Fiscal Management Policies

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FISCAL MANAGEMENT POLICIES

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INTRODUCTION

Substantially all organizational activities of the Confederated Tribes of the ABC Indian Reservation require or result in the receipt and/or expenditure of funds, utilize Tribal property and conduct business. These financial transactions are made within the responsibilities and authorities, which are delegated to and vest with the Board of Trustees and the Treasurer through the Tribes’ Constitution.

The Board intends that the Tribes shall establish quality management and control over finances, property and related matters. The Board also intends to ensure that assignment of roles and responsibilities for this important business be formal and that appropriate authorities vest with those who are expected to carry them out.

Tribal and Federal Laws require that financial management related activities be done in accordance with generally accepted accounting principles and provide adequate protection of Tribal assets. The Board is charged with the responsibility to further the interests of the Tribes, and must exercise proper care in the administration and allocation of Tribal assets. The Treasurer is charged with the responsibility for safeguarding the funds of the Tribes and must ensure that systems are in place to accomplish this end. Pursuant to the Constitution:

“The Treasurer shall accept, receipt for, and safeguard all funds of the tribes under his custody as directed by the Board of Trustees, and keep a complete record of receipts and expenditures. He shall be a bonded officer and shall not disburse any funds of the tribes except as duly authorized by the Board of Trustees, and he shall report his accounts and all financial transactions at a meeting upon the request of the General Council or the Board of Trustees.”

The Tribes’ ABC Resort and Casino has grown to the level of size and complexity as to require that the Board and the Treasurer delegate portions of their duties to ABC staff to conduct day-to-day business.

The Board has adopted the practice of exercising its responsibility over funds of the Tribes by adopting budgets and appropriating funds for use. This formal process is the legal mechanism by which funds of the Tribes may be obligated and utilized. The Board has also adopted the practice of formally approving policies regarding the setting aside and administration of funds for a variety of purposes.

These “ABC Fiscal Management Policies” are intended to provide for the appropriate assignment of duties and responsibilities for the purpose of delegating a portion of the Board’s authorities. They also provide direction for day-to-day operations, which involve the handling of funds, which fall under the constitutional purview of the Treasurer.

In measuring the relative costs of providing services or generating revenues, consistency is important between the various organizations of the Tribes. This enables the Board of Trustees, the Treasurer and management to accurately measure the reasonableness of costs when compared with their corresponding benefits.

Financial resources for governmental and other operations are authorized and managed through budgets. Managers who have the responsibility for managing ABC resources and carrying out services must have a clear understanding of the resources available to them and the costs which they are expected to provide for from such resources.

These policies set forth uniform standards, procedures, responsibilities and authorities for financial management for ABC. They do not, and are not intended to, provide a specific response for every situation or question that may arise. All officers, managers, employees, subordinate organizations and others acting on behalf of ABC are expected to comply with the provisions of these policies and to act in the best interest of the Tribes. In carrying out the Tribes business all persons are expected to use sound judgment and to act in a reasonable and prudent manner.

Targets and deadlines set forth within these policies are intended to guide the development of sound institutional fiscal management processes. It is recognized that unforeseen events and priorities will take precedence over specific targets and deadlines from time to time. The Board expects to be advised regarding such events.

DEFINITIONS

As used within these policies, the following terms shall mean:

**Account Group:** a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. General Long Term Debt and General Fixed Assets are examples.

**Board or Board of Trustees**: the Governing Body of the Confederated Tribes of the ABC Indian Reservation.

**Chief Operating Officer**: The senior management position within ABC with delegated authority to manage the operations of the organization.

**Controller**: The senior staff accountant delegated the responsibility for preparing financial statements.

**Enterprise**: An operation of the Tribes where the activities are financed and managed in a manner similar to a private business. Generally, these operations deal with the management of a specific group of Tribal assets and are separately accounted for.

**Executive Committee:** a team of managers consisting of the COO, Finance Officer, Casino General Manager, Human Resources Director, and Marketing Director assembled together to discuss and make recommendations on resort wide issues.

**Executive Director**: the senior management position within Tribal government with delegated authority to manage the operations of the Tribal government and administrative services.

**Finance Committee:** a team of managers appointed by the COO to review, report, and make recommendations on ABC financial matters.

**Finance Officer**: the senior staff official within ABC delegated responsibility for conducting the day to day financial systems and procedures.

**Director/Manager**: the individual responsible for preparing a department budget.

**Operating Division**: An accounting term referring to a specific set of balance sheet, income and/or expense accounts utilized to financial activities for a specific organizational unit, program, department or project, or a specific grant/contract award, etc. Separate operating divisions are used for the purpose of management control, measurement and fiscal accountability.

**Proprietary funds**: funds used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. ABC is an enterprise fund which is a proprietary fund of the ABC.

**Treasurer**: the Treasurer of the Board of Trustees as provided by the Constitution of the Confederated Tribes of the ABC Indian Reservation.

JURISDICTION

Pursuant to the Tribal Constitution, the Treasurer is the responsible officer of the Tribal government for the management, care and keeping of funds for all Tribal operations. The Board provides direction and delegations of specific authorities to employees and subordinate organizations subject to the oversight of financial operations by the Treasurer, unless specifically exempted. Oversight of the implementation and ongoing review of these financial management policies shall be under the jurisdiction of the Treasurer.

In accordance with BOT Resolution 00-12, “casino management reports to and is supervised by the C.O.O.” Following that decision, BOT Resolution 00-109 the BOT authorized “consolidating the ABC Casino, Hotel, Golf Course, RV Park and Tamastslikt Cultural Institute functions into ABC Resort & Casino under the supervision of the C.O.O.” Following that decision, BOT Resolution 04-091 transferred Tamastslikt Cultural Institute program to Tribal Government. Also, BOT adopted Resolution 09-105, which amended the Executive Management Policy to change the management and supervision authority of the Executive Director to focus on Tribal Government and administrative services, and eliminated the Executive Director’s management and oversight of the ABC Resort and Casino. Further, the Board of Trustees directed the C.O.O. to report directly to the BOT.

APPLICABILITY

These Fiscal Management Policies are applicable to all organizations, departments, business operations, enterprises, and funds of ABC, except where specifically excluded by formal action of the Board of Trustees. Any financial authority previously delegated by the Board of Trustees by Tribal Ordinance, Resolution, Charter and/or by-law approvals, shall remain in effect to the extent not inconsistent with these policies.

