
4. The employee designated by the Department Director as having responsibility for tenant ledger maintenance shall make the proper adjustment in the tenant accounting software ledger.
5. The employee designated by the Department Director as having responsibility for tenant ledger maintenance shall provide a copy of the completed adjustment report to the Occupancy Specialist to show completed tenant ledger adjustment.

C. Cash Collection Control Procedures

1. Payments by cash, checks and money orders (including tenant payments) may be received only by designated personnel of the Tribal Finance Department. Only tribal employees designated by the Finance Director of the TRIBE/TDHE are authorized to receive payments from residents and issue receipts.
2. Cash, checks and/or money orders shall be deposited in the bank where the TRIBE/TDHE has an approved depository agreement. Deposits shall be made no less frequently than once per week regardless of the amount accumulated.
3. When cash is retained in the office overnight, it must be stored in a locked, fireproof cabinet or safe.
4. Checks received shall immediately be stamped "For Deposit Only".
5. A receipt shall be issued for all payments collected so there is an official record of the transactions and possible disputes are prevented.
 - a. Receipts shall be assigned through the tenant accounting software system. One part shall be given to the resident and one part, having the same number, shall be provided to the employee designated by the Department Director as having responsibility for tenant ledger maintenance.
 - b. Receipts shall contain, at a minimum, the following information: (1) name of the resident being credited with the payment, (2) date, (3) amount of payment and (4) method of payment (cash, check, etc.).
 - c. The supply of unassigned receipts shall be adequately safeguarded and kept in the custody of designated personnel of the Finance Department of the TRIBE/TDHE.

6. A bank deposit slip shall be prepared and shall include each of the cash receipt numbers making up the deposit and complete details as to the amount of coin, currency and checks. An employee of the Finance Department of the TRIBE/TDHE (other than the employee who issued and/or previously handled the cash receipts) shall reconcile the receipts.
7. All payments shall be deposited intact with the appropriate deposit slip to provide an additional record. Under no circumstances shall any disbursements be made from payments received.
8. Payments received shall be recorded in the individual resident accounts receivable records on the day of receipt or as soon thereafter as practical, even when the money is not deposited on the same day. Cash receipt numbers shall be recorded on both the deposit slip and the resident account receivable records.
9. The employee designated by the Department Director as having responsibility for tenant ledger maintenance shall be responsible for posting the resident accounts receivable records. The Finance Director of the TRIBE/TDHE or his/her designee shall make the bank deposits.

D. Cash Disbursement Control Procedures

1. The Council/Board shall approve by resolution a spending and signing authority for the Council/Board, Executor Director, Finance Director and department managers to identify and enable authorized personnel to:
 - a. Procure products and services through requisitions, check requests, or credit card services.
 - b. Sign contracts and change orders for an authorized amount.
 - c. Receive grants.
 - d. Sign checks.
2. All checks require two authorized signatures. The Finance Director shall oversee the proper notification of the TRIBE/TDHE banks whenever authorized signature changes are made.
3. All debts representing allowable and authorized costs shall be paid promptly upon receipt of proper invoices/billing statements.
4. All disbursements shall be made by check. The Executive Director may approve other forms of disbursement, such as wire or electronic funds transfers.
 - a. All checks shall be pre-printed and shall bear the name and address of the TRIBE/TDHE.

- b. All checks must be pre-numbered and used in sequence. Voided checks must be retained and recorded.
 - c. The supply of unused checks shall be adequately safeguarded in a fireproof cabinet or safe.
5. The employee designated by the Finance Manager shall initiate each transaction by completing a "check request" form, which shall be presented to the Finance Manager for approval. All check request forms shall contain enough narrative description to specifically identify the purposes of the payment and the account to which the cost is to be charged.
6. The Finance Manager shall review the check requests and attached supporting documentation for completeness and accuracy. The Finance Manager shall ensure that the vendor's invoice/billing statement accords with the terms of the purchase, that the goods have been received and conform to specifications or that the services billed have been rendered satisfactorily, that discounts or other adjustments of the amounts billed are in order, that the computations and accounts to be charged are correct and that sufficient funds are available for payment. The Finance Manager shall then submit the checks and supporting invoices for processing.
7. The Finance Director of the TRIBE/TDHE or his/her designee shall prepare checks.
8. Checks shall never be written for "cash."
9. Checks shall not be signed or countersigned in advance of being completely filled out. Each check shall be accompanied by adequate supporting documentation, including invoices, travel vouchers, etc.
10. All checks shall require the signature of at least two (2) individuals properly authorized by the TRIBE/TDHE.
11. Whenever possible, no individual shall sign a check on which he/she is the payee.
12. Check signers shall review each check carefully and shall not sign any check that lacks appropriate supporting documentation or exhibits signs of alteration. If it is necessary to change a check, the check must be voided and a new check issued.
13. The signed check shall be mailed or delivered to the payee by the Accounts Payable Clerk of the TRIBE/TDHE or his/her designee.
14. The Finance Director of the TRIBE/TDHE or his/her designee shall reconcile bank statements of the Department. Discrepancies between any books of

account, financial statements, and/or bank statements shall be reported to the Executive Director and/or Council/Board, promptly investigated and resolved.

E. Special Procedures Regarding Payroll Disbursement.

1. The TRIBE/TDHE shall have written authorizations on file for all employees that cover their rates of pay, withholdings and deductions.
2. The Finance Manager or his/her designee shall establish adequate timekeeping controls (including the use of time sheets) and there shall be supervisory review and approval of all employee time/leave records prior to issuance of a check.
3. The Finance Director of the TRIBE/TDHE/TDHE or his/her designee shall prepare payroll checks.

F. Credit Card Control Procedures

1. With the advice and consent of the Council/Board of the TRIBE/TDHE, credit cards may be made available to designated employees of the TRIBE/TDHE consistent with their job duties and demonstrated professional responsibility.
2. Credit cards are for authorized business expenditures of the TRIBE/TDHE and are not intended to be used by employees as a substitute for personal credit cards.
3. The Executive Director must authorize business expenses before charges are incurred on company credit card(s) in accordance with applicable TRIBE/TDHE policies, procedures and practices, including but not limited to the Travel and Training Policy and the Procurement Policy. The Executive Director may authorize valid business expenses in writing retroactively.
4. Employees shall submit receipts for all expenses charged to company credit card(s) to the Finance Director of the TRIBE/TDHE or his/her designee within one week of the transaction.
5. The Finance Director of the TRIBE/TDHE or his/her designee shall examine billings for all company credit cards to ensure that all charges are valid. If there are incorrect charges, the Finance Director or his/her designee shall notify the Executive Director immediately and shall complete and return any forms necessary to dispute such charges to the credit card company. If an employee with knowledge of an incorrect or disputable charge fails to report such charge within a reasonable time, he or she may be liable to the TRIBE/TDHE for any resultant charges and may be subject to disciplinary action up to and including termination of employment.
6. Employees who incur ineligible or disallowed costs on company credit cards shall reimburse the TRIBE/TDHE for such charges within thirty (30) calendar days of

the date such charges were incurred and may be subject to disciplinary action up to and including termination of employment.

7. Finance charges, late fees and/or penalties associated with credit card use shall be avoided and shall not be paid with IHBG funds under any circumstances.
8. Charges shall not be incurred in excess of the credit card's established credit limits. If a higher limit is required, a request for a new credit limit and supporting documentation shall be submitted to the Executive Director for approval.
9. Lost or stolen credit cards shall be reported to the TRIBE/TDHE and to the credit card company immediately and not later than the first business day after discovery of the loss. Employees who fail to report lost or stolen credit cards may be held liable for any charges and may be subject to disciplinary action up to and including termination of employment.
10. Employees shall surrender company credit card(s): (1) upon demand by the TRIBE/TDHE, (2) when there is no longer a business need for the card and/or (3) upon termination of employment. Cancelled credit cards shall be returned immediately to the TRIBE/TDHE and properly destroyed. Surrender or cancelation of a credit card does not discharge any responsibilities incurred up to and including the date of such action.

G. Investment Control Procedures

1. Subject to the approval of HUD and the Council/Board, IHBG funds may be drawn from eLOCCS to be invested by the TRIBE/TDHE. A copy of the resolution authorizing each investment transaction shall be maintained in the official records of the Tribe/TDHE, with a copy provided to the Finance Director of the TRIBE/TDHE.
2. Any and all investment documents shall be kept in the custody of the Finance Director of the TRIBE/TDHE or his/her designee. Investment documents shall be safeguarded in a fireproof cabinet or safe, and shall be stored separately from other accounting records.
3. Investments shall be made only in the name of the TRIBE/TDHE, and shall be maintained in a custodian or trust account. The General Depository Agreement (Form HUD-52736B) shall be executed by a representative of the TRIBE/TDHE and the depository. An original HUD-52736B shall be maintained by the financial institution and the Finance Department of the TRIBE/TDHE.
4. Investments shall be recorded in detail in an investment ledger, which shall reflect any and all interest earned, collected and/or disbursed.

5. The Finance Director of the TRIBE/TDHE or his/her designee shall reconcile the investment ledger on a monthly basis, and shall provide a report regarding investment performance to the Council/Board on a quarterly basis. Discrepancies shall be reported to the Executive Director and/or the Council/Board, promptly investigated and resolved.
6. The Finance Director of the TRIBE/TDHE or his/her designee shall maintain a maturity schedule evidencing that the proposed investments will mature on the approximate dates the funds will be needed and that investment maturity dates do not exceed five (5) years from the date the funds are drawn down for investment purposes from the LOCCS or such longer period as may be permitted by HUD.

Draft
IHBG Program
Accounting Policies and
Procedures Manual

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INTRODUCTION – GENERAL PRACTICES AND ACCOUNTING POLICIES

Accounting and Budget practices are implemented in a manner that defines the roles and responsibilities, management procedures and functions necessary to implement high-quality programs. Part of these responsibilities includes ensuring that appropriate internal controls are established and implemented to safeguard all funds.

The TRIBE/TDHE shall develop and maintain an internal control structure that safeguards its' funds, complies with laws and regulations that have an impact on financial statements, detects or prevents non-compliance, receives audit reports, and directs and monitors staff implementation of corrective actions.

The TRIBE/TDHE will establish and maintain efficient and effective reporting systems, including, but not limited to, providing methods by which budgeted costs are compared to actual costs.

The TRIBE/TDHE's Federal and State program grants and contracts will closely adhere to all mandates related to their respective agreements and regulations, and the requirements of 2 CFR Part 200 for Federal grants. This will apply as well to monitoring activities in accordance with any Sub-contractor agreements with the same.

The accounting system shall submit to an annual certified audit which meets all the standards and conditions imposed under Federal and State regulations. The annual audit must be held in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in "Government Auditing Standards" and when applicable, the Single Audit must comply with the requirements of 2 CFR Subpart F – Audit Requirements and be conducted in accordance with Generally Accepted Governmental Auditing Standards (GAGAS).

ORGANIZATIONAL STRUCTURE

The Role of the Tribal Council

The TRIBE/TDHE is governed by its Tribal Council, which is responsible for the oversight of the organization by:

- Planning for the future
- Establishing broad policies
- Identifying and actively dealing with emerging issues
- Interpreting the organization's mission to the public
- Soliciting prospective contracts and grants
- Establishing and maintaining programs and systems designed to assure compliance with terms of contracts and grants

The Tribal Chief/Governor or his designee shall be responsible for the day-to-day oversight and management of TRIBE/TDHE.

Tribal Management Team

The tribal management team is responsible for direction and oversight regarding the overall financial management of TRIBE/TDHE. Functions of the tribal management team include:

- Review and recommendation of the organization's annual budget (prepared by the staff) for final approval by the Tribal Council
- Long-term financial planning
- Review of final audited financial statements
- Monitoring actual vs. budgeted financial performance

The review of the organization's financial statements shall not be limited to the tribal management team but shall involve the Tribal Council.

Fiscal Year of Organization

TRIBE/TDHE shall operate on a fiscal year that begins on October 1 to September 30. Any changes to the fiscal year of the organization must be ratified by the majority vote of the Tribal Council.

ACCOUNTING DEPARTMENT OVERVIEW

Organization

The accounting functions for the organization are provided by the Finance Director with a staff of bookkeepers as needed, compliance officer and a senior accounting consultant for TRIBE/TDHE.

Other Officers and Employees who have financial responsibilities are as follows: Chief/Governor Vice-Chief/Governor Program Directors Tribal Council

Responsibilities

The primary responsibilities of the accounting department consist of:

General Ledger

Budgeting

Cash and Investment Management Asset Records Management

Grants and Contracts Administration Purchasing

Accounts Receivable and Billing Cash Receipts

Accounts Payable Cash Disbursements

Financial Statement Processing

External Reporting of Financial Information Bank Reconciliation

Reconciliation of Sub-Ledgers

Compliance with Government Reporting Requirements Annual Audit

Payroll

Insurance and Benefits Short Term Investments

BUSINESS CONDUCT

Practice of Ethical Behavior

Unethical actions, as defined in the tribal personnel policies and are unacceptable under any conditions.

Conflicts of Interest

No employee, officer, or agent of the TRIBE/TDHE shall participate in the selection, award, or administration of a contract involving if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent or any member of his or her immediate family, his or her partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected.

Compliance with Laws, Regulations and Organization Policies

The TRIBE/TDHE does not tolerate the willful violation or circumvention of any federal, state, local, or foreign law by an employee during that person's employment; nor does the organization tolerate the disregard or circumvention of policy or engagement in unscrupulous dealings. Employees should not attempt to accomplish by indirect means, through agents or intermediaries, that which is directly forbidden.

DATA STORAGE SECURITY

Access to Electronically Stored Accounting Data

It is the policy of the TRIBE/TDHE to utilize passwords to restrict access to accounting software and data. Only duly authorized accounting personnel with data input responsibilities will be assigned passwords that allow access to the system.

Administration of passwords shall be performed by the finance department who is independent of programming functions. The Network Administrator is responsible for our computer security and network maintenance.

Each password enables a user to gain access to only those software and data files necessary for each employee's required duties.

Storage of Back-Up Files

It is the policy of the TRIBE/TDHE to maintain back-up copies of electronic data files in a secure environment. Access to back-up files shall be limited to individuals authorized by management.

General Office Security

During normal business hours, all visitors are required to check in with the receptionist. After hours, a security key and alarm code are required for access to the offices of TRIBE/TDHE. Keys are issued only to employees of the TRIBE/TDHE and authorized by the Chief/Governor or Vice Chief/Governor.

Cash, blank checks, and negotiable securities, if any, are kept in a locked and fireproof safe in the finance office and access is restricted to authorized fiscal staff. Blank purchase orders are also physically secured and access to them is strictly controlled.

APPLICABILITY OF 2 CFR PART 200 FOR FEDERAL GRANTS

All Federal grants received by the TRIBE/TDHE must first comply with the administrative requirements of the federal grants in accordance with the specific statutes and regulations governing the federal award.

The TRIBE/TDHE shall comply with the general requirements of the Uniform Guidance, 2 CFR Part 200 - [Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#) as directed in the federal grant agreement and regulations for each federal grant received.

The table below provides guidance on the parts of the 2 CFR Part 200 that apply to which type of federal awards.

The following portions of 2 CFR Part 200....	Are applicable to the following types of Federal Awards and Fixed-Price Contracts and Subcontracts (except as noted in paragraphs (d) and (e) of this section):
Subpart A - Acronyms and Definitions	- All
Subpart B - General Provisions, except for §§ 200.111 English Language, 200.112 Conflict of Interest, 200.113 Mandatory Disclosures	- All
§§ 200.111 English Language, 200.112 Conflict of Interest, 200.113 Mandatory Disclosures	- Grant Agreements and cooperative agreements
Subparts C-D , except for §§ 200.203 Requirement to provide public notice of Federal financial assistance programs, 200.303 Internal controls, 200.331-333 Subrecipient Monitoring and Management	- Grant Agreements and cooperative agreements
§ 200.203 Requirement to provide public notice of Federal financial assistance programs	- Grant Agreements and cooperative agreements - Agreements for loans, loan guarantees, interest subsidies and insurance
§§ 200.303 Internal controls, 200.331-333 Subrecipient Monitoring and Management	- All
Subpart E - Cost Principles	- Grant Agreements and cooperative agreements, except those providing food commodities - All procurement contracts under the Federal Acquisition Regulations except those that are not negotiated
Subpart F - Audit Requirements	- Grant Agreements and cooperative Agreements - Contracts and subcontracts, except for fixed price contracts and subcontracts, awarded under the Federal Acquisition Regulation - Agreements for loans, loans guarantees, interest subsidies and insurance and other forms of Federal Financial Assistance as defined by the Single Audit Act Amendment of 1996

BUDGETS

Overview

Budgeting is an integral part of managing any organization in that it is concerned with the translation of organizational goals and objectives into financial and human resource terms. A budget should be designed and prepared to direct the most efficient and prudent use of the organization's financial and human resources. A budget is a management commitment of a plan for present and future organizational activities that will ensure survival. It provides an opportunity to examine the composition and viability of the organizations' programs and activities simultaneously in light of the available resources.

Purpose

To facilitate the TRIBE/TDHE's strategy to achieving Tribal priorities with budget control, accountability, monitoring and measuring of performance. It is also required under Uniform Guidance §200.302(b)(5) that the TRIBE/TDHE's financial management system must provide for comparison of expenditures with budget amounts for each Federal award.

Procedures

Preparation and Adoption

- 1.0 An annual budget will be prepared by each department and component units of the TRIBE/TDHE. The Finance Director and the Chief/Governor shall gather proposed budget information from all staff with budgetary responsibilities and prepare the draft of the budget.
- 2.0 After appropriate revisions and a compilation of all department budgets, a draft of the organization wide budget, as well as individual department budgets, is presented to the Tribal Council for discussion, revision, and initial approval.
- 3.0 The revised draft is then submitted to the Tribal Council for approval.
- 4.0 The finance department inputs the approved budget into the accounting system and establishes appropriate accounting and reporting procedures (including any necessary modifications to the chart of accounts) to ensure proper classification of activities and comparison of budget versus actual once the year begins.

Monitoring Performance and Budget Amendment

- 5.0 It is the policy of the TRIBE/TDHE to monitor its financial performance by comparing and analyzing actual results with budgeted results. This function shall be accomplished in conjunction with the monthly financial reporting process described.
- 6.0 On a monthly basis, financial reports comparing actual year-to-date revenues and expenses with budgeted year-to-date amounts shall be produced by the finance department.

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- 7.0 As necessary, budget amendments will be presented to the Tribal Council for approval and once approved, amendments shall be entered into the system within 30-days.
 - 8.0 The TRIBE/TDHE will follow specific regulatory requirements of the grant award, or, if directed by the grant regulations, follow the general requirements of § 200.308 Revision of budget and program plans and §200.407, as required, where grantees will report deviations from budget or project scope or objective, and request prior approvals from federal awarding agencies for budget and program plan revisions.

GENERAL LEDGER AND CHART OF ACCOUNTS

Overview

The general ledger is defined as a group of accounts that supports the information shown in the financial statements. The general ledger is used to accumulate all financial transactions of TRIBE/TDHE and is supported by subsidiary ledgers that provide details for certain accounts in the general ledger. The general ledger is the foundation for accumulation of data and reports.

Purpose

The accounting department is responsible for the maintenance of the general ledger and the chart of accounts; for the proper posting of journals and entries to the general ledger and for the maintenance of the accounts to ensure accuracy, validity and reliability of financial records.

Procedures

Design of Chart of Accounts

- 1.0 General ledger accounts are used to accumulate transactions and the impact of these transactions on each asset, liability, net asset, revenue, expense and gain and loss account.
- 2.0 The chart of accounts is the framework for the general ledger system, and therefore the basis for TRIBE/TDHE's accounting system.
- 3.0 The chart of accounts consists of account titles and account numbers assigned to the titles.
- 4.0 The chart of accounts includes three segments in addition to the General ledger account segment and they define the following:
 - a. Fund
 - b. Program
 - c. Grant
- 5.0 The "Grant" segment of the chart of accounts allows for the administration of all federal awards received and expended and the federal programs under which they were received to comply with the requirements of **§200.302(b)(1-3)** where the TRIBE/TDHE's chart of accounts and accounting system:
 - a. Identifies and accounts for the federal grant in the TRIBE/TDHEs accounting system.
 - b. Allows for tracking of federal award to enable accurate, current, and complete disclosure of the financial results of each Federal award.
 - c. Tracks and accumulates financial records that identify adequately the source and

application of the federal funds.

Control and Distribution of Chart of Accounts

- 6.0 TRIBE/TDHE's chart of accounts is monitored and controlled by the finance director and/or the senior accounting consultant. Responsibilities include the handling of all account maintenance, such as additions and deletions.
- 7.0 Any additions or deletions of accounts should be approved by the finance director or the senior accounting consultant, who ensures that the chart of accounts is consistent with the organizational structure of and meets the needs of the organization.
- 8.0 All employees involved with account coding responsibilities (assignment or review of coding) or budgetary responsibilities will be issued a current chart of accounts.
- 9.0 Employees utilizing the chart of accounts are responsible for printing out updated copies on a monthly or more frequent basis.

JOURNAL ENTRIES

Overview

All financial activities entered in an accounting system is through a double entry journal transaction, which is used to record a business transaction in the accounting records of an organization. Accounting software automatically posts the journal entries to the general ledger when transactions are recorded through subsidiary ledgers, such as the Cash Management, Accounts Receivable, Accounts Payable and Payroll. However, it may be necessary to create and post manual journal entries to the general ledger or to post transactions that do not post through the subsidiary ledgers for:

Journal Entry types

1. Computerized posting features posted in subsidiary ledgers such as Accounts Payable, Accounts Receivable, and Payroll. Journal entries of the transactions are posted to the general ledger using the computerized posting feature.
2. Adjusting journal entries (AJEs): These are general ledger entries that do not originate from a subsidiary ledger. AJEs adjust general ledger accounts due to any of the following:
 - Accrual of income and expense items – Interest income and Interest expense
 - Recording of non-cash transactions – Depreciation of fixed assets
 - Correction of errors – to correct general ledger balances

Purpose

The following procedures describe the process and requirements for preparing journal entries to be made to the general ledger system to ensure that all journal entries to the TRIBE/TDHE's general ledger are properly prepared, documented, reviewed, approved, recorded, and maintained in accordance with governmental GAAP.

Procedures

To ensure all journal entries are properly prepared, reviewed, authorized, and posted, all journal entries must have the following:

- 1.0 A journal entry form must be used and filled out completely and must have the following:
 - a. Adjusting Journal Entry number
 - b. Account numbers and account descriptions
 - c. Reason for the journal entry
 - d. Preparer name, signature and date signed
 - e. Reviewer/approver's name, signature and date signed
- 2.0 All journal entries are to be signed by both the preparer and reviewer prior to posting.
- 3.0 The Person(s) preparing a journal entry is responsible for:
 - a. Reviewing all detailed supporting documents and ensuring they are accurate prior to

- preparation.
 - b. Responsible for explaining the reason to justify the journal entry and the basis used in preparing the journal entry. This includes ensuring that the debits and credits on the journal entry are in balance.
 - c. Person(s) preparing a journal entry cannot approve the same journal entry.
- 4.0 All journal entries should have supported documentation and a description that fully explains the nature of the entry and amounts being recorded.
- 5.0 All journal entries have to be properly processed prior to closing the accounting period.
- 6.0 All posted journal entries and related documentation should be maintained in an accessible file for review by management and external auditors, if necessary.

BANK ACCOUNT RECONCILIATIONS

Overview

A bank reconciliation is used to compare the TRIBE/TDHE's general ledger bank balances to those of the bank, to see if there are any differences between these two sets of records for cash transactions. The ending balances of TRIBE/TDHE's version of the cash records is known as the book balance, while the bank's version is called the bank balance. There will be differences due to errors or omissions, or because of bank entries that have not been accounted for by the TRIBE/TDHE, such as monthly bank charges, or because of outstanding deposits that have not been accounted for by the bank.

Purpose

To outline the procedures for preparation of a monthly bank reconciliation and recordkeeping of any adjustments and a timely review of all cash reconciliations by the Finance Director and the Chief/Governor.

Procedure

- 1.0 A monthly bank reconciliation of all bank and cash accounts shall be completed within the TRIBE/TDHE's accounting system each month.
- 2.0 A printed copy of the completed detail reconciliation will be attached to the appropriate original bank statement each month.
- 3.0 Upon receipt of the monthly bank statement including cleared checks, deposit slips and any other transaction notifications, the monthly bank reconciliation is prepared by the Bookkeeper and reviewed by the Finance Director. Periodically the bank reconciliation should be completed by someone other than the bookkeeper.
- 4.0 All cleared transactions on the bank statement will be reconciled and cleared in the accounting system.
- 5.0 Any discrepancies between the book and bank balances will require research to determine the cause, such as recording errors or omissions.
- 6.0 Reviewer should review cancelled checks, outstanding checks, and deposits. Stale dated checks, along with any outstanding payroll checks should be reviewed and investigated, and any unclaimed checks must be treated in accordance with State law.
- 7.0 A Journal Entry Form will be prepared for any book reconciling items such as interest, bank charges and any recording errors that need to be recorded in the general ledger. The bookkeeper will prepare the Journal Entry Form following the procedures for preparing and reviewing Journal Entry Forms. All supporting documentation will be maintained for audit purposes.
- 8.0 Records of the monthly reconciliations that has been signed by the Bookkeeper and reviewed and signed by the Finance Director should be filed in a bank reconciliation folder by month for easy access and use in various audits.

FINANCIAL STATEMENTS

Overview

Timely completion of reports is required by the accounting department to ensure all monthly transactions have been properly posted. Preparing financial statements and communicating key financial information is necessary and a critical accounting function. Financial statements are used for management tools in making decisions, monitoring the achievement of financial objectives, and as a standard method for providing information to interested parties external to the organization. Financial statements may reflect year-to-year historical comparisons or current year budget to actual comparisons.

Regular monthly internal financial statements are generated by the bookkeeper at the request of the Department Director.

Purpose

To describe the process for preparing the necessary accounting and other internal reports.

Procedure

Internal Reports

- 1.0 Monthly and yearly financial activities, compared to budget will be available on request (if not included in the statement of activities), for presentation and examination by the Chief/Governor, Vice Chief/Governor and Department Directors as requested. These statements should be analyzed in depth regularly by senior management officials and other appropriate staff.
- 2.0 Monthly statements are generated on a timely basis and will include all monthly adjusting entries. Prior to generating the monthly statements, all bank reconciliation will be completed by the 20th day of the following month.
- 3.0 The proper allocations and necessary inter-program adjustments will be recorded to ensure meaningful analysis of the statements, and accurate data from which important potential decisions may be evaluated.

Funding Sources Reports

- 4.0 SF-425 quarterly and annual reports must be submitted timely for all Federal grants. The reports must be prepared from the financial reports generated from the accounting system and must include all the pertinent supporting documents. These reports must be signed by both the preparer and the Finance Director.
- 5.0 The TRIBE/TDHE must refer to the Federal award requirements for timely submission of reports specifically required for the Federal award since funding sources have

different due dates and frequency requirements for submission of reports.

Annual Financial Statements

- 6.0 A formal presentation of the organization's annual financial statements shall be provided by the Independent Auditor to the Chief/Governor, Vice Chief/Governor, Finance Director, Compliance Officer, and the Senior Accounting Consultant.
- 7.0 This presentation is to be preceded by a meeting with Indian Township Tribal Council.

ACCOUNTS PAYABLE MANAGEMENT

Overview

The TRIBE/TDHE strives to maintain efficient business practices and good cost control. A well-managed accounts payable function can assist in accomplishing this goal from the purchasing decision through payment and check reconciliation.

Proper internal controls are followed to ensure that only valid and authorized payables are recorded and paid. Accounting procedures are implemented to ensure the accuracy of the accounts, coding of general ledger accounts and timing of payments.

Purpose

The primary objective for accounts payable and cash disbursements is to ensure that:

- Disbursements are properly authorized, allowable, allocable, and reasonable.
- Invoices are processed in a timely manner.
- Vendor credit terms and operating cash are managed for maximum benefits.

Procedures

- 1.0 Recording of assets or expenses and the related liability is performed by the Bookkeeper, who is independent of ordering and receiving.
- 2.0 The amounts recorded are based on the vendor invoice for the related goods or services.
- 3.0 The vendor invoice must be supported by an approved purchase order, invoice, and Expense Authorization Form. Invoices and related general ledger account distribution codes are reviewed prior to posting to the subsidiary system by the bookkeeper.

Recording of Accounts Payable

- 4.0 All valid accounts payable transactions, properly supported with the required documentation, shall be recorded as accounts payable in a timely manner.
- 5.0 Accounts payable are processed on a weekly basis. Information is posted into the system from approved invoices or disbursement vouchers with appropriate documentation attached.
- 6.0 It is the policy of the TRIBE/TDHE that only original invoices will be processed for payment unless duplicated copies have been verified as unpaid by researching the vendor records. No vendor statements shall be processed for payment.

Preparation of a Voucher Package

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- 7.0 Prior to any account payable being submitted for payment, a package called a "voucher package" shall be assembled. Each voucher package shall contain the following documents.
1. Vendor invoice (or employee expense report or other authorized check request form).
 2. Packing slips indicating receipt of merchandise (when appropriate).
 3. Purchase order (where necessary).
 4. Any other supporting documentation deemed appropriate.

Processing of Voucher Packages

- 8.0 The following procedures shall be applied to each voucher package by the Department Director or their designee.
- a. Check the mathematical accuracy of the vendor invoice.
 1. Compare the nature, quantity and prices of all items ordered per the vendor invoice to the purchase order, packing slip and receiving report.
 2. Document the general ledger distribution, using the organization's current chart of accounts.
 3. Prepare a voucher cover page for the invoice or a group of invoices going to the same vendor.
 4. Obtain the review and approval of the director of fiscal operations, or designee.

Payment Discounts

- 9.0 To the extent practical, it is the policy of the TRIBE/TDHE to take advantage of all discounts offered by vendors. When availability of such discounts is noted, and all required documentation in support of payment is available, payments will be scheduled to take full advantage of discounts.

Employee Expense Reports

- 10.0 Reimbursements for travel expenses or other approved costs will be made only upon the receipt of a properly approved and completed expense reimbursement form.
- 11.0 All detailed receipts must be attached, and a copy of the agenda or email that gives a brief description of the purpose of trip or meeting must be noted on the form.
- 12.0 Expense reports will be processed for payment in the next vendor payment cycle when possible.
- 13.0 For credit card receipts related to travel expenses, copies of the receipts shall be attached to the travel expense form, original credit card receipts shall be attached to the credit card bill.
- 14.0 All outstanding travel must be reconciled prior to new travel advance being issued.

CASH DISBURSEMENTS (CHECK-WRITING) POLICIES

Overview

Implement a check writing policy for timely processing of payments to contractors and internal controls on the handling, who is authorized to sign, distribution, and handling of void checks.

Purpose

To ensure strong internal controls are in place for the check-writing processes.

Check Preparation

- 15.0 It is the policy of the TRIBE/TDHE to print vendor checks and expense reimbursement checks on a weekly basis. Person independent of those who approve expenditures and authorize checks shall prepare checks.
- 16.0 All vendor and expense reimbursement checks shall be produced in accordance with the following guidelines:
1. Timing of disbursements should generally be made to take advantage of all early-payment discounts offered by vendors.
 2. Generally, all vendors shall be paid within 30 days of submitting a proper invoice upon delivery of the requested goods or services.
 3. Total cash requirements associated with each check run is monitored in conjunction with available cash balance in bank prior to the release of any checks.
 4. All supporting documentation is attached to corresponding check prior to forwarding the entire package to an authorized check signer.
 5. Checks shall be utilized in numerical order.
 6. Checks shall never be signed prior to being prepared.

Check Signing

- 17.0 Currently, all checks require two signatures, as assigned by the Chief/Governor and Tribal Council.
- 18.0 No checks shall be signed prior to the check being completed in its entirety (no signing of blank checks).
- 19.0 Check signers have the right to examine all original supporting documentation to ensure that each item has been properly checked prior to signing a check.
- 20.0 Checks should not be signed if supporting documentation appears to be missing or there are any questions about a disbursement.

Distribution of Checks

- 21.0 If the signed checks are returned to the Bookkeeper for mailing, the Finance Director should implement a process to review cleared checks to ensure the payee on the cleared checks match the Contractor name on the invoice that was paid.
- 22.0 All checks are mailed, other than to individual who call to hold them at the office for pick-up.

Void Checks

- 23.0 The TRIBE/TDHE's policy prohibits the practice of voiding checks, and instead promotes the process of invoice expense and reporting. This policy is to ensure that proper payments to vendors and reimbursements to employees occur in an accurate and timely basis.
- 24.0 A check request is completed after the invoice has been approved by the Program Manager and the amount has been verified.
- 25.0 Check requests are submitted to the Accounting Department for payment to the vendor for supplies or for professional services rendered.
- 26.0 If an error occurs in the processing of payment, the printed check may need to be voided due to an error. An error may occur when:
 - a. The amount is greater than the amount owed which will result in overpayment,
 - b. Reimbursement from funding source has not been received, or the amount and items are not budgeted or approved by the funding source.
 - c. Multiple invoices paid to vendor in error.
- 27.0 If and when there is sufficient information to justify voiding a check, the check will be voided through the accounting system and in most cases original voided check will be filed with bank statement along with bank reconciliations. The Finance Director verifies all voided checks.

REVENUES AND CASH RECEIPTS FOR COST REIMBURSEMENT CONTRACTS

Overview

Accurate internal control of cash receipts and deposits are maintained at all times. The Finance Department is responsible for the invoicing of **cost reimbursement contracts**.

Purpose

To establish the procedures for all cost reimbursement contracts that must be submitted on a timely basis in accordance with procedures established by the funding source.

Procedure

Billing Schedule

Cost Reimbursement Contracts: All cost-reimbursement contracts shall be submitted on a timely basis in accordance with procedures established by the funding source.

Processing of Checks and Cash Received in the Mail

- 1.0 The TRIBE/TDHE and the ITPHA accepts checks, money orders, and other forms of non-cash payments, and does not accept cash payments.
- 2.0 For funds that are received directly at TRIBE/TDHE, cash receipts are centralized to ensure that cash received is appropriately directed, recorded and deposited on a timely basis.
- 3.0 ITP Housing Authority homebuyers and tenants make payments directly to the Housing Authority where the homebuyer/tenant's payment is entered into HDS and a receipt is generated for the customer. At the end of the day, the Housing Authority's billing clerk submits the total receipts for the day, along with the payments, and sends them to Accounting for deposit.
- 4.0 A deposit slip is prepared from the cash/checks received. Deposits are prepared and electronically deposited by an individual other than the employee who prepared the daily cash receipts listing.
- 5.0 As extra cash control the compliance officer opens each month's bank statement and reviews the monthly detail. An assigned person reconciles all bank statements to general ledger monthly.

Processing of other Checks and Cash Received

- 6.0 On-site collections and other cash/check payments are received by the finance director, or the designee for proper recording and prompt deposit.

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Timeliness of Bank Deposits

7.0 All deposits are to be done daily unless for some unforeseeable reason.

Reconciliation of Deposits

8.0 On a monthly basis, the assigned bookkeeper will reconcile the monthly bank statements. Any discrepancies shall be reported immediately to the finance director and investigated immediately. See procedures on Bank Reconciliations.

PROCEDURES REGARDING CASH MANAGEMENT AND PAYMENT WITH FEDERAL FUNDS

Overview

The administration of federal grants must comply with:

1. Section 200.302(b)(6), “Financial Management”, where the TRIBE/TDHE’s management system must provide for “Written procedures to implement the requirements of §200.305, “Federal Payment”, and
2. Section 200.305(b), “Federal Payments”, requires that payments methods must minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by the non-Federal entity whether the payment is made by electronic funds transfer, or issuance of redemption of checks, warrants, or payments by other means.”

Purpose

The TRIBE/TDHE has the option of receiving federal grant funds to pay for allowable grant expenses as a reimbursement of cost or as an advance payment of obligations incurred but are waiting to be paid with grant funds.

Grant Reimbursement: It is the TRIBE/TDHE’s **normal practice** to draw funds from grants **once a month** to reimburse itself for allowable federal grant expenses incurred in the period. The reimbursement method ensures allowable expenses have both been incurred and paid for before federal grant funds are drawn from the federal agency’s electronic grant disbursement system, such as Grantor for Indian Housing Block Grant (IHBG).

Grant Advance Payment: However, there may be situations under which the TRIBE/TDHE may draw funds in advance of the TRIBE/TDHE making payments to a contractor/vendor. In this case, the TRIBE/TDHE is drawing funds from the federal agency’s electronic grant disbursement system in advance to pay for its obligations to contractors/vendors.

Procedures

Reimbursement from Federal Grants

- 1.0 The amount of advance payments from the federal grant’s electronic grant disbursement system is limited to the minimum amount needed for actual, immediate cash required to pay for invoices that are due and payable.
- 2.0 The timing and amount of advance payments received from the grantor must be disbursed within **three (3) business working days** upon receipt of the funds in the TRIBE/TDHE’s bank account.
- 3.0 The TRIBE/TDHE is prohibited from drawing advance funds from the grantor without any pending approved invoices for payment of approved federal grant

expenditures.

Process for Repayment of Federal Funds

- 4.0 If the TRIBE/TDHE draws down funds in advance but does not plan to disburse the funds **within 3 business working days**, TRIBE/TDHE must return the unauthorized funds and should follow guidance on repayment of federal grants found at 2 CFR 200.305(b)(10 & 11).

Procedures regarding the obligation, expense and payment of goods and services with Federal funds

- 5.0 Before any purchases or contracts are signed, the TRIBE/TDHE must follow its Procurement Policy and procedures for the type of purchase and the amount of purchase it will undertake, which includes Indian Preference.
- 6.0 The TRIBE/TDHE initiates the purchase of goods and services with:

Purchase Requisition

- 7.0 A staff requests purchase of goods and services with a purchase requisition that describes the item/service being purchased, the account and program to be charged.
- 8.0 Staff must ensure that the item being purchased is an approved purchase and has been budgeted.
- 9.0 The requester staff signs the purchase requisition and forwards the requisition to the authorized signer for approval.
- 10.0 Purchase requisition approval by the authorized approver includes:
1. Determination that the purchase or service is an allowable cost of the federal grant.
 2. Allowability of cost is determined from the written procedures on the allowability of cost in compliance with 2 CFR 200.302(b7).
 3. Determines that the item being purchased is an approved budgeted item to the IHBG grant.

Purchase Order

- 11.0 A numbered purchase order is prepared and issued to the contractor. Support documents for the purchase order, should, at a minimum include:
1. The purchase requisitions.
 2. Documentation or reference to completion of procurement process.
 3. Approval of purchase order by authorized personnel.

Purchase of Goods and Services

- 12.0 The department that initiated the purchase requisition shall be responsible for purchasing the item using the approved purchase order.

Receipt of goods or services performed occurs:

- 13.0 When the item is received, the initiating department must be responsible for verifying that

the goods have been received, or the services have been performed.

- 14.0 The goods received must be verified with the original purchase order that included the items and amounts ordered against the items and amounts received.
- 15.0 If a service was procured, the authorized staff shall verify that the work to be performed under the service contract was performed in accordance with the agreement and within the timeframe agreed upon.

Processing of Invoice

- 16.0 The invoice is received and opened by the front desk staff and is submitted to the accounting department.
- 17.0 The accounting department sends the invoice to the responsible staff who initiated the purchase to approve the invoice for payment and sends it to the accounting department.
- 18.0 The accounting department verifies the invoice against the purchase order and processes the invoice for payment using the information on the purchase order to charge to the appropriate accounts and programs.

Payment Process

- 19.0 The Bookkeeper prepares invoices to be paid once a week.
- 20.0 **Once a month**, the Finance Director draws down funds from the grantor to reimburse itself for eligible expenses charged to the federal grant.

Reimbursement Process

- 21.0 The process for reimbursement from the Grantor is as follows:
 1. Accounting prints out the financial report for each federal grant that shows the activities to date.
 2. Since the TRIBE/TDHE has opted for the reimbursement method for federal grant expenses, the financial report will show grant expenses exceeding recorded grant revenues.
 3. Accounting will draw from the Grantor for the amount of expenses that exceed recorded grant revenues.
 4. Accounting will prepare a payment voucher that will include all supporting documents for the exact amount it will draw from Grantor, consisting of invoices, payroll expense documents and contracts paid by the TRIBE/TDHE, but not as yet reimbursed with federal grants.
 5. The payment voucher with all supporting documents is submitted to the Finance Director - who is not involved in the processing of invoices - to draw the funds from the electronic grant disbursement system.
 6. The accounting staff will verify receipt of the payment in the TRIBE/TDHE's bank account.
 7. During the monthly bank reconciliation process, the Finance Director will record the amount received from Grantor as a federal grant revenue.

COST ALLOCATION

Direct Costs

Costs that can be identified specifically with a particular funding source (contract or grant) are directly charged.

Shared Costs

Costs incurred for more than one program are charged to indirect costs.

Indirect cost are those:

1. Incurred for a common or joint purpose benefitting more than one cost objective.
2. Not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. Indirect cost pools should be distributed to benefitted cost objectives on bases that will produce an equitable result in consideration or relative benefits derived.

Programs sharing a building will be identified on a square foot basis and shall split the costs based on the square foot that each department occupies.

PROCEDURES REGARDING ALLOWABILITY OF COSTS

Overview

It is the policy of the TRIBE/TDHE that only costs that are reasonable, allowable and allocable to a federal award shall be charged to that award directly or indirectly. All unallowable costs shall be appropriately segregated from allowable costs in the general ledger in order to assure that unallowable costs are not charged to federal awards.

The administration of federal grants must comply with:

1. Section 200.302(b)(7): a recipient's financial management system must provide for written procedures for determining the allowability of costs in accordance with Subpart E – Cost Principles of the Uniform Guidance and the terms and conditions of each federal award.
2. 2 CFR Part 200.403: To be allowable under Federal awards, except where otherwise authorized by statute, costs must be:
 - a. Necessary and reasonable and allocable.
 - b. Conform to cost principles or Federal award as to types or amount of cost items.
 - c. Consistent with policies and procedures that apply uniformly to federal and non-federally funded activities.
 - d. Consistent treatment as direct or indirect cost.
 - e. In accordance with Generally Accepted Accounting Principles (GAAP),(except for governments that must conform to Governmental GAAP).
 - f. Not included as a cost to meet cost sharing or matching requirements of any other federally financed program.
 - g. Adequately documented.

Purpose

1. The application of 2 CFR Part 200 cost principles is based on the fundamental premises that the TRIBE/TDHE has in place sound management practices; will follow the terms and conditions of the specific Federal award and will determine, based on its own unique combination of staff, facilities, and experience how to assure proper and efficient administration of the federal funds.
2. §200.420 lists "items of cost" that provide clarification regarding allowability, in general, for using federal funds. Staff should be familiar with and use the Cost Allowable Table to verify the allowability of costs that will be paid with federal funds.
3. Note: The table of allowable costs attached to the end of the written procedures provides guidance on typical costs for federal grants and specifically provides guidance on what is allowable or not under the NAHASDA program and the Uniform Guidance.

Procedures for determining allowable costs

- 1.0 The TRIBE/TDHE is a recipient of multiple federal grants, and each grant has specific requirements for preparing the budget and what are eligible activities and

- costs to the federal grants. The TRIBE/TDHE must review and comply with program requirements of each grant.
- 2.0 Costs that can be identified specifically with a particular funding source (contract or grant) are directly charged.
 - 3.0 Shared Costs incurred for more than one program are charged to indirect costs.
 - 4.0 The TRIBE/TDHE prepares an annual budget for each federal grant in accordance with program requirements, which incorporates all allowable sources and uses of the funds for the program year, including all Federal grants.
 - 5.0 The Finance Director's responsibilities include:
 - a. Review of the budget to ensure all expenses budgeted to Federal grants are eligible and allowable costs of the federal grants.
 - b. Accounting for allocation of costs to each grant must be allowable and necessary.
 - 6.0 The annual budget and budget amendments are approved by the Tribal Council.
 - 7.0 Once a month, the Finance Director and the managers review the budgets they are responsible for, to ensure that costs charged to their programs and grants are eligible and allowable.
 - 8.0 The TRIBE/TDHE has personnel whose hours are allocated to various grants based on the work they perform for the activities funded with various grant funding sources. Accordingly, the TRIBE/TDHE prepares a staffing budget for the entire budget year to allocate staff time to multiple grants and programs.
 - 9.0 The use of budget estimates for staff whose hours are allocated to various grants (such as admin staff) is permissible, but the ITP must, on a regular basis, ensure that the estimated hours of the staff charged in this manner closely approximates the actual work performed.
 - a. At least quarterly, managers must verify that staff, whose hours are budgeted based on estimates, have not changed, or if they have, they are required to submit an updated allocation of staff time for a budget amendment.
 - b. Managers submit the amended allocation of staff time to the Finance Director, who in turn, submits the changes in a budget amendment for the Tribal Council to approve.
 - 10.0 Non-exempt staff must fill out a timesheet and document hours for each program or grant worked in the payroll period and timesheet must be signed by the staff and approved and signed by the supervisor to ensure the charges to the Federal grants are based on records that accurately reflect the work performed.
 - 11.0 Exempt staff whose hours are chargeable to various grants may also document the hours worked and chargeable to the various grant. As an exempt employee, salary for the pay period does not vary due to hours documented and chargeable to each

grant.

- 12.0 The Accounting Department must provide a budget to actual grant expense report to the managers in charge of the program to verify that the charges to their programs are aligned with their approved program activities and grants.
- 13.0 All staff should have access to this procedure and to the list of allowable costs. In addition, the Finance Director is the person to be contacted for questions regarding the allowability of each cost charged to federal and state grants and the Uniform Guidance when staff have questions.

Application of Credits

- 14.0 All items of miscellaneous income or credits, including the subsequent write-offs of checks not cashed, rebates, refunds, and similar items, shall be reflected for grant accounting purposes as reductions in allowable expenditures if the credit relates to charges that were originally charged to a federal award or to activity associated with a federal award. The reduction in expenditures shall be reflected in the year in which the credit is received (i.e. if the purchase that results in the credit took place in a prior period, the prior period shall not be amended for the credit.)

Cost Sharing and Matching

- 15.0 It is the policy of the TRIBE/TDHE to value contributed services and property that are to be used to meet a cost sharing or matching requirement at their fair market values at the time of contribution unless award documents or federal agency regulations identify specific values to be used. Such claim or property contributions a cost sharing or matching requirement of a federal award only if all the following criteria are met:
 1. They are verifiable from records.
 2. They are not included as contributions for any other federally assisted project or program.
 3. They are necessary and reasonable for proper and efficient accomplishment of project or program objectives.
 4. They are allowable under 2 CFR §200.306.
 5. They are not paid by the federal government under another award, except where authorized by federal statute to be used for cost sharing or matching (PL. 638).
 6. They are provided for in the approved budget when required by the federal awarding agency.
 7. In the case of donated space, the space is subject to an independent appraisal or market survey to establish its value.
- 16.0 Contributed services used for cost sharing or matching purposes shall be valued at rates consistent with those rates paid for similar work in the organization (match up experience and skill level), including an estimate of reasonable fringe benefits. In cases in which the required skills are not found in the organization, rates used shall be

(consistent with those paid for similar work in the labor market in which competes.

17.0 It is the policy of to require volunteers to document and account for their contributed time.

18.0 **ATTACHMENT – NAHASDA PROGRAM: 2 CFR Part 200 Subpart E Cost Principles – ALLOWABILITY OF COSTS**

CAPITAL ASSETS CONTROL

Overview

Proper control procedures are followed for all capital asset acquisitions, transfers and dispositions in order to provide internal control of capital equipment and to assist in reporting. Program managers are responsible and accountable for furniture, equipment, machinery and any other capital assets in their departments and maintain some type of control over capital assets. Accounting assists and evaluates any department's capital asset control procedures.

Purpose

To outline the procedures for acquiring, disposing and maintaining control of capital assets, in accordance with the grant regulations used to purchase the capital assets and the relevant parts of 2 CFR Part 200.

Procedures

This procedure applies to all property and capital equipment with a value of \$5,000 or more and with a useful life greater than one year. This procedure also applies to IT purchases of \$5,000 cost per unit or more and a useful life of more than one year.

Property and Capital Asset Management Requirements

Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a federal award, until disposition takes place must, at a minimum, meet the following requirements of **§200.313**:

- 1.0 Accurate property records must be maintained for all fixed assets (including vehicle titles) with historical costs of **\$5,000** or more.
- 2.0 Property records must be maintained that include:
 - a. a description of the property,
 - b. a serial number or other identification number,
 - c. the source of funding for the property (including the FAIN),
 - d. who holds title,
 - e. the acquisition date, and cost of the property,
 - f. percentage of Federal participation in the project costs for the Federal award under which the property was acquired,
 - g. the location of asset,
 - h. use and condition of the property,
 - i. and any ultimate disposition data including the date of disposal and sale price of the property.
- 3.0 A physical inventory of the property must be conducted and the results reconciled with the property records at least once every two years.
- 4.0 A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.

- 5.0 Adequate maintenance procedures must be developed to keep the property in good condition.
- 6.0 Items with unit costs below the capitalization threshold of \$5,000 shall be expensed in the year purchased.
- 7.0 If the non-Federal entity is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.
- 8.0 Capitalized fixed assets are accounted for at their historical cost and all such assets, except land and certain works of art and historical treasures, are subject to depreciation over their estimated useful lives.
- 9.0 Depreciation is computed using the straight-line basis over the following estimated useful lives:
 - a. Machinery & Equipment 3 – 25 years
 - b. Buildings & Improvement 20 – 50 years
 - c. Infrastructure 20 – 50 years

Receipt of Newly Purchased Equipment and Furniture

- 10.0 At the time of arrival, all newly purchased equipment and furniture shall be inspected for obvious physical damage. If an asset appears damaged or is not in working order, it shall be returned to the vendor immediately.
- 11.0 In addition, description, and quantities of assets per the packing slip or bill of lading shall be compared to the assets delivered. Discrepancies should be resolved with the vendor immediately.
- 12.0 The Property Manager assigns control numbers and ensures that newly purchased equipment and furniture is properly tagged.

Repairs of Fixed Assets

- 13.0 The Property Manager assigns control numbers and ensures that newly purchased equipment and furniture is properly tagged.
- 14.0 Expenditures to repair capitalized assets shall be expensed as incurred if the repairs do not materially add to the value of the property or materially prolong the estimated useful life of the property.
- 15.0 Expenditures to repair capitalized assets shall be capitalized if the repairs increase the value of property, prolong its estimated useful life, or adapt it to a new or different use. Such capitalized repair costs shall be depreciated over the remaining estimated useful life of the property. If the repairs significantly extend the estimated useful life of the property, the original cost of the property shall also be depreciated over its new extended useful life.

Disposition of Assets

- 16.0 Capital assets may be sold or traded-in on new equipment. An Asset Disposition form is to be completed and approved by the department manager. Any assets with an original

- value greater than \$5,000 and previously capitalized will also require the approval of the Chief/Governor.
- 17.0 Upon approval, the department may advertise the property for sale or submit a list of items to Accounting for sale and disposition.
 - 18.0 After completion of the sale, the Asset Disposition form will be submitted to Accounting. Accounting will delete the item from the asset records and record any gain or loss on the disposition.
 - 19.0 Worn-out or obsolete property with no cash value will be reported to Accounting on the Asset Disposition form with the description, serial number and condition. The asset will then be removed from the asset records.
 - 20.0 Any asset that is missing or has been stolen will be reported in writing to the department manager and Accounting as soon as possible. The description, serial number, and other information about the lost item should be included in the report.
 - 21.0 Accounting along with the President/CEO will determine the proper course of action and will notify the organization's insurance carrier and any outside authorities if deemed appropriate. If not recovered, the asset will then be removed from the asset records.
 - 22.0 Interdepartmental transfers of assets will be reported to Accounting in writing including the description, serial number and the name of the department to receive the property.
 - 23.0 The department manager to whom the item was assigned originally will be held accountable until accounting is notified of the transfer. After being notified, the department manager acquiring the property assumes responsibility. Accounting will then record the departmental transfer on the asset records.

Asset Records

- 24.0 Accounting will maintain a detailed listing of each capital asset item along with depreciation records which will include the description, date acquired, vendor, cost basis, assigned department, depreciation method/life and accumulated depreciation and net book value.
- 25.0 On an annual basis, accounting will furnish each department a report showing a listing of assets assigned to that department and any acquisitions, disposals, and transfers during the past year. Any discrepancies noted by the department should notify the Accounting Department as soon as possible. This report should be filed by the department manager for reference and later use.
- 26.0 Each department will be responsible for locating assets with its number tag attached that are recorded as assigned to their department whenever requested by Accounting, or by external auditors.
- 27.0 Whenever a change in department manager occurs, all items should be accounted for by the outgoing department manager. The incoming department manager will accept the responsibility and accountability for the departmental asset listing upon assuming the position. Accounting can assist with this audit if requested.

RECORDS SECURITY AND DOCUMENT RETENTION POLICY

Overview

The Sarbanes-Oxley Act provides for Whistle Blower protection and the destruction of business records and documents and turns intentional document destruction into a process that must be carefully monitored.

In addition, financial records pertinent to Federal awards must comply with records retention, storage, public access of documents and the TRIBE/TDHE's responsibility to protect personally identifiable information as described in the Federal grant regulations and the requirements of **§200.334 through §200.338**.

Purpose

To outline the procedures for managing records and document retention to comply with pertinent laws and regulations governing the security of records and document retention and financial records pertinent to Federal awards.

Procedures

Retention Requirements

- 1.0 All Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three (3) years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, and for a Subrecipient, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity.
- 2.0 Exceptions to the retention period of 3 years occurs when:
 - a) If any litigation, claim, or audit is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.
 - b) When the non-Federal entity is notified in writing by the Federal awarding agency, cognizant agency for audit, oversight agency for audit, cognizant agency for indirect costs, or pass-through entity to extend the retention period.
 - c) Records for real property and equipment acquired with Federal funds must be retained for 3 years **after final disposition**.
 - d) Records for program income transactions after the period of performance. In some cases recipients must report program income after the period of performance. Where there is such a requirement, the retention period for the records pertaining to the earning of the program income starts from the end of the non-Federal entity's fiscal year in which the program income is earned.
 - e) Indirect cost rate proposals and cost allocations plans.

- ***If submitted for negotiation.*** If the proposal, plan, or other computation is required to be submitted to the Federal Government (or to the pass-through entity) to form the basis for negotiation of the rate, then the 3-year retention period for its supporting records starts from the date of such submission.
- ***If not submitted for negotiation.*** If the proposal, plan, or other computation is not required to be submitted to the Federal Government (or to the pass-through entity) for negotiation purposes, then the 3-year retention period for the proposal, plan, or computation and its supporting records starts from the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.

Storage: The TRIBE/TDHE should, whenever practicable, collect, transmit, and store Federal award-related information in open and machine-readable formats rather than in closed formats or on paper in accordance with applicable legislative requirements.

Access to Records: The Federal awarding agency, Inspectors General, the Comptroller General of the United States, and the pass-through entity, or any of their authorized representatives, must have the right of access to any documents, papers, or other records of the TRIBE/TDHE which are pertinent to the Federal award, in order to make audits, examinations, excerpts, and transcripts. The right also includes timely and reasonable access to the non-Federal entity's personnel for the purpose of interview and discussion related to such documents.

Document Retention Schedule: The following table provides the minimum requirements and is provided as guidance in determining the TRIBE/TDHE’s document retention policy.

Type of Document	Minimum Requirement
Accounts payable ledgers and schedules	7 years
Audit reports	Permanently
Bank reconciliation	2 years
Bank statements	3 years
Checks (for important payments and purchases)	Permanently
Contracts, mortgages, notes and leases (expired)	7 years
Contracts (still in effect)	Permanently
Correspondence (general)	2 years
Correspondence (legal and important matters)	Permanently
Correspondence (with customers and vendors)	2 years
Deeds, mortgages, and bills of sale	Permanently
Depreciation schedule	Permanently
Duplicate deposit slips	2 years
Employment applications	3 years
Expense analyses/expense distribution schedules	7 years
Year end financial statements	Permanently
Insurance policies (expired)	3 years
Insurance records, current accident reports, claims, policies, etc.	Permanently
Internal audit reports	3 years
Inventories of products, materials, and supplies	7 years
Invoices (to customers, from vendors)	7 years
Minute books, bylaws and charter	Permanently
Patents and related papers	Permanently
Payroll records and summaries	7 years
Personnel files (terminated employees)	7 years
Retirement and pension records	Permanently
Tax returns and worksheets	Permanently
Time sheets	7 years
Trademark registrations and copyrights	Permanently
Withholding tax statements	7 years

WRITTEN PROCEDURES REGARDING CASH MANAGEMENT AND PAYMENT WITH FEDERAL FUNDS

Purpose:

1. The administration of federal grants must comply with:
 - a. Section 200.302(a), "Financial Management."
 - i. In 2 CFR §200.302(a)(6), a RECIPIENT'S financial management system must provide for "Written procedures to implement the requirements of §200.305, "Federal Payment."
 - b. Section 200.305, " Federal Payments."
 - i. 2 CFR §200.305(b) states that "For non-Federal entities other than states, payments methods must minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by the non-Federal entity whether the payment is made by electronic funds transfer, or issuance of redemption of checks, warrants, or payments by other means."

Reimbursement:

It is RECIPIENT's **normal practice** to drawdown funds from ELOCCS **once a month** to reimburse itself for allowable federal grant expenses incurred in the period.

RECIPIENT has elected to draw funds from eLOCCS on the reimbursement method to ensure expenses have both been incurred and paid for before funds are drawn from eLOCCS.

Advance Payment:

It is RECIPIENT's normal practice is to draw funds from eLOCCS to reimburse itself for payments it has already made to contractors/vendors. However, there may be situations under which RECIPIENT may draw funds in advance of RECIPIENT making payments to a contractor/vendor. In this case, RECIPIENT is drawing funds from eLOCCS in advance to pay for its obligations to contractors/vendors.

To remain in compliance with §200.305(b) as noted in 1(b)(i) above, RECIPIENT must ensure:

1. The amount drawn from eLOCCS as an advance payment is limited to the minimum amount needed for actual, immediate cash required to pay for invoices that are due and payable.
2. The timing and amount of advance payments received from eLOCCS must be disbursed within **three (3) business working days** upon receipt of the funds in RECIPIENT's bank account.
3. Recipient is prohibited from drawing advance funds from eLOCCS without any pending approved invoices for payment of approved federal grant expenditures.

Process for Repayment of Federal Funds

1. If RECIPIENT draws down funds in advance but does not plan to disburse the funds **within 3 business working days**, it must return the unauthorized funds and should follow guidance on repayment of federal grants found at 2 CFR 200.305(b)(10 & 11).

Procedures regarding the obligation, expense and payment of goods and services with Federal funds

- 1) Before any purchases or contracts are signed, RECIPIENT must follow its Procurement Policy and procedures for the type of purchase and the amount of purchase it will undertake, which includes Indian Preference.
- 2) Recipient initiates the purchase of goods and services with:
 - a) Purchase Requisition.
 - i) A staff requests purchase of goods and services with a purchase requisition that describes the item/service being purchased, the account and program to be charged.
 - ii) Staff must ensure that the item being purchased is an approved purchase and has been budgeted.
 - iii) The requester staff signs the purchase requisition and forwards the requisition to the authorized signer for approval.
 - iv) Purchase requisition approval by the authorized approver includes:
 - (1) determination that the purchase or service is an allowable cost of the federal grant.
Allowability of cost is determined from ITP's written procedures on the allowability of cost in compliance with 2 CFR 200.302(b7).
 - (2) Determines that the item being purchased is an approved budgeted item to the IHBG grant.
 - b) Purchase Order. A numbered purchase order is prepared and issued to the contractor. Support documents for the purchase order, should, at a minimum include:
 - i) The purchase requisitions.
 - ii) Documentation or reference to completion of procurement process.
 - iii) Approval of purchase order by authorized personnel.
 - c) Purchase of Goods and Services. The department that initiated the purchase requisition shall be responsible for purchasing the item using the approved purchase order.
 - d) Receipt of goods or services performed.
 - i) When the item is received, the initiating department must be responsible for verifying that the goods have been received, or the services have been performed.
 - ii) The goods received must be verified with the original purchase order that included the items and amounts ordered against the items and amounts received.
 - iii) If a service was procured, the authorized staff shall verify that the work to be performed under the service contract was performed in accordance with the agreement and within the timeframe agreed upon.
 - e) Processing of Invoice.
 - i) The invoice is received and opened by the front desk staff and is submitted to the accounting department.
 - ii) The accounting department sends the invoice to the responsible staff who initiated the purchase to approve the invoice for payment and sends it to the accounting department.
 - iii) The accounting department verifies the invoice against the purchase order and processes the invoice for payment using the information on the purchase order to charge to the appropriate accounts and programs.
- 3) Payment Process
 - a) RECIPIENT prepares invoices to be paid once a week.
 - b) Once a month, RECIPIENT draws down funds from eLOCCS to reimburse itself for eligible expenses charged to the federal grant.

c) The process for reimbursement from eLOCCS is as follows:

- i) RECIPIENT prints out the financial report for each federal grant that shows the activities to date.
- ii) Since RECIPIENT reimburses itself from eLOCCS for federal grant expenses, the financial report will show IHBG grant expenses exceeding recorded grant revenues.
- iii) RECIPIENT will draw from eLOCCS for the amount of expenses that exceed grant revenues received.
- iv) RECIPIENT staff will prepare a payment voucher that will include all supporting documents for the exact amount it will draw from eLOCCS, consisting of invoices, payroll expense documents and contracts paid by ITP, but not as yet reimbursed with federal grants.
- v) The payment voucher with all supporting documents is submitted to an authorized RECIPIENT staff - who is not involved in the processing of invoices - to draw the funds from eLOCCS.
- vi) The accounting staff will verify receipt of the payment in ITP's bank account.
- vii) During the monthly bank reconciliation process, the Finance Director will record the amount received from eLOCCS as a federal grant revenue.

WRITTEN PROCEDURES REGARDING ALLOWABILITY OF COSTS

A. Purpose:

It is the policy of Recipient that only costs that are reasonable, allowable and allocable to a federal award shall be charged to that award directly or indirectly. All unallowable costs shall be appropriately segregated from allowable costs in the general ledger in order to assure that unallowable costs are not charged to federal awards.

1. The administration of federal grants must comply with:

a. Section 200.302(b), "Financial Management."

In 2 CFR §200.302(a)(7), a recipient's financial management system must provide for written procedures for determining the allowability of costs in accordance with Subpart E – Cost Principles of the Uniform Guidance and the terms and conditions of each federal award.

b. 2 CFR Part 200.403: To be allowable under Federal awards, except where otherwise authorized by statute, costs must be:

- i. Necessary and reasonable and allocable.
- ii. Conform to cost principles or Federal award as to types or amount of cost items.
- iii. Consistent with policies and procedures that apply uniformly to federal and non-federally funded activities.
- iv. Consistent treatment as direct or indirect cost.
- v. In accordance with Generally Accepted Accounting Principles (GAAP),(except for governments that must conform to Governmental GAAP).
- vi. Not included as a cost to meet cost sharing or matching requirements of any other federally financed program.
- vii. Adequately documented.

B. Subpart E -- Cost Principles

- 1. The application of these cost principles is based on the fundamental premises that Recipient has in place sound management practices; will follow the terms and conditions of the specific Federal award and will determine, based on its own unique combination of staff, facilities, and experience how to assure proper and efficient administration of the federal funds.**
- 2. §200.420 addresses "items of cost" that provide clarification regarding allowability, in general, for using federal funds. Staff should be familiar with and use the Cost Allowable Table to verify the allowability of costs that will be paid with federal funds.**

Note: The table of allowable costs attached to the end of the written procedures provides guidance on typical costs for federal grants and specifically provides guidance on what is allowable or not under the NAHASDA program and the Uniform Guidance.

C. Written procedures for determining allowable costs

1. Recipient is a recipient of multiple federal grants, and each grant has specific requirements for preparing the budget and what are eligible activities and costs to the federal grants. Recipient must review and comply with program requirements of each grant.
2. Costs that can be identified specifically with a particular funding source (contract or grant) are directly charged.
3. Shared Costs incurred for more than one program are charged to indirect costs.
4. Recipient prepares an annual budget for each federal grant in accordance with program requirements, which incorporates all allowable sources and uses of the funds for the program year, including all Federal grants.
5. The Finance Director's responsibilities include:
 - a. Review of the budget to ensure all expenses budgeted to Federal grants are eligible and allowable costs of the federal grants.
 - b. Accounting for allocation of costs to each grant must be allowable and necessary.
6. The annual budget and budget amendments are approved by the Tribal Council.
7. Once a month, the Finance Director and the managers review the budgets they are responsible for, to ensure that costs charged to their programs and grants are eligible and allowable.
8. Recipient has staff whose hours are allocated to various grants based on the work they perform for the activities funded with various grant funding sources. Accordingly, Recipient prepares a staffing budget for the entire budget year to allocate staff time to multiple grants and programs.
 - a. The use of budget estimates for staff whose hours are allocated to various grants (such as admin staff) is permissible, but the Recipient must, on a regular basis, ensure that the estimated hours of the staff charged in this manner closely approximates the actual work performed.
 - i. At least quarterly, managers must verify that staff, whose hours are budgeted based on estimates, have not changed, or if they have, they are required to submit an updated allocation of staff time for a budget amendment.
 - ii. Managers submit the amended allocation of staff time to the Finance Director, who in turn, submits the changes in a budget amendment for the Tribal Council to approve.
 - b. Non-exempt staff must fill out a timesheet and document hours for each program or grant worked in the payroll period and timesheet must be signed by the staff and approved and signed by the supervisor to ensure the charges to the Federal grants are based on records that accurately reflect the work performed.
 - c. Exempt staff whose hours are chargeable to various grants may also document the hours worked and chargeable to the various grant. As an exempt employee, salary for the pay period does not vary due to hours documented and chargeable to each grant.
 - d. The Accounting Department must provide a budget to actual grant expense report to the managers in charge of the program to verify that the charges to their programs are aligned with their approved program activities and grants.
9. All staff should have access to this procedure and to the list of allowable costs. In

addition, the Finance Director is the person to be contacted for questions regarding the allowability of each cost charged to federal and state grants and the Uniform Guidance when staff have questions.

D. APPLICATION OF CREDITS

All items of miscellaneous income or credits, including the subsequent write-offs of checks not cashed, rebates, refunds, and similar items, shall be reflected for grant accounting purposes as reductions in allowable expenditures if the credit relates to charges that were originally charged to a federal award or to activity associated with a federal award. The reduction in expenditures shall be reflected in the year in which the credit is received (i.e. if the purchase that results in the credit took place in a prior period, the prior period shall not be amended for the credit.)

**ATTACHMENT – NAHASDA PROGRAM: 2 CFR Part 200 Subpart E Cost Principles –
ALLOWABILITY OF COSTS**

FORM SF-425 - CHEAT SHEET

FEDERAL FINANCIAL REPORT-WORKSHEET

(Follow form instructions)

1. Federal Agency and Organizational Element to Which Report is Submitted		2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment)				
3. Recipient Organization (Name and complete address including Zip code)						
Recipient Organization Name:						
Street 1						
Street 2						
City			County			
State			Province			
Country			ZIP/Postal Code:			
4a. DUNS Number		4b. EIN		5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachments)		
6. Report Type		7. Basis of Accounting		8. Project/Grant Period		
<input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input type="checkbox"/> Annual <input type="checkbox"/> Final		<input type="checkbox"/> Cash <input type="checkbox"/> Accrual Mark box using same basis of account as the APR and the SEFA		From: To: Should coincide with the period of performance dates identified in the grant agreement, unless amended or extended.		
				9. Reporting Period End Date Enter ending date of the reporting period: 3/31, 6/30, 9/30/ or 12/31		
10. Transactions					Cumulative	
(Use lines a-c for single or multiple grant reporting)						
Federal Cash (To report multiple grants, also use FFR Attachment):						
a.1 Cash Receipts - LOCCS draws - cumulative amounts of cash received as of the reporting period end date					\$0.00	
a.2 Cash Receipts - Positive/negative cash on hand (Grant Payable/Grant Receivable) from prior FY end					\$0.00	
a. Cash Receipts (a.1 plus/minus a.2)					\$0.00	
b. Cash Disbursements IHBG expenditures per accounting records cumulative for year: Same as 10e					\$0.00	
c. Cash on Hand (line a minus b) Should be equivalent to grant receivable (if negative) or grant payable if positive					\$0.00	
(Use lines d-o for single grant reporting)						
Federal Expenditures and Unobligated Balance:						
d.1 Total Federal funds authorized LOCCS balance at prior FY end					\$0.00	
d.2 Total Federal funds authorized New grant (once) received					\$0.00	
d.3 Total Federal funds authorized Positive/negative cash on hand (Grant Payable/Grant Receivable) from prior FY end					\$0.00	
d. Total Federal funds authorized (d.1 plus d.2 plus/minus d.3)					\$0.00	
e. Federal share of expenditures IHBG expenditures per accounting records cumulative for year: Same as 10b					\$0.00	
f. Federal share of unliquidated obligations (Not expenditures, but future committed funds via awarded contracts, force account labor, etc.)					\$0.00	
g. Total Federal share (sum of lines e and f)					\$0.00	
h. Unobligated balance of Federal funds (line d minus g)					\$0.00	
Recipient Share:						
i. Total recipient share required (Tribal fund match for project / non-program income) generally N/A					\$0.00	
j. Recipient share of expenditures					\$0.00	
k. Remaining recipient share to be provided (line i minus j)					\$0.00	
Program Income:						
l.1 Total Federal program income earned - Carryforward prior FY end unexpended balance					\$0.00	
l.2 Total Federal program income earned - Current years cumulative program income					\$0.00	
l. Total Federal program income earned (l.a plus l.2)					\$0.00	
m. Program income expended in accordance with the deduction alternative N/A - IHBG does not require we use Program Income First)					\$0.00	
n. Program income expended in accordance with the addition alternative					\$0.00	
o. Unexpended program income (line l minus line m or line n)					\$0.00	
11. Indirect Expense						
a. Type	b. Rate	c. Period From	Period To	d. Base	e. Amount Charged	f. Federal Share
g. Totals						
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation: Cash on Hand / Details of Invested IHBG funds (use attachment) / P&A Reserves / PI						
13. Certification: By signing this report, I certify that it is true, complete, and accurate to the best of my knowledge. I am aware that any false, fictitious, or fraudulent information may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001).....						
a. Name and Title of Authorized Certifying Official						
Prefix:	First Name:		Middle Name:			
Last Name		Suffix				
Title:						
b. Signature of Authorized Certifying Official				Telephone (Area code, number and extension)		
c. Email Address				Date Report Submitted	14. Agency Use Only	

GRANT ACTIVITY

PROGRAM INCOME

ATTACH INVESTMENT DOCS