

RESOLUTION OF THE SUMMIT LAKE PAIUTE COUNCIL  
SUMMIT LAKE PAIUTE TRIBE OF NEVADA  
OF THE  
SUMMIT LAKE PAIUTE RESERVATION

RESOLUTION NO.: SL - 13 - 2010

TITLE: AMENDING THE TRIBE'S FINANCIAL MANAGEMENT SYSTEM MANUAL

WHEREAS, the Summit Lake Paiute Tribe, is a modern entity of the Northern Paiute People known, in English, as Lake Trout and Wild Onion Eaters who, for thousands of years, controlled at least 2,800 square miles of land in and around Summit Lake as a tribe with sovereign, unlimited, powers and laws (customs, traditions, usages, etc.); and,

WHEREAS, in 1964, and after much consideration, the members of the Lake Trout and Wild Onion Eaters organized pursuant to Section 16 of the Indian Reorganization Act of June 18, 1934 (48 Stat. 984) as amended, adopting, for certain sovereign purposes, the name "Summit Lake Paiute Tribe" with a tribal constitution titled "Articles of Association," the latter which was approved by the Secretary of the U.S. Department of the Interior on January 8, 1965; and,

WHEREAS, the Summit Lake Paiute Tribe's Articles of Association grant to the Summit Lake Paiute Council (see Article II, Section 1) certain sovereign powers, including the power to negotiate with federal agencies like the U.S. Department of Interior and others and their respective departments and agencies to improve the welfare and education of tribal members (see Article II, Section 1 (b), (k)); and,

WHEREAS, one of the requirements of the Tribe's 2009-2010 EPA GAP (General Assistance Program) Grant, Work Plan Component 1 (Financial Management), Comment 1.4 is to "Update and maintain the Tribe's Financial Management System Manual [ ] to comply with [Title] 40 CFR" ; and,

WHEREAS, while minor amendments to the Tribe's Financial Management System Manual were done by the Council on November 3, 2007 (see Council Resolution SL-13-2007) more amendments were needed thus the 2009-2010 GAP Grant exists to do same; and,

WHEREAS, the Environmental Coordinator has sought the input to the proposed changes to the Tribe's Financial Management System Manual from other Department Directors (see Emails June 2, 2010 4:10pm and June 2, 2010 6:23pm); and,

WHEREAS, the attached proposed changes to the Tribe's Financial Management System Manual identify changes to the Cover Page (page 1), 2-3 (Table of Contents), and nearly all other 21 pages; and,

WHEREAS, most of the proposed changes to the Financial Management System Manual, in addition to creating a modern Microsoft Word (2003-2007) document with an automated Table of Contents linking subject to page, are replacement of the old job title of "Bookkeeper" with "Tribal Accountant" and replacement of "Tribal Council" with "Summit Lake Paiute Council"; and,

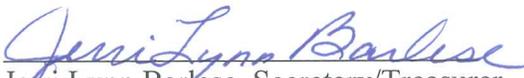
WHEREAS, there are six major proposed changes to the Financial Management System Manual (page numbers relate to the Tracked Features version (showing all the proposed changes to the document): First (page 5), "dishonesty bonds" are not available in 2010 as they were when the Tribe's Financial Management System Manual was first written and melded into the 1996 version. Because employee theft up to \$100,000 is provided by the policy with the Tribe's insurance company, it is no longer appropriate to require a "dishonesty bond." Dishonesty bonds are also not available to Council Members (or officials holding positions of trust). Thus Section 7 is re-written to reflect what is available. Second (page 11), the Tribal Accountant is not longer restricted to producing vendor checks every other Fridays, and, if urgent, the vendor check can be mailed upon proper approval. Third (page 13), if an ordered item purchased with a Purchase Order is not the item received, the person designated and ordering the item can negotiate to receive a better quality item rather than return the item received. Fourth (page 17), the Employee Action Notice (signed by the Council Chairperson, Department Director, Chief Administrative Employee, and Employee) replaces the old Wage Rate Form. The Council now uses a modern digital recording system for all Council Meeting thus the written record (Wage Rate Form signed by several Council Members) is no longer needed. Fifth (page 17), the Tribal Accountant can distribute payroll checks even if the Tribe is using a direct deposit system since not every employee has a checking or other bank account. Sixth (page 22), to remove an inconsistency with the recently amended Procurement Procedure Manual, the Financial Management System Manual also states that only purchased items costing more than \$300 shall be on the physical inventory list maintained by the Finance Department; and,

THEREFORE BE IT RESOLVED, that the Summit Lake Paiute Council amends the Tribe's Financial Management Procedure Manual as proposed by the Environmental Coordinator, and directs the Environmental Coordinator to place a Policy History statement below each section or subsection amended so future readers can see on what date and by what Council Resolution Number the Financial Management Systems Manual provisions were amended by this and other Council Resolutions.

CERTIFICATION

I, JERRI LYNN BARLESE, Secretary/Treasurer of the Summit Lake Paiute Council, hereby certify that the above Resolution, No. SL – 13 – 2010, was brought before the Summit Lake Paiute Council at a duly held meeting on the 28th day of August, 2010, with a quorum present, with the following votes to enact the Resolution: 3 FOR, 8 AGAINST; and 0 ABSTAINING, with the Council Chairman presiding and not voting because there was no tie vote, and that this Resolution has not been rescinded, revoked or amended.

August 28, 2010  
Date

  
Jerri Lynn Barlese, Secretary/Treasurer  
Summit Lake Paiute Council

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Amended: September 28, 1996

Effective September 30, 1996

| Page ~~24~~ 22 (Matching Grant Funds) Amended November 3, 2007 by Resolution No. SL-23-2007  
(adding new section titled “Matching Grant Funds”)

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## SUMMIT LAKE PAIUTE TRIBE

### Financial Management System Manual

#### GENERAL INFORMATION

This fiscal control system has been prepared with objectives of providing the Summit Lake Paiute Council and subordinates with guidance regarding the responsibilities of who must prepare and approve checks, invoices, travel, vouchers, purchase orders and credit applications.

These procedures have been written to provide a general overview of delegated duties, but are not limited to them nor include them entirely.

This fiscal control system is organized by categories. New pages may be inserted as required to accommodate changes in procedures, controls and responsibilities.

It is intended that this Manual be updated on a current basis. Program staff should report any errors or instructions that need to be changed to the Bookkeepers Tribal Accountant or her or his delegate and the Environmental Coordinator; the annual GAP Grant's Work Plan Components include a Commitment to update and maintain the Tribe's Financial Management System Manual (see e.g., 2009-2010 and 2010-2011 GAP Grant Work Plan, Component I (Financial/Administrative Capacity Building), Commitment 1.4). The Bookkeeper Tribal Accountant or delegate shall then bring the needed changes to the attention of the Environmental Coordinator who shall prepare a proposed Resolution to adopt the proposed changes to the Summit Lake Paiute Council for their consideration.

#### GENERAL INTERNAL CONTROL

Internal controls are methods adopted to safeguard assets and to assure reliability of accounting and financial data. This can be accomplished by establishing a system which assigns responsibility and authority for approval and disapproval of expenditures. The following internal controls shall be executed:

1. Duties shall be segregated to insure that an employee cannot authorize, executive, or approve all aspects of a financial transaction.
2. An up-to-date chart of accounts shall be maintained which provides for meaningful and consistent classification of transactions.
3. Accounting controls shall exist to insure reliable and accurate financial data.
4. Monthly financial reports shall be issued on a regular basis and shall include sufficient information for use by the Summit Lake Paiute Council as a financial reference.
5. An effective budgeting system shall be maintained for all programs.

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6. Monthly and quarterly reports comparing actual and budgeted expenditures shall be prepared for review by program/department directors and the Summit Lake Paiute Council.
7. All employees ~~and officers~~ holding positions of trust shall be ~~bonded by a dishonesty bond insured through the Tribe's insurance company to protect the Tribe against theft. Under the 2010 insurance policy, employee theft limits are \$100,000 minus the deductible.~~
8. An accounting record system shall be maintained in the Finance Department.

FISCAL OPERATIONS PROCEDURES

Bookkeeper Tribal Accountant Responsibilities

It shall be the Bookkeeper Tribal Accountant's responsibility to:

1. Provide adequate accounting record systems for accounts assigned to the Finance Department. Accounting records both in automated and manual form shall consist of the following special accounting journals and ledgers to be utilized when appropriate:
  - A. Cash Receipts Journal
  - B. Cash Disbursements Journal
  - C. General Journal.
  - D. General Ledger
    1. Assets
    2. Liabilities
    3. Tribal Equity
  - E. Expense Journal
  - F. Revenue Journal
  - G. Payroll Records and Accumulated Sick, Annual and Compensatory Time Journal
  - H. Purchase Order Journal
  - A. The Cash Receipts Journal shall be used to identify receipts for each of the entities on a current basis. This shall include the various Tribe's accounts: Trust Accounts, Federal Funding, Checking Account, Tribe's Checking and Saving Accounts.
  - B. The Cash Disbursement shall be recorded on a current basis in the Cash Disbursement Journal.

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- C. The General Journal shall be used to record entries that special journals will not handle in addition to monthly standard commercial entries.
  - D. The General Ledger shall be updated monthly from the special journals.
    - 1. Asset accounts shall be reconciled on a monthly basis. Property such as money is an example of an asset.
    - 2. The liability expense shall be posted on a monthly basis to insure effective accounting control.
    - 3. Tribal Equity shall be posted on a yearly basis upon completion of the annual audit.
  - E. The Revenue Journal shall be posted on a monthly basis for each entity.
  - F. Expense Journals shall be maintained for each funding source, updated monthly for additions and deletions with a physical inventory policy established each year to reconcile the records.
  - G. Payroll records shall be maintained for each employee separately and broken down by entities to equal the payroll expense shown in various separate accounting entities.
  - H. The Purchase Order Journal shall be posted as needed.
- 2. Prepare quarterly fiscal reports, to include:
    - A. Combined financial statements for the Summit Lake Paiute Tribe.
    - B. Federal payroll tax reports; and,
    - C. All quarterly Federal, State, County, local, and other fiscal reports required by funding agencies of the Summit Lake Paiute Tribe.
  - 3. Prepare annual fiscal reports, to include:
    - A. Federal W-2's;
    - B. Federal, State, and local income tax statements; and,
    - C. All annual Federal, State, County, local, and other fiscal reports required by the funding agencies or the Summit Lake Paiute Tribe.
  - 4. Reconcile all bank statements for each bank account on a monthly basis.
  - 5. Assist with audits and maintenance of financial records and documents.

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6. Be knowledgeable about financial guidelines of each contract and grant.

Program Supervisor/Director Responsibilities

It shall be the responsibility of Program Supervisor/Director to:

1. Review all financial reports pertinent to their program.
2. Obtain required signatures pertaining to financial transactions (i.e., time sheets, travel forms or vouchers, purchase orders, etc.) within a timely basis.
3. Review all fiscal records pertinent to his/her specific program.
4. Submit budget modification requests to the Summit Lake Paiute Council for review and comment.
5. Ensure all subordinates comply with this Manual and others (e.g., timely submit Travel Expense Statements with receipts attached, etc.).

Council Secretary/Treasurer Responsibilities

The Council Secretary/Treasurer or delegate shall be responsible for fiduciary duties prescribed in Article V, Section 4 of the Articles of Association of the Summit Lake Paiute Tribe to include:

1. Review all financial reports to include but not limited to:
  - A. Reconcile bank statements for each bank account; and,
  - B. Financial statements for each set of accounting records.
2. Verify that authorized signatures are present on all financial transactions before granting approval for payment or signing checks.

CASH RECEIPTS

1. An adequate separation of duties shall be maintained between accounts receivable and other related functions.
2. Upon receipt, all checks for deposit shall be signed or stamped as follows:

Summit Lake Paiute Tribe  
For Deposit Only

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Account Number to be deposited to:  
Tribe, Contract Support, etc.

3. A deposit slip (Attachment L) shall be prepared and display the following:

Amount of Check  
Date of Deposit  
Who money was received from  
What the deposit was for

4. A photocopy of the deposit shall be secured before deposition checks are submitted to the bank.
5. All checks shall be deposited by ~~the accounting~~ Finance Department personnel or a tribal official on a timely basis.
6. A bank receipt slip, prepared and initialed by the bank shall be attached to the photocopy of the deposit slip prepared by the ~~Bookkeeper~~ Tribal Accountant.
7. All voided deposit slips shall be retained in the appropriate monthly bank reconciliation file for control at all times.
8. The deposit of cash receipts shall be recorded and identified in the cash receipts journal to the appropriate programs or grants on a daily basis.
9. P-638 deposits wired directly to the designated bank shall be checked against the monthly bank statement for accuracy.
10. The deposits of cash receipts for the P-638 wire transfer shall be recorded in the appropriate program on a monthly basis.

CASH DISBURSEMENTS

1. An adequate separation of duties shall be maintained between accounts payable and other related functions.
2. All accounts payable checks are to be pre-numbered.

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3. Unissued checks shall be safeguarded and controlled at all times.
4. Signing of blank checks is strictly prohibited.
5. No checks shall be prepared payable to "Bearer" or "Cash".
6. All check signers shall be duly authorized by the Summit Lake Paiute Council and respective banking institutions.
7. All checks shall require two signatures at least one of which shall be of the Council Secretary/Treasurer or the Tribal Chairperson. Alternate signatures may be obtained from authorized Council Members or other designated persons.
8. Every void check shall be adequately disfigured, signature lines destroyed with "Void" transcribed on the check and retained in the appropriate monthly bank reconciliation file.
9. Safeguards shall be maintained over issuance of signed checks. Checks shall be stored in a locked place until disbursement by the ~~Bookkeeper~~Tribal Accountant or delegate.
10. Supporting documents (i.e. time sheet, travel voucher, etc.) shall be properly approved prior to submission for payment.
11. All supporting documents submitted for payment shall have a Requisition Voucher (Attachment A) or a Purchase Order form (Attachment K) attached which has been approved by the ~~Tribal Council~~ Chairperson or Council Secretary/Treasurer before issuing payment by check.
12. No person may approve a "Request for Payment" form made payable to themselves.
13. All supporting documents shall be examined by the check signers for accuracy.
14. Requisition Vouchers/Purchase Orders and vendor billings shall be stamped with a Paid/Date stamp (Attachment B) after payment.
15. Cash disbursements shall be reviewed by the Council Secretary/Treasurer to insure compliance with the appropriate budget.
16. ~~When available, Direct~~ deposit for payroll shall be performed upon request of an employee, and according to direct deposit regulations.

INVOICES/PAYABLE EXPENSES

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1. An effective system shall be implemented to provide for the proper classification and distribution of expense items.
2. Payment for purchases, obligations, or expenses, shall be by check and charged to the appropriate grant/contract or tribal fund.
3. No check for payment shall be issued "payable to Bearer or Cash".
4. No check for payment shall be issued until documentary proof has been received, reviewed for accuracy and approved for payment by the Tribal Council Chairperson or Council Secretary/Treasurer, or delegate.
5. The BookkeeperTribal Accountant shall examine the invoice to determine price, quantity, and terms, to assure that calculations are correct with fees previously agreed upon. The BookkeeperTribal Accountant shall also examine the invoice for due date and process accordingly.
6. The BookkeeperTribal Accountant shall match all appropriate documents before issuing payment.
7. Ancillary costs (i.e., installation, accessories, and miscellaneous supplies) necessary to render a piece of equipment operable shall be charged to appropriate budget line items as applicable.
8. The BookkeeperTribal Accountant shall attach a requisition voucher/purchase order for payment to the invoice detailing the following:
  - A. Date Paid.
  - B. Check payable to
  - C. Check Number
  - D. Program to charge expenditures
  - E. Accounting code number
  - F. Word description of accounting code
  - G. Amount each program shall be charged for expenditure
  - H. Program/Tribe bank account identity
9. The BookkeeperTribal Accountant shall deliver to the Council Secretary/Treasurer, the Chairperson, or appropriate delegate, completed checks with all supporting documentation for examination, approval and signature.
  - A. Approved Checks

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1. Upon signing an approved check by two parties as authorized, the requisition voucher/purchase order shall be stamped "Paid" with date (Attachment B).

B. Questioned Costs

1. If either of the authorized signers question a cost, the Council Secretary/Treasurer or Chairperson shall in writing notify ~~in writing~~ to the company or individual of the reason for the questioned cost. A response form (Attachment C) shall be attached to this written notice. If electronic mail (email) is more convenient, an email will be sent and a copy of the email, and all responses, shall be placed in the file.
2. The company or individual must provide a written explanation of why the questioned cost should be paid within ten days of receipt of notification.
3. The ~~Bookkeeper~~Tribal Accountant shall provide the Summit Lake Paiute Council with written notification of the questioned cost together with all supporting documents.
4. The Summit Lake Paiute Council must respond in writing to the ~~Tribal Council~~ Chairperson within 15 days of receipt of written notification of a questioned cost.
  - a. If the Council decides to approve payment, the process shall revert to Number 9(A) above.
  - b. If the Council decides to disapprove payment to a company or individual then the Council shall determine the process to initiate negotiations to settle the claim.
  - c. If within 60 days of initiation of the questioned cost process, the Council fails to reach a decision, it shall become the responsibility of the ~~Tribal Council~~ Chairperson to issue the decision.
10. The ~~Bookkeeper~~Tribal Accountant shall mail issued checks to vendors ~~every other Friday~~ on the specific "paydays" unless it is urgent. If urgent, then ~~they~~ the vendor check can be mailed upon proper approval.

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11. The ~~Bookkeeper~~Tribal Accountant shall post the cash disbursement to the proper accounting journal. A cross reference identifying the journal page shall be documented and added at this time to the Requisition Voucher.
12. The ~~Bookkeeper~~Tribal Accountant shall file invoices and all supporting documents in the alphabetized accounts payable file under the contract/grant/tribal fund for which it was issued.
13. A "Miscellaneous" accounts payable file shall be maintained. Periodic checks shall be conducted of the miscellaneous file and any company having three or more invoices shall have an individual accounts payable file issued.
14. The ~~Bookkeeper~~Tribal Accountant shall compare vendor statements with accounts payable records. Any differences shall be promptly resolved.

### CHECK REQUEST FOR OTHER MONTHLY BILLINGS

- Any cost/expenditure which is not covered by an invoice, time sheet or travel form/voucher shall require a completed purchase order or requisition voucher with an explanation for the request. This request must be approved by the ~~Tribal Council~~ Chairperson, Council Secretary/Treasurer, or delegate, before a check is issued.
1. The ~~Bookkeeper~~Tribal Accountant shall prepare a requisition voucher for payment for each expense not supported by documentary proof within a timely basis or request a purchase order from the responsible department director.
  2. The requisition voucher/purchase order form shall be completed as described within the INVOICES/PAYABLE EXPENSE section of this manual.
  3. The requisition voucher/purchase order for payment, and prepared check, shall be submitted to the Council Secretary/Treasurer, ~~Tribal Council~~ Chairperson, or delegate, for examination and signature. Upon signing the check, the requisition voucher for payment shall be stamped "Paid" with date cited (Attachment B).
  4. The ~~Bookkeeper~~Tribal Accountant shall handout or mail signed checks to the appropriate address, or, if available, process a direct deposit upon request of an employee.
  5. The ~~Bookkeeper~~Tribal Accountant shall post the expenses to the proper accounting journal and the cross reference identifying the journal page shall be documented and added at this time.

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6. The ~~Bookkeeper~~Tribal Accountant shall file the completed requisition voucher and all supporting documents in the alphabetized accounts payable file.

### PURCHASE ORDERS

Purchase orders shall be used in compliance to the Procurement Procedure Manual of the Summit Lake Paiute Tribe. An adequate separation of duties shall be maintained between purchasing and related functions.

1. To document all purchase activities, the following files shall be established:
  - A. The requisition voucher/purchase order form.
    1. All items to be purchased shall first need the approval of an authorized person delegated by the Council, ~~Tribal Council~~ Chairperson, Council Secretary/Treasurer, or Program Supervisor/Director.
  - B. Solicitation File
    1. The designated purchasing agent shall put all information on a Summit Lake Paiute Tribe purchase order, and then, in accordance with the Procurement Procedure Manual, solicit the best possible price from vendors. ~~All solicitations done by telephone shall be logged to show competitive price solicitation.~~
  - C. Completed Purchase Order File
    1. When requested items are received the designated purchasing agent shall check to see if correct items have been received, quantity, price, back ordered items and terms of the back order. If an incorrect item has been received but is a satisfactory substitute (e.g., E6500 laptop received instead of a lower performing E5400 laptop), the designated purchasing agent may negotiate to receive the better quality item rather than return the better quality item and causing a delay in the use of the item. If an item is back ordered, a copy of the original purchase order shall be made and back ordered items noted. The photocopy of the purchase order shall then be returned to the active purchase order file and treated as an active purchase order until such time as the order is completed.

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D. Purchase Order Register Log

1. A purchase order register log shall be maintained by the designated purchasing agent detailing the following information:
  - Date of order request form
  - Person and department ordering merchandise
  - Date of purchase order
  - Name of Vendor
  - Total price
  - Signature of authorized person granting approval to purchase
  - Shipment date
  - Receiving date
  - Status of purchase (completed, back ordered, etc.)
  - Term of payment

2. The Bookkeeper Tribal Accountant shall match all appropriate documents before issuing a check for payment.

PETTY CASH PROCEDURES

The Petty Cash issued to individual programs shall be the responsibility of the Program Supervisor/Director. The Bookkeeper Tribal Accountant shall be held responsible for the Petty Cash maintained in the Tribal Administrative Office. The following procedures shall be implemented by all who accepts petty cash.

1. A petty cash slip (Attachment E) must be filled out every time money is disbursed to purchase an item or pay for services.
2. Step by step instructions on how to complete a petty cash slip are as follows:
  - A. Enter date money is issued to employee
  - B. Enter actual amount of money issued to the employee
  - C. Detail what was purchased and why
  - D. Specify the program for which an expense was incurred
  - E. Enter signature of person issuing petty cash
  - F. Enter signature of person receiving petty cash
3. After an item or services have been purchased with Petty Cash:
  - A. Enter amount actually spent for petty cash; and,

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- B. Enter amount owed to either the petty cash fund or to the person who purchased the item.
4. Attach all receipts to the petty cash slip.
5. If a receipt cannot be obtained, the individual accepting the cash shall be held liable to make full restitution of these funds back to the petty cash fund. Only if the individual can obtain a duplicate receipt of the item(s) purchased or a written statement is provided explaining why a receipt was not obtained (e.g., vending machine purchase, parking meter, etc.) can the liability be waived relieving the individual of that burden.
6. Check the amount of money to be returned or owed against cash receipts for accuracy.
7. Retain petty cash slips until a "Request for Petty Cash Reimbursement" form (Attachment F) is requested or submitted.
8. Submit petty cash receipts with the reimbursement request to the ~~Bookkeeper~~Tribal Accountant for replenishment.
9. Only those petty cash slips substantiated by receipts shall be allowed for replenishment.

### GENERAL JOURNAL/JOURNAL ENTRIES

Every posting to the ledger shall have a clear audit trail. It is of the utmost importance that each and every journal entry have a complete explanation as to the reason it was necessary for the entry to be recorded.

A complete description shall be reflected at the end of a journal entry and supporting documents shall be retained in the proper file. If the detail for the journal entry is extensive (year end closing), then a separate folder shall be maintained for the entry with all the calculations and supporting documents inside.

Journal entries shall include the month, day, and year. Ordinary journal entries to record day to day transactions to correct erroneous posting or transfer amounts shall be done by the ~~Bookkeeper~~Tribal Accountant. Extraordinary adjusting entries that affect the financial status of the Tribe or programs shall be approved by the Council Secretary/Treasurer or Chairperson.

### GENERAL LEDGER

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The purpose of the journals are to provide a chronological record of financial transactions. Collectively the accounts are called the General Ledger. The accounts shall be classified properly in the ledger, that is, the assets shall be grouped together, the liability accounts together and the tribal equity accounts together. Proper grouping of the accounts in the ledger shall be used as an aid for the preparation of financial reports issued to the Summit Lake Paiute Council and other funding agencies.

1. The General Ledger shall be reconciled on a monthly basis by the Bookkeeper Tribal Accountant.
2. The Bookkeeper Tribal Accountant shall reconcile each account to the general ledger as documentation (i.e. Cash in Bank, Tribe to Tribal Bank Reconciliation, Petty Cash to Balance-on-Hand plus receipts, Travel Advance, etc.).
3. A ledger shall be set up for each contract/grant/tribal funds (i.e. Fisheries, Aid to Tribal Government, Contract Support, Small Tribes, etc.).

### LIABILITIES

A liability is the obligation of the Tribe and Programs to pay a debt. The Tribe's only liabilities are the payroll taxes.

1. The liabilities shall be posted on a monthly basis from the cash disbursement journal since the Tribe does not maintain a separate payroll checking account.

### CHECKING ACCOUNTS

An adequate separation of duties shall be maintained to reflect proper internal control.

1. General ledger accounts must be maintained for each bank account by the Bookkeeper Tribal Accountant.
2. Bank transfers shall be adequately controlled by the Bookkeeper Tribal Accountant.
3. Bank reconciliation procedures shall be implemented and maintained on a monthly basis (Attachment G). Bank reconciliations shall be prepared by the Bookkeeper Tribal Accountant and reviewed by the Council Secretary/Treasurer.

### PAYROLL

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An adequate separation of duties shall be maintained between payroll and other related duties.

1. All payroll data for each employee shall be fully documented in a complete file. Each payroll file shall contain copies of the following and shall be maintained by the ~~Bookkeeper~~Tribal Accountant:
  - A. W-4 Form
  - B. Payroll Tracking Form (~~Attachment J~~ On each payroll check)
  - C. ~~Wage Rate Form~~ Employee Action Notice
2. Time sheets (Attachment H) shall be submitted and processed in accordance to the Summit Lake Paiute Tribe Personnel Manual.
3. The ~~Bookkeeper~~Tribal Accountant shall review time sheets for accuracy of time reported.
4. The ~~Bookkeeper~~Tribal Accountant shall prepare ~~the~~ payroll ~~tracking form (Attachment J)~~ and checks from the payroll schedule.
5. All wages shall be paid by check or direct deposit.
6. The ~~Bookkeeper~~Tribal Accountant shall submit the prepared checks to the authorized Tribal Officials for approval and signatures.
7. The ~~Bookkeeper~~Tribal Accountant shall distribute payroll checks ~~and tracking forms~~ to employees ~~after that employee has signed a receipt for their check~~ unless a direct deposit ~~is available and~~ has been requested or a written statement has been received authorizing an alternative means to distribute their check.
8. The ~~Bookkeeper~~Tribal Accountant shall record payroll checks in the proper accounting records.
9. The ~~Bookkeeper~~Tribal Accountant shall file time sheets, leave slips, and employee advances in the proper payroll files.
10. The ~~Bookkeeper~~Tribal Accountant shall be responsible for compliance with Internal Revenue Service (IRS) and State regulations concerning filing of IRS Forms 940, 941, W-2, and 1099, ~~and Nevada's~~ Employment Security Department; and State Industrial Insurance System tax forms.
11. The Summit Lake Paiute Tribe, an equal opportunity employer, ~~but reserving the right of affording tribal member and Indian preference in accordance with federal law~~, shall be

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responsible for complying with applicable Federal and State Laws concerning Indian Preference hiring, rate and hour rates, discrimination and Fair Labor Law practice.

### ACCUMULATIVE LEAVE RECORD

#### OVERTIME – COMPENSATORY TIME

A record of compensatory time earned shall be maintained for each employee. Compensatory time earned shall be recorded during each pay period and submitted to the Finance Department on a bi-weekly basis.

Compensatory, annual, ~~and~~ leave without pay, and sick leave requests must should be submitted five (5) days in advance and approved by the immediate supervisor before time off may be taken. Employees shall use “Request for Leave” form (Attachment I) for time off. Leave requests or an email from the immediate supervisor must be submitted to the Finance Department to assure employee has time accumulated prior to actual time being taken.

1. The authorized supervisor shall approve all leave requests in advance of time being used.
2. The authorized supervisor shall submit all approved leave requests to the Finance Department with their and subordinates’ time sheet.
3. The ~~Bookkeeper~~Tribal Accountant shall review the time sheets and “Requests for Leave” forms to assure that the employee has the credit for time being requested.
4. The ~~Bookkeeper~~Tribal Accountant shall record all leave time in the proper accounting record.
5. The payroll check accounting software used shall track each Employee’s shall receive a copy of their accrued and used annual leave, sick leave, and compensatory time record on a payroll tracking form (Attachment J) with each pay period.

#### NEW PROPOSAL AND BUDGET DEVELOPMENT

1. The ~~Tribal~~ Summit Lake Paiute Council, upon notice of funds for new contracts/grants, shall determine specific services to be funded. A budget and justification shall be developed by the ~~Tribal~~ Council or delegate after the scope of work has been determined for a respective program.

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2. The ~~Tribal Council~~ Chairperson shall present the proposed contract/grant, budget, and justification to the Summit Lake Paiute Council to be approved or disapproved.
3. If any portion of the proposal is disapproved, the Council may approve the proposal with any proposed changes in order to meet the proposed deadline with the funding agency. The proposal must be submitted to the ~~Tribal~~ Council at least one (1) month before the deadline.

#### MODIFICATION OF PROPOSAL AND BUDGET FOR RENEWAL OF CONTRACTS/GRANTS

1. Renewal of an existing contract/grant that has not expired shall use renewal request forms as shown in Attachment M.
2. The ~~Tribal~~ Chairperson shall present the renewal of a contract/grant to the ~~Tribal~~ Council for approval or disapproval. This request shall be prepared by the Program Director or delegate in conjunction with budget input by the ~~Bookkeeper Tribal Accountant~~.

#### BUDGET MODIFICATION

When the need for a budget modification occurs for any of the reasons listed below, the ~~Bookkeeper Tribal Accountant~~ shall advise the Program Director or delegate, and the ~~Tribal~~ Chairperson.

1. Over-spending of a line item.
2. Addition of a new line item.
3. Any increase or decrease in the budget.
4. Carry-over monies.
5. Any change in the original scope of work should the change effect the budget.

After a modification to the contract/grant has been approved, the ~~Bookkeeper Tribal Accountant~~ shall modify the budget. The ~~Tribal~~ Chairperson or delegate shall sign the modification, and copies shall be sent to funding agencies, Program Director and the ~~Tribal~~ Council.

#### BUDGET CONTROLS

The following budget controls shall outline the procedures for management of 638 Program and grant Budgets and Tribal Budgets.

1. Salaries

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A. Salaries shall be charged at the rate specified in the contract/grant application budget or tribal budget ~~and identified on a wage authorization form.~~

B. Any changes in pay rate shall not occur until prior approval has been secured.

2. Travel

A. Authorization shall only be allowed for travel as outlined in the contract/grant or tribal budget, and in accordance with the Travel Policy of the Summit Lake Paiute Tribe.

B. Any changes shall not occur unless prior approval has been secured.

3. Equipment

A. Authorization for purchase shall only be allowed for those items listed in the contract/grant or tribal budget and in accordance with the Procurement Policy of the Summit Lake Paiute Tribe.

B. Any changes shall not occur unless prior approval has been secured from the Summit Lake Paiute Council or their delegate(s) and the funding agency.

4. Sub-Contractual Agreements

A. Authorization for purchase of sub-contractual services shall only be allowed for those items outlined in the contract/grant or tribal budget and in accordance with the Procurement Policy of the Summit Lake Paiute Tribe.

B. Sub-Contractual Agreements shall have prior approval of the Summit Lake Paiute Council or their delegate(s) and the funding agency.

5. Others

A. Authorization for purchases and other expenses shall only be allowed for those items outlined in the contract or tribal budget, and in accordance to the Procurement Policy of the Summit Lake Paiute Tribe.

B. Any change to purchase authorizations or other expenses shall not occur unless prior approval has been secured from the Summit Lake Paiute Council or their delegate(s) and the funding agency.

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#### MAINTENANCE OF PROGRAM CONTRACT/GRANT DOCUMENTS

Any grant or contract that is activated and whose record keeping is to be maintained by the Finance Department shall have on file a copy of the approved grant/contract. In order to set up proper accounting records and maintain the same, it is necessary that the Finance Department have a copy of all pertinent documents for retrieval and assistance of audits.

Any documents that must leave the ~~tribal~~ Tribe's primary administrative office shall be in the form of a reproduction.

#### COST ALLOCATION

The Tribe and Programs/Contract/Grant file? shall have both an approved budget and justification. It is from the budget and the justification that the cost allocation policy and guidelines are established. Cost allocation guidelines shall be maintained and controlled through the following procedures.

**Comment [rej1]:** I cannot figure out what is missing from this incomplete sentence.

1. The large general expenses of audit and insurance shall be determined on a percentage basis from the total budgets of all programs by applying the following:
  - A. Determine percentage of each program share.
  - B. Apply the percentage rate to the actual cost of the invoice.
2. All other charges are charged according to actual usage and shared usage.
  - A. Actual usage shall be specified when a program submits a purchase order for supplies or equipment.
  - B. Shared usage shall be specified for expenses such as rent, telephone, utilities, ec., in the form of a flat rate as allowed in budget justification.

#### CAPITALIZATION POLICY

The Federal Government's policy for capitalization on the physical inventory list shall be adhered to for all programs under the tribe's contracts and grants.

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A purchase of an item costing more than ~~one~~ three hundred ~~five~~ dollars (~~\$150~~ 300.00) with Tribal or federal contract/grant funds shall be added to the physical inventory list maintained by the Finance Department.

Policy History

By Council Resolution SL-24-2007, the Council amended the Tribe's Procurement Procedure Manual to comply with Title 40, Code of Federal Regulations, Part 31.36(c), (d), which requires any property or equipment with an original cost of \$300.00 or more, purchased with federal grant funds, shall be inventoried every two years starting August 1, 2008. At the time the Council adopted Resolution SL-24-2007, it was not aware of the need to change the \$150.00 value in the second paragraph of this (Capitalization Policy) section and make it the same as the counterpart section in the Tribe's Procurement Procedure Manual (\$300.00). By Council Resolution SL- -2010, the Council makes this Manual (Capitalization Policy) section, consistent with the Procurement Procedure Manual.

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AUDITS

The accounting records of the Summit Lake Paiute Tribe shall be audited on an annual basis by a licensed Certified Public Accountant.

Copies of the audit shall be submitted to all funding agencies as required, to each member of the Summit Lake Paiute Council, and one copy shall remain in the Finance Department as the permanent record.

RETENTION OF RECORDS

The Tribe may follow their own practices as long as they retain records for three years in order to allow access for audit and public examination. If audit findings are not resolved, the records shall be retained beyond three years. The retention period starts when the annual or final expenditure report has been submitted for non-expendable property, from the date of final disposition (Reference OMB Circular A-102 Uniform Administrative Requirements.).

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#### MATCHING GRANT FUNDS

Tribal officials applying for federal and other grants may recommend to the Tribal Council the allocation as matching funds allowable costs or in-kind contributions as envisioned in, for example, Title 40, Code of Federal Regulations, Section 31.24 (2007). In applying such allowable costs or in-kind contributions, tribal officials completing grant applications shall show, among other things, how the value placed on third party or Tribe in-kind contributions was derived. To the extent feasible, volunteer services will be supported by the same methods that the Tribe uses to support the allocability of regular personnel costs. Neither costs nor in-kind contributions may count towards satisfying a cost sharing or matching requirement of a grant agreement if they have been or will be counted towards satisfying a cost sharing or matching requirement of another Federal grant agreement, a Federal procurement contract, or any other award of Federal funds.

#### Policy History

On November 3, 2007, the Summit Lake Paiute Council added the above "Matching Grant Funds" provision to the Summit Lake Paiute Tribe's Financial Management Systems Manual to bring the policy into compliance with Title 40, Code of Federal Regulations (C.F.R.) (governing grants) and 25 C.F.R. (governing contracts). See Council Resolution SL-23-2007.

#### DEFINITIONS

**Audit** – An internal review of all transactions performed by the Tribe for a one year period by a CPA firm to insure the proper use of contract/grant funds.

**Bank Reconciliation** – The bank statement compared to the bank book balance, Tribe's records, all deposits for the month, outstanding checks, etc., that demonstrate the Tribe is either in or out of balance.

**Cash Disbursements Journal** – A book with the entire months summary of expenditures.

**Cash Receipts** – A receipt is given any time the Tribe receives cash or checks. Each transaction is recorded by a written receipt.

**Cash Receipts Journal** – A book with the summary of all moneys collected.

**Dishonesty Bond** – A dollar amount for liability of employees dishonesty coverage. Anybody (e.g. Bookkeeper, Tribal Accountants, accountants, check signers, Council Secretary/Treasurer, etc.) holding in trust, cash, checks, or other fiduciary related transactions.

**Expenses** – Expenditures supported by grant/contract objectives and budget justifications.

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General Journal – A book used to record adjustments and/or errors. The entry is written in a General Journal Entry form and approved by the Council Secretary/Treasurer.

General Ledger – Each month all transactions recorded in the cash disbursement, cash receipts, and general journal are posted to a book called the General Ledger.

Insurance – Liability insurance required by funding agencies (e.g. BIA, etc.) for equipment purchased or leased under a contract/grant, including but not limited to, vehicles, theft, fire, damage to equipment, etc.

Outstanding Checks – Checks that have not cleared the bank at the time the bank reconciliation was completed.

P-638 – A method of payment, approved by an authorized certifying officer of the Bureau of Indian Affairs to drawdown funds needed from the U.S. Treasury under each contract/grant.

Revenue – Funds received on drawdowns (P-638) from the funding agency is considered revenue.