IMPLEMENTATION

The Chief Operating Officer shall be responsible for the implementation of these policies and all required systems and procedures, except where specifically noted. It is expected that the COO will delegate this responsibility to the Finance Officer, Controller, and other key management staff. Where these policies require reports or other information to be submitted to the Tribal Executive Director, the Treasurer and/or the Board, it is expected that all established administrative channels within that organization be followed for review of the information prior to the required submission.

REVIEW

The Controller, as delegated by the COO shall review these policies each year and provide a written report as to the implementation of these policies to the COO on or before April 30, of each year. This report shall include recommendation for any changes, which are required to carry out the intent of the policies. The COO shall conduct a review annually and shall recommend appropriate changes to the Board of Trustees, if any.

PENALTIES

Any officer, employee or agent of ABC who knowingly and willfully violates any provisions of these Fiscal Management Policies or who obligates ABC and/or the ABC for any purpose or amount not specifically authorized, or who obtains, uses or discloses information of ABC in any manner not in the best interest of ABC and the Tribes shall be subject to disciplinary action, including reprimand, probation, suspension and/or termination, civil or criminal action depending on the severity of the offense. With respect to ABC employees any such actions will be taken in accordance with the ABC Personnel Policies. With respect to consultants or other agents of ABC, any action will be taken within appropriate legal means.

PART ONE

FINANCIAL ACCOUNTING AND REPORTING

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FINANCIAL ACCOUNTING AND REPORTING

I. Purpose of this Part

To establish uniform standards and policies for financial accounting and reporting for ABC based on generally accepted accounting principles and The Governmental Accounting Standards Board (GASB).

II. Scope of this Part

This Part sets forth the overall financial accounting and reporting standards and policies to be applied to all operations of the ABC.

This policy is intended to provide guidance to ensure that the ABC maintains its financial accounting and reporting responsibilities in keeping with the highest fiduciary standards and consistent with the standards which are accepted as the current “state of the art” by governmental units for an Enterprise Fund. .

III. Conformance with Generally Accepted Principles and Standards

The provisions of Generally Accepted Accounting Principles, including applicable governmental fund accounting and reporting principles and standards, as are promulgated by the American Institute of Certified Public Accountants and other authoritative bodies, are hereby adopted for ABC.

A. All financial resources and other assets of ABC shall be accounted for in accordance with Generally Accepted Accounting Principles as applicable to Indian Tribal Government Enterprises, and in accordance with the following policies:

1. The accounting records of ABC shall be maintained within the ABC offices.

2. The accounting year for ABC and all of its subordinate units shall be the calendar year.

3. All resources of the ABC shall be accounted for within ABC accounting records and reports, as the Board of Trustees has approved ABC to maintain an independent accounting and reporting systems.

IV. General Accounting Policies and Financial Statements

A. Summary of Significant Accounting Policies

The financial statements of ABC shall be prepared in conformity with Generally Accepted Accounting Principles (GAAP), as applied to government units for an enterprise fund. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. As permitted by GASB Statement 20, ABC has elected to apply pronouncements of the Financial Accounting Standards Board (FASB) issued subsequent to November 30, 1989.

1. Reporting Entity

a. ABC, for financial purposes, is accounted for as an enterprise fund of ABC and is comprised of gaming and non-gaming operating divisions. The gaming operating division includes video lottery games, keno, poker, bingo, blackjack, craps and roulette, a gift shop, restaurants, and an entertainment lounge. The non-gaming operating divisions include the hotel, golf course, RV park, and the business Service Center.

2. Basis of Accounting

a. ABC is a proprietary fund and is to be accounted for on a flow of economic resources measurement focus and use the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet.

b. ABC, as an enterprise fund, shall use the modified accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

c. ABC shall report deferred revenue on its combined balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

3. Budgets and Budgetary Accounting

a. Budget basis revenues and expenditures shall be presented on the modified accrual basis.

b. Budget Accounting

i. The Board of Trustees legally adopts the budget for the ABC annually, prior to January 1, through passage of a resolution. The ABC Annual budget is included as a component of the ABC Annual budget. The resolution accepts the budget submitted by ABC and authorizes ABC management to operate within submitted budget.

ii. Capital projects and or equipment, defined as any item over $1,000 in value and a life greater than one year, shall be provided in a separate budget. The Capital Project and Equipment Budget are funded by the depreciation that is expensed in each enterprise at ABC. The ABC Chief Operating Officer has the authority to prioritize the Capital Project and Equipment budget based on business needs throughout the year. Any need to exceed the amount expensed by depreciation will require additional Board approval. Major borrowings shall be accounted for separately from other budgets.

iii. Board approved funds appropriated during the year for special projects or programs shall be accounted for as separate project budget authority, and be reported to the BOT as a project budget during regular ABCBOT quarterly reports.

iv. Original and amended budgets may be modified by the use of appropriation transfers between authorized purposes and programs. The COO has the authority to approve budget modifications of ABC divisions and their respective line items up to a cumulative amount of 10% of the adopted ABC distribution to the ABC. All such modifications shall be documented and shall be accounted for within financial reports.

v. Budgeted amounts presented within financial statements shall be those originally adopted or as subsequently amended by appropriate action.

vi. All actions related to budget shall be formally acted upon in accordance with Part III of this policy.

4. Investments shall be stated in accordance with Generally Accepted Accounting Principles.

5. Short-term ABC Receivable/Payable: ABC receivables and payables arising from the course of operations, between ABC and ABC for goods provided, services rendered, working capital advances and for other purposes shall be classified as "due from ABC" or "due to ABC" on the balance sheet.

6. Inventories shall be valued at the lower of cost (average-cost method) or market with a fisrt-in, first-out assumption as to the flow of inventory. Inventories may be reconciled monthly via electronic inventory systems, however at least once annually; a physical inventory will be taken to reconcile the electronic inventory to the physical inventory. The costs of inventories are recorded as expenditures when consumed rather than when purchased, provided that minor amounts of general supplies shall be expensed when purchased.

7. Prepaid Items

a. Payments made to vendors for services that will benefit periods beyond the current period shall be recorded as prepaid items. Any payment exceeding $5,000 will be considered prepaid for a monthly period, and $10,000 for the annual period. Payments less than these amounts for the respective period will be recorded in the period payment is made.

8. Restricted Assets

a. Funds required to meet the Minimal Internal Bank Roll shall be maintained by ABC. Certain resources shall be set aside for the repayment of bonds or notes, to the extent that debt instruments or ABC policy requires. A portion of annual earnings may be set aside to cover potential uninsured losses, operating funds in case of a shutdown, capital improvements and major repairs, as determined by the appropriate authority. These restricted funds shall be accounted for within the financial statements.

9. Fixed Assets

a. Fixed Assets (Capital Project or Equipment) are defined as any individual asset that has a cost of $1,000 or greater and a life greater than one year.

b. Fixed assets acquired or constructed with proprietary funds are capitalized at cost within those funds.

c. Depreciation shall be reported within financial statements for fixed assets and maintained for the purpose of recovering the costs of depreciation in conjunction with use of ABC assets on the same basis as for proprietary funds. Depreciation of exhaustible fixed assets used by proprietary funds shall be charged as an expense against their operations, and shall be computed using the straight-line method with estimated useful lives as follows:

i. Buildings 30 years

ii. Building improvements 30 years

iii. Land Improvements

(roads, sidewalks, and parking lots) 20 years

iv. Equipment & furniture 5 years

v,. Surveillance equipment 5 years

vi. Computer Software/Hardware 3 years

d. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives shall not be capitalized. Improvements shall be capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

10. Compensated Absences

a. The current portion of accrued compensated absences shall be recorded within the fund in which they arose and the long-term portion shall be recorded in the General Long- term Debt Account Group. The liabilities for compensated absences for proprietary type funds shall be recorded in each fund's statements and no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

11. Long-term Obligations

a. Long-term debt shall be recognized as a liability of ABC when due. The remaining portion of such obligations shall be reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

12. Fund Equity

a. Contributed capital shall be recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. Reserves represent those portions of equity not appropriate for expenditure or legally segregated for specific future use. Designated fund balances represent tentative plans for future use of financial resources.

13. Interdepartmental Transactions

a. Interdepartmental transactions are to be accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements from one department to another for expenditures/expenses initially made from it that are properly applicable to another department, are recorded as expenditures/expenses in the reimbursing department and as reductions of expenditures/expenses in the department that is reimbursed.

b. All other interdepartmental transactions shall be reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interdepartmental transfers are to be reported as operating transfers.

14. Miscellaneous provisions regarding financial statements.

a. Memorandum Only - total columns on the General Purpose Financial Statements, comparative data for prior years and other information shall be presented as required by GAAP in year-end financial statements.

B. Accounting for Revenue

1. General Allocation Rules

a. Proprietary Funds

i. Enterprise Funds: Any and all revenues resulting from the operation of the enterprise and collected in the normal course of business in which the enterprise is involved. Interest and other investment earnings on any deposits of resources of the enterprise, whether held in common with other Tribal funds or invested separately, shall be credited to the enterprise.

b. Income Recognition

i. ABC recognizes revenue in accordance with industry practice. Gaming revenue is the net win from gaming activities, which is the difference between gaming wins and losses. For poker, revenue (“the rake”) consists of the amount of the facilitation fee collected from the players by ABC for operating poker games. Revenue includes the retail value of food and beverages and other items that are provided to customers on a complimentary basis. A corresponding amount is deducted from revenue as promotional allowances. The cost of such complimentary items is included in operating expenses in the accompanying Statements of Revenues, Expenses, and Changes in Fund Equity. Operating revenues are earned in relation to the business purpose of ABC. All other revenues are classified as non-operating.

V. Special Considerations for Business Operations

To the extent that any division conducts business, the nature of which cannot be accurately or appropriately accounted for or reported under any of the foregoing policies, then the COO shall recommend to the Board of Trustees, through the Treasurer, specific provisions to be included within this Part covering the special considerations for such business operation.

VI. Interim Financial Reports

A. Within 20 days after the end of each accounting period (month), the Controller shall submit complete and accurate Financial Statements to the COO. Such interim financial statements shall include balance sheets and appropriate statements of revenue or income for each department, but shall not be required to contain extensive notes, which are required for audited yearend financial statements. The Controller shall include explanatory notes on any major transactions for the period or any other issues which should be considered by the Board of Trustees.

B. Within 30 days after the end of each calendar quarter, the Controller shall submit complete and accurate Financial Statements to the COO had appropriate management officials. Such interim financial statements shall include balance sheets and appropriate statements of revenue or income for each department, but shall not be required to contain extensive notes which are required for audited year-end financial statements. The Controller shall include explanatory notes on any major transactions for the period or any other issues which should be considered by the Board of Trustees.

C. The Consolidated Financial Statements will include the calculation of the ABC distribution to the ABC on a monthly basis. The distribution to the ABC is calculated as Net Income (Profit) from operations minus any loan principal payments, minus any cash transfers to the ABC for debt payments, and minus any approved special projects or programs. The ABC distribution payment will be forwarded to the ABC on the 20th day of the month following the accounting period, or the first business day thereafter.

D. Within 25 days after the end of each calendar quarter the COO shall submit to the Finance Officer complete and accurate quarterly Casino Net Profit Financial Statements. Such interim Financial Statements shall include statements of income for the casino enterprise including appropriate administrative areas. The Casino Net Profit is calculated as Casino Net Income minus any principal payments for Casino loans for property, or capital equipment. The Controller shall submit Casino Net Profit Financial Statements to the ABC Finance Office.

VII. Year End Financial Statements

Within 30 days after the end of each Calendar Year, the Controller shall submit complete and accurate Financial Statements to the Independent Auditor, and appropriate management officials. Such financial statements shall contain all necessary notes, disclosures, schedules, work papers and combining statements required by the Independent Auditor to complete the annual audit.

VIII. Audited Financial Statements

Annual Audits shall be conducted and Audited Financial Statements shall be published in accordance with Part Nine of this policy. Upon completion of work by Independent Auditors the Finance Officer shall, in consultation with the COO, concur with and/or make any necessary adjustments to the final financial statements and shall resubmit them to the Independent Auditors as expeditiously as possible. Any unresolved audit issues, which may impact the auditors’ opinion or the timely release of audited financial statements, shall be handled in accordance with Part Nine of this policy.

PART TWO

COST ALLOCATION

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I. Purpose of this Part

II. Scope of this Part

III. General Cost Allocation

IV. Cost Classification

V. Administrative Cost Allocations

COST ALLOCATION

I. Purpose of this Part

To establish uniform policies for the allocation of costs within ABC operations to ensure uniformity of budgeting, accumulation, accounting and reporting of costs in an efficient manner which will result in an accurate assessment of the costs of operations.

II. Scope of this Part

This Part sets forth the categories and functional components under which costs shall be allocated for all ABC operations.

III. General Cost Allocation

All costs and expenditures within ABC operations shall be allocated by enterprise, organizational unit or budget category. Costs shall be allocated to the enterprise, organizational unit, or budget category from which expenditures have been planned and authorized pursuant to budget resolutions and policies. Department codes shall be utilized to segregate the costs of these enterprises.

IV. Cost Classification

A. Within individual department codes, costs and expenditures shall be separated according to cost classification, to be known as "account group" of cost. In classifying costs, at a minimum, costs shall be segregated into the following account groups:

1. Departmental Payroll: includes salaries, wages, and commissions.

2. Departmental Expenses: includes expenses specific to departments such as gaming expenses, gaming supplies, concert expenses, equipment rentals, licensing, uniforms, etc.

3. General Expenses: includes office supplies, consumable supplies, dues and subscriptions, and travel expenses.

4. Guest expenses: includes consumable supplies specific to our guests, such as linen and guest supplies.

5. Food and Beverage Expenses: includes consumable supplies specific to food and beverage such as kitchen supplies, beverage supplies, linens, utensils, and china.

6. Complimentary Expense: includes services provided to guests and vendors free of charge.

7. Facilities expense: includes grounds maintenance and repairs and maintenance for ABC locations.

8. Advertising Expense: includes costs associated with promotion through public announcements in newspapers or on the radio, television, or Internet of something such as a product, service, event, or vacancy in order to attract or increase interest in it.

9. Direct Mail Expense: includes production, postage, and redemption of mail campaigns.

10. Promotional/Special Events Expense: includes costs associated to specific coupons, events, and sponsorships at ABC.

11. Other Marketing Expenses: includes bus programs and brochure distribution.

12. Public Relations Expense: includes donations and promotional gifts.

13. Administrative Expense: includes professional services, legal services, insurance, and other related expenses.

14. Employee Benefit Expense: includes payroll taxes and fringes.

15. Utility Costs: includes utilities for all buildings.

16. Capital Expense: includes interest and depreciation expenses.

B. The Controller shall assign account codes on a uniform basis and in sufficient detail to permit effective management accountability and financial analysis. Codes shall be so assigned as to permit efficient summary of costs according to the major classifications listed under (A.) above.

1. Administrative Cost Allocation

A. The following services, functions and costs shall be considered administrative functions and shall be allocated directly to enterprise, organizational unit, or budget category.

1. Resort Administration;

a. provides leadership and management for all of ABC

b. ensures implementation of Key Success Drivers

c. provides strategic planning

d. provides organizational development

e. provides supervision of ABC Directors

2. Resort Landscaping;

a. provides grounds maintenance

b. provides research and develop plans to improve resort landscape

3. Internal Audit

a. provides auditing services

b. assists management with development of and recommendations for procedures

4. Compliance

a. ensures ABC is compliant with all internal and external rules and regulations

b. provides training to ensure compliance with all internal and external rules and regulations

5. Business Service Center

a. provides one-on-one business counseling

b. provides technical assistance

c. provides resource library and use of office equipment

d. provides business classes and workshops

6. Marketing;

1. strategic marketing environment planning
2. ongoing marketing opportunity analysis
3. identifies target markets and communicating appropriately
4. determines an effective and cost-efficient marketing mix strategy
5. development of marketing goals and objectives
6. collects data for analysis and evaluation
7. solicits input and feedback both internally and externally
8. helps to develop products/services to meet our market’s need
9. promotes player development
10. institutes customer relations management

7. Custodial Operation and Maintenance;

a. provides janitorial services

b. provides water, sewer, sanitation, and refuse removal

8. Facilities operation and maintenance;

a. provides space rental or its equivalent

b. provides electricity and heating fuel

c. provides buildings maintenance

d. provides building improvement, construction or renovation

e. provides equipment rental and maintenance for centrally operated equipment;

f. maintains capital equipment related to central service functions or for general use;

9. Casino Administration;

a. evaluates and acquiring new gaming products and amenities

b. evaluates and designing the gaming floor layout

c. monitors and evaluating operational performance

d. conducts operations within the appropriate regulatory requirements

e. oversees casino departments

10. MIS;

a. aligns ABC strategic information technology plans to meet ABC business goals

b. ensures all ABC systems, hardware, and software are in compliance with all applicable rules, regulations, and internal controls

c. ensures the security and integrity of ABC systems and information

d. administers ABC intranet and network users

e. monitors and provides Internet user access

f. responds to requests for assistance

g. researches new technology

h. maintains and repairs current systems

11. Finance;

a. provides accounting services

b. prepares monthly, quarterly, and annual financial statements

c. provides treasury services

d. provides organizational development services

e. provides auditing services

f. provides cage, vault, and soft count operations

g. maintains insurance and taxes information

12. Human Resources;

a. provides employee recruitment

b. provides employment records management

c. provides employee training and development

d. provides employee relations assistance

e. provides safety and benefit programs

f. provides compensation planning

13. Security;

a. provides valet and transportation services

b. provides money transportation services

c. provides security escort services

d. oversees drop services

e. provides central incoming telephone call reception

f. ensures customer safety

g. assists departments with access needs as appropriate

14. Employee Benefits;

a. provides employee meals

b. provides holiday pay, employee bonuses, workman’s compensation, and vacation leave

c. provides group medical insurance, 401K retirement plans, and other benefits

B. The Controller shall determine the amount and method of distributions to be made for cost classifications, which require distribution.

PART THREE

BUDGET ADMINISTRATION

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BUDGET ADMINISTRATION

I. Purpose of this Part

To set forth uniform procedures for the planning and administration of ABC budgets.

II. Scope of this Part

A. Budgets are required on an annual basis and prepared for each Calendar Year.

B. Responsibility for developing and recommending budgets is vested in the COO for ABC.

C. Budgets are intended to support and reflect short and long range financial plans for the organization and to facilitate the appropriation and authorization of expenditures for the purpose of carrying out the organization’s business.

D. This section sets forth standard procedures, timeframes, responsibilities and authorities for preparation and administration of budgets and various related activity. They are the responsibility of management and are intended to function as a tool to assist in financial management, without unnecessarily inhibiting the management decision-making process or the efficient conduct of ABC business.

E. This policy is being issued to guide the actions of all affected employees and shall be considered in effect until modified.

III. Annual Budget Development

A. Budget Period

The budget period shall be based on the calendar year, January 1 - December 31.

B. Uniform Budget System

1. There shall be an automated uniform budget planning system to be utilized for all operations. This system shall include the uniform budget categories and account codes outlined in part II of these policies to ensure that informative reporting and analysis can occur at various reporting levels with efficiency and reliability.

2. Directors/Managers shall coordinate with the Controller to insure that they utilize as many cost centers as are appropriate to properly segregate and budget costs by function or service.

3. Directors/Managers shall account for items of cost, within each department, in at least the following detail:

a. personnel costs shall be budgeted for each authorized position; all personnel costs shall be for internal use only and each personnel position budgeted individually within budget information for internal use shall not be for public information.

b. operating and other expenditures at the level defined within Part II “Cost Allocation” of these policies.

c. revenue, by source, purpose, and assumptions.

C. Budget Development Responsibilities

1. Process administration and support are the responsibility of the Controller who shall provide for the following;

a. Budget Instructions shall include an informational budget- planning packet, which is to be furnished to each manager who is responsible for preparing a budget. These instructions shall include detailed schedule information, cost information, forms and materials needed by managers to complete preparation of budgets. Reports include:

i. past three year monthly trend reports,

ii. a prior year budget,

iii. prior year staffing allocations, and

iv. five year capital plan.

b. Controller, in conjunction with Executive Committee, shall include general market/economic conditions, industry trends, and any other pertinent information to assist in budget preparation.

c. Revenue Departments will prepare revenue estimates for their respective departments in conjunction with the Marketing Department.

d. Finance Officer will apply historical department expense ratios to revenue estimates to determine target department expense budgets and ABC distribution. The COO shall approve the ABC distribution.

e. Department budgets are then prepared by managers. Managers may appeal their respective department ratios to the COO. Such requests shall include a narrative justification of the appeal and proposed target department expense budget.

f. When required The Finance staff shall meet with all appropriate managers and staff as needed for the purpose of assisting with and coordinating the use of the budget system and budget materials.

2. Each manager who is responsible for a specific budget(s) shall determine the financial requirements to carry out the services which are to be provided, and shall develop and submit proposed budgets in such format as shall be contained in annual budget instructions according to such timeframes as are contained herein.

3. The COO shall be responsible to prepare and present information related to ABC’s budget(s) to the Board of Trustees and, if requested by the Treasurer, at public meetings.

4. The Controller shall be responsible for maintaining information related to changes made to proposed, recommended and approved budgets during the review process and for future reference.

D. Budget Development Schedule

1. The following schedule shall apply to ABC as has been authorized by the Board of Trustees. All Managers assigned responsibility for budgets shall ensure that all time frames are complied with.

a. Budget instructions shall be reviewed with the COO and submitted to ABC Directors and Managers no later than August 15.

b. Revenue Centers and Marketing budgets along with assumptions shall be submitted no later than September 15.

c. Capital Improvement requests along with 5 year capital replacement plans shall be submitted no later than September 15.

d. Controller shall submit Departmental Expense Ratios and associated targets to ABC Directors and Managers no later than October 1.

e. ABC Directors and Managers may appeal department expense ratios and associated target budget no later than October 8.

f. The COO and Controller shall meet with ABC Executive Director and ABC Finance Officer to agree on ABC Distribution to ABC no later than October 15.

g. COO will present recommended consolidated budget noting ABC distribution to BOT no later than October 31.

h. ABC Budgets shall be submitted to BOT for adoption no later than November 10 and at a minimum shall include the following:

i. Annual Consolidated Pro Forma financial statements for budget year, including statements and cash flow projections.

ii. Consolidated financial statements shall be submitted by month for budget year and by quarter for two subsequent years.

iii. Organization Charts and proposed FTE allocations.

iv. Monthly department financial statements for budget year.

v. Five year Capital Improvement Budget by department.

vi. Written assumptions covering all major items of revenue, expense and capital expenditures.

vii. Amounts, if any, which are expected to be needed from the Tribes.

IV. Budget Implementation

A. Authority to Expend Funds

1. Once the BOT has adopted ABC’s budget via resolution, the COO has the authority to authorize obligation and expenditure of funds from such budgets effective January 1 of the budget year. Obligation may occur prior to January 1 as long as goods and services are not delivered until after January 1.

2. The COO is authorized to obligate and expend funds from ABC budgets, engage in contracts and/or agreements in conducting ABC business. The COO may delegate a portion of this authority to ABC Directors and Managers in order to carry out business activities in an efficient manner.

B. Budget Modifications

1. Budgets for the departments assigned to each manager are plans, and may require department budget modifications. Any budget modifications shall include a narrative.

2. All budget modifications shall be submitted to Controller for review and require approval of the Chief Operating Officer.

3. Any budget modification impacting the ABC Distribution to the ABC shall require approval of the BOT.

V. Reports

A. Monthly Reports

1. The Controller will review the monthly financial statements, compare to budget and prior year, and will notify managers of any concerns requesting explanations.

2. The Finance Officer shall provide such other information on a monthly basis as is considered necessary for the proper administration of budgets.

3. The Controller will review financials with ABC managers at ABC Directors/Manager Meetings noting significant budget variances, both positive and negative.

B. Quarterly Reports

1. The COO will present quarterly budget reports to the BOT at the scheduled BOT Quarterly Executive Report.

C. Annual Reports

1. The Controller shall require the external auditors to include a comparison of actual YTD Financial income/expense statements to the adopted budget in the audited financial statements.

D. Reports of Variances and Estimates

1. At any time that a manager has reason to believe that the total amount to be expended will significantly (>10%) exceed the total amount approved for any department, including a shortfall of revenues, such manager shall immediately bring the matter to the attention of the Controller and Chief Operating Officer, in writing, and propose strategies for alleviating such variance. The Chief Operating Officer shall determine and approve any appropriate course of action.

2. Initial Distribution Estimate

a. The Controller shall submit to the Chief Operating Officer an Initial ABC Distribution Estimate no later than June 25.

b. The Chief Operating Officer shall submit the approved Initial ABC Distribution Estimate no later than June 30 to the ABC Executive Director.

3. Revised Distribution Estimate

a. The Controller shall submit to the COO a Revised Distribution Estimate no later than September 10.

b. The COO shall submit the approved Revised Distribution Estimate to the ABC Executive Director no later than September 14.

c. The COO shall notify the ABC Executive Director of any significant variations to the Revised Distribution Estimate no later than October 20.

PART FOUR

RECEIPTS, BANKING, AND DISBURSEMENTS

Contents of this Part

I. Purpose of this Part

II. Scope of this Part

III. Bank Accounts and Depositories

IV. Receipts

V. Disbursements

1. Disbursements by Check
2. Payroll
3. Petty Cash Funds
4. Bank Transfers
5. Sweep Accounts
6. Bank Balances
7. Minimum Internal Bank Roll

VI. Accounts Receivable

VII. Borrowing

RECEIPTS, BANKING, AND DISBURSEMENTS

I. Purpose of this Part

To establish effective procedures for the control and safeguarding of all funds under the care of ABC.

II. Scope of this Part

This part sets forth the processes and authorities for the care and handling of money, securities and other liquid assets, the establishment of bank accounts and other depositories, the controls and processes for the receipt, disbursement, transfer and other disposition of funds and related issues.

III. Bank Accounts and Depositories

A. Accounts with banks, trust companies, brokerages and other financial institutions to be utilized for the deposit and holding of any and all funds shall be authorized by the Chief Operating Officer, Controller, and Casino General Manager jointly.

B. Primary signature authority over all accounts, as described in (a) above, for the purpose of checks, money orders, transfers, money wires and other transactions above shall be held by the Treasurer in keeping with the Constitution. Signature authority is delegated to the ABC Chief Operating Officer, Casino General Manager, and BOT Officers listed in (D.) below to provide for the timely and efficient conduct of ABC business.

C. Signature authority for the Prize Account is delegated by the Controller to appropriate ABC staff for purpose of meeting NIGC regulatory requirements for payment of gaming winnings to patrons.

D. To the extent that ABC is delegated authority to open accounts, the BOT Treasurer, BOT Chairman, and BOT Vice Chairman shall be a signatory along with such other officials of ABC.

IV. Receipts

A. All revenues of ABC shall be receipted for by official receipt and shall be deposited, intact, in such depository as shall be selected by ABC Officials.

B. Unless otherwise provided by policy of the Board, all monies of ABC which are held in bank accounts shall be insured by the Federal Government as to both principal and interest or otherwise collateralized by the bank.

V. Disbursements

A. Disbursements by Check

1. Operations Account

a. Checks shall be prepared only by accounting personnel not associated with the approval of expenditures or invoices.

b. Checks shall be made out to specified payees pursuant to approved vouchers or invoices, and shall not under any circumstances be made payable to cash or bearer.

c. Checks shall be issued under numerically controlled sequence. Checks which are spoiled or voided shall be stamped "void" and the signature portion of the check destroyed and the voided check maintained in numeric sequence for record purposes. Unused checks shall be secured and available only to accounting personnel.

d. Checks shall only be signed by the delegated check signers. Checks $5,000 or greater require two signatures. Checks $25,000 or greater require at least one ABC authorized signature, who include the BOT Chairman, Vice Chairman, and Treasurer.

e. Check signers shall be an individual who is independent of any accounting, purchasing or receiving functions. ABC check signers may authorize the use of mechanical means to affix their signature to the check in lieu of an original signature.

f. No checks shall be presented to authorized check signers for signature unless such check is completely filled out. Signers shall not sign blank checks. Supporting documentation must be available to check signers when requested.

g. Disbursements shall be timed so as to maximize cash flow while meeting payment obligations to vendors and contractors and taking advantage of available discounts. Procedures shall be established to ensure that all obligations are paid when due.

2. Payroll Account

a. The COO may authorize the use of mechanical means to affix his signature to the check in lieu of his original signature.

3. Prize Account

a. Checks shall be signed in accordance with department procedures and ABC Internal Controls.

B. Payroll

1. Payroll shall be processed and paid in accordance with Personnel Policies.

2. Payroll shall only be paid to employees for which appropriate authorizations have been received in accounting pursuant to personnel policies.

3. Payroll shall be paid only on the basis of authorized pay rates and time and attendance records approved by the employee's supervisor. Time and attendance records shall reflect hours worked and hours of leave taken, and shall reflect the time worked under each department in the event that an employee's payroll and related costs are to be distributed to more than one department.

4. Overtime pay shall be paid only as authorized by the personnel policies of the ABC.

5. Payroll tax deductions shall be made pursuant to Federal and state guidelines.

6. Voluntary deductions associated with ABC/Tribal services or sponsored benefit plans may be made if supported by written authorization of the employee.

7. The Controller shall prepare and file all necessary payroll tax reports and ensure that all payments of payroll taxes and insurance are made on a timely basis.

8. Garnishments shall be made pursuant to orders from an appropriate Tribal and/or Federal judge.

C. Petty Cash Funds

1. Petty cash funds may be established for the purpose of making change and small disbursements pursuant to the following:

a. Each petty cash fund shall be authorized in writing by the Controller. Such authorization shall specify the specific custodian, location, amount of such fund, authorized type of expenditures and procedures for maintaining such fund.

b. Petty cash may be disbursed for small purchases, supplies and operating costs, but shall not be disbursed for payment of payroll or personal items.

D. Bank Transfers

1. Transfers of funds from bank accounts or other depositories shall require two signatures unless the purpose of the wire is to transfer funds from one ABC account to another, in which case only one signature will be required.

E. Sweep Accounts

1. Accounts may be set up which automatically sweep cash on a daily basis in order to maximize returns on cash in bank and minimize overdrafts.

F. Bank Balances

1. The Controller shall maintain a log or daily record on all bank accounts which provide for the daily balance, deposits, checks, transfers and other transactions to ensure that appropriate levels of funds are maintained and the balance known at all times.

G. Minimum Internal Bank Roll

1. The NIGC requires a formula be developed and approved by the TGC to determine the Minimum Internal Bank Roll. The immediate exposure balance shall be maintained in the cage accountability at all times. The On Hand and Next Business day exposure shall be maintained in cage accountability and all bank accounts collectively.

VI. Accounts Receivable

A. Procedures shall be implemented to ensure that amounts due to ABC are collected on a timely basis.

1. The Controller shall take the actions, which are necessary to collect all amounts due to ABC.

2. The Controller shall recommend any legal actions to the COO. To the extent permitted under applicable law, including the Tribal Financial Responsibilities Code, the Controller is authorized to withhold from any amounts owed by ABC/Tribes to an individual or entity that is delinquent with respect to obligations owed ABC/Tribes, and has not made arrangements to bring the obligation current.

3. The Controller shall also be authorized to withhold payments in cases where a person or entity has made arrangements to repay their delinquency, and the person or entity has breached or is delinquent in payments under the repayment agreement.

1. The Controller is further authorized to establish late payment policies, which may include penalties of up to 18% per year on any outstanding obligation, which is delinquent for a period in excess of 30 days.
2. The Tribal Court shall have jurisdiction over disputes regarding collection of delinquent receivables.

VII. Borrowing

A. No borrowing or other financing arrangement shall be made or entered into on behalf of ABC unless authorized by the Board.

B. For the purposes of (A.) above, leases, rental agreements, and equipment financing plans by vendor shall not be considered financing arrangements.

C. Collateral for financing arrangements shall be limited to the assets acquired or leased unless specifically authorized by the Board.

D. The Controller shall provide a comprehensive record of all debts and financing arrangements and shall ensure that provisions are made for meeting obligations of such agreements.

PART FIVE

FINANCIAL PLANNING AND INVESTMENTS

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I. Purpose of this Part

II. Scope of this Part

III. Investments

IV. Investment Management

1. Investment Policy Statements

FINANCIAL PLANNING AND INVESTMENTS

I. Purpose of this Part

To provide guidance to maximize the financial return on the investment of ABC funds.

II. Scope of this Part

This part contains instructions to guide financial forecasting and planning, as well as the development of effective policies for the administration of ABC investments.

III. Investments

A. ABC distributes 100% of Net Income after debt principal payments and other approved cash deductions. As a general rule, any available cash above the Minimum Internal Bank Roll and in excess of monies needed for operations are distributed to the ABC

B. The Minimum Internal Bank Roll does provide for a reserve of approximately one month of ABC distribution which is invested in a liquid investment account so funds can be readily available.

1. The Controllers hall invest these funds at the highest return available while maintaining liquidity.

2. All ABC investments shall be collateralized.

IV. Investment Management

A. Investment Policy Statements

1. ABC funds shall be invested in accordance with approved investment policy statements in the ABC Fiscal policy.

2. Whenever a separate fund has been established which has significant assets requiring separate investment, the Controller shall prepare and recommend to the COO an investment policy statement for the fund.

3. Each investment policy statement shall incorporate all information related to the purpose and intent of the fund as described in Part V of these policies and in addition shall set forth:

a. The expected liquidity requirements of the fund.

b. The anticipated time horizon over which the fund will be invested.

c. The types of securities in which the assets of the fund may be invested.

d. The specific risk tolerances of the fund.

e. The strategic allocation between differing classes of investment instrument in which the fund will normally be invested and allowable variances.

f. The anticipated yield of the fund expressed in comparison to appropriate indexes.

g. The nature of account (i.e.: custodian or brokerage accounts) within which the securities of the fund will be held.

h. Names and responsibilities of all parties to the management of the assets, including the Board of Trustees and ABC Directors/Managers.

PART SIX

PROCUREMENT

Contents of this Part

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II. Scope of this Part

III. Conformance with Federal Regulations, Compact, Codes, and Regulations

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V. Tribal Preference

VI. Procurement Authority

VII. Waiver of Procurement Policies

VIII. Procurement Office

IX. Procurement Procedures

X. Sole Source

XI. Procurement Records

XII. Contractual Agreements

XIII. Business Practices

XIV. Conflicts of Interest

XV. Dispute Resolution

PROCUREMENT

I. Purpose of this Part

To set forth uniform policies and standards for the acquisition of goods and services by ABC the Tribes.

II. Scope of this Part

This policy provides overall guidance to all purchasing and acquisition processes to be employed by ABC. The policies cover the purchasing of goods and services as well as the selection and engagement of professionals and major contractual obligations.

Pursuant to the Constitution, the Board of Trustees is the governing body and has all authority to engage in and do business on behalf of the Confederated Tribes. Therefore, only the Board has authority to approve the expenditure of funds and to obligate the Tribes.

Pursuant to Tribal Budget Policy, as contained within Part III of these policies, the authority for the obligation and expenditure of funds is based on budget appropriation. ABC is delegated authority to conduct business within the parameters of the business for which they are organized.

In accordance with BOT Resolution No. 03-063, the BOT authorized the Chief Operating Officer of ABC Resort & Casino to execute contracts containing limited waivers of the sovereign immunity of the Confederated Tribes and contracts for the purchase or lease of video lottery terminals. For further information, please reference the attached addendum Resolution No. 03-063.

III. Conformance with Federal Regulations, Compact, Codes, and Regulations

In general, procedures set forth pursuant to this policy shall conform to applicable regulations. The provisions of OMB Circular A-102 (Common Rule - Section 36) as it pertains to procurement activities are hereby adopted and incorporated in the policy by reference. In addition, any employee or official responsible for initiating or authorizing procurement shall be responsible for compliance with any rules and regulations. ABC has additional rules and regulations that include the Tribal–State Compact Section 7B; Gaming Code Chapter 2, Section 11, 12, & 13; and Gaming Regulations Chapter 4.

IV. General Policy on Efficient Use of Resources

To the extent possible, ABC shall coordinate procurement efforts to achieve the greatest economies of scale.

Each employee or official authorized to acquire goods and services on behalf of ABC shall take all due care to ensure that all costs incurred are reasonable and that all procurement actions are taken in a fair and equitable manner, and in compliance with these policies.

V. Tribal Preference

In the acquisition of goods and services, preference shall be afforded to businesses owned by Tribal Members who have the ability to perform services and/or deliver goods at the level of quality and quantity, and within such time frames and cost as are required.

VI. Procurement Authority

A. Procurement authority vested with the Board of Trustees is hereby delegated to the COO for all procurement actions needed to conduct ABC business operations for which budget authority has been provided.

B. The COO may delegate all or any portion of his/her authority to managers under his/her direction, provided that such delegation shall:

1. be in writing and shall specify the specific authority and limits of authority which are individually delegated;

2. be made only to individuals who, in the opinion, have a full understanding of ABC procurement related policies and have the experience and background to effectively administer such delegation;

3. be made only to employees of ABC and shall expire upon suspension or termination of employment;

4. be withdrawn based on failure of the employee to follow established policies and procedures, and;

5. put the employee on notice that failure to follow established procedures shall result in withdrawal of such authority and/or other disciplinary action dependent on the severity of the issue.

VII. Waiver of Procurement Policies

A. The COO or his authorized designee shall have the authority to waive the provisions of any policies and procedures established to carry out this policy to the extent an emergency exists involving the need for protection of life and property. In such event, care shall be taken to ensure fairness, efficiency and compliance with established ABC Policies as the circumstances dictate. As soon as is feasible after taking such action, the COO will provide a written report to the Board outlining the circumstances and actions taken under the waiver.

B. The provisions of this policy may be waived by action of the Board of Trustees when in its judgment the circumstances warrant.

VIII. Procurement Office

A. The COO shall designate a “procurement officer” who shall be responsible for overseeing the acquisition of goods and services as are needed on an ongoing basis and are common to the organization.

B. A requisition process shall be in place, which shall enable operating departments and programs to access goods and services through the procurement officer.

1. Procurement Procedures

A. Simplified purchasing procedures are procedures not requiring formal bidding procedures. Formal proposals, contracts, and agreements may be utilized as follows:

1. Procurements of up to $25,000 may be awarded on the basis of verbal quotations with or without competition depending on the nature of the procurement.

2. Procurements greater than $25,000 shall be awarded on the basis of competitive quotations provided in writing.

3. Vendors providing goods and services for gaming must be licensed by the TGC.

B. The COO or his designee shall have the final authority to approve all purchases for which budget authority has been provided.

C. Formal bidding procedures will be utilized for procurements of $100,000 and over.

D. Lowest price is not required to be the deciding factor in selecting the awardee for procurement. Other factors that may be considered shall include, Indian, Native American, or Tribal preference, past experience with ABC or the Tribes, quality of work, availability, references, etc.

X. Sole Source

The COO shall have the authority to approve sole source procurement when the circumstances dictate and it is in the best economic interest of ABC to do so.

XI. Procurement Records

Records shall be maintained for all procurements indicating the quotations received, other factors considered and the reason for selection of the person or entity to which the award is made. The Finance Officer or designee shall be responsible for ensuring that the record of each procurement justifies the selection and award on the basis of fairness and efficient use of resources.

XII. Contractual Agreements

The COO shall determine those goods and services for which formal written contracts shall be entered into, and the form of such contracts to ensure the sovereignty protection of ABC’s and the Tribes’ interests and the appropriate conduct of business.

XIII. Business Practices

All procurement actions shall be consistent with appropriate and accepted business practices and shall ensure that all suppliers of goods and services are treated fairly and professionally in each transaction.

XIV. Conflicts of Interest

No individual shall participate in or act upon any procurement in which he/she has a conflict of interest as described within in the Personnel Policies or by the COO.

XV. Dispute Resolution

The COO shall establish dispute resolution procedures to ensure that disputes arising from procurement actions are resolved timely and with fairness to all parties, while preserving ABC’s interests.

PART SEVEN

PROPERTY MANAGEMENT

Contents of this Part

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II. Scope of this Part

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IV. Acquisition of Property

V. Ownership and Title

VI. Custodian of Property

VII. Property Records and Inventory

VIII. Use of ABC Property

IX. Disposal of Property

X. Lost or Stolen Property

XI. Financial Responsibility for Property

XII. Insurance

PROPERTY MANAGEMENT

I. Purpose of this Part

To insure internal standardized policies and procedures for the utilization, accountability, control and disposal of all ABC owned, rented and leased personal property.

II. Scope of this Part

This policy covers all personal property owned, leased, rented, loaned or otherwise controlled by ABC, its employees, representatives and used in the performance of ABC business. For the purpose of this policy, personal property includes all capital equipment and small tools or equipment, which is considered sensitive and susceptible to misappropriation or loss.

III. Conformance with Federal Regulations

In general, the procedures set forth pursuant to this policy shall be expected to conform to applicable federal regulations. The provisions of OMB Circular A- 102 (Common Rule - Section 32) as it pertains to property management are hereby incorporated within this policy by reference.

IV. Acquisition of Property

All capital, non capital and sensitive equipment shall be acquired through written purchase order or contract and shall be added to a written property inventory at the time of acquisition by the Controller or his/her designee.

V. Ownership and Title

ABC dba ABC Resort and Casino shall hold ownership and title to all property acquired through purchase, lease, donation or gift until disposed of pursuant to ABC policy.

VI. Custodian of Property

The management and safeguarding of property shall be the responsibility of the department director or manager. A department director or manager may assign individual employee(s) as custodian for the department or for specifically assigned property.

VII. Property Records and Inventory

A. Upon receipt, each item of capital, non capital and sensitive equipment shall be marked, tagged or otherwise identified as property of ABC, in a manner most appropriate for the item.

B. The Controller shall maintain a written property record. Such record shall include for each item of property:

1. Property description, including model and serial number if applicable

2. Property number assigned

3. Description of identification; i.e. property tag, etching, etc.

4. Date of acquisition

5. Acquisition cost

6. Location

7. Assigned Custodian

8. Title holder, if leased or rented

9. Useful life expectancy

C. Each custodian shall conduct a physical inventory of assigned property not less than annually. Such inventory shall note the location of the property, whether it is in use and its condition. Any property not located shall be reported missing. The custodian shall report all transfers of assigned property to another department to the Controller immediately.

D. The Controller or designee shall conduct an independent inventory of all property for each location. Such independent inventories may be scheduled so that individual locations are examined at different times on an annual basis.

8. Use of ABC Property

A. Any property owned, leased or rented by ABC shall be used only for its intended purpose and in the performance of ABC activities. In event of public emergency such as fire, flood, earthquake or other declared emergency, the assigned Custodian of property may act for the COO, and may permit property to be used for appropriate purposes. Such authorization shall be reported to the COO.

B. Property owned, leased or rented by ABC may not be used by any individuals, organizations or employees for personal use, unless specifically designated for this purpose.

C. Elected ABC officials and staff, representatives, or employees of ABC shall not loan any personal property owned by ABC to any other person either gratuitously or for consideration without the consent of the Chief Operating Officer.

D. The Controller shall establish an inventory of common use property where shared use is more appropriate to efficient use of resources. In such event, a written list of common use property shall be maintained and departments shall not purchase similar property for individual department use unless authorized by the COO.

E. Property acquired by ABC shall be available for use by ABC. Assignment to the acquiring department does not create “department” ownership, nor does the source of funding for the property. To the extent that efficient utilization dictates shared use of property, shared use shall be expected, unless specific restrictions are attached to the property.

IX. Disposal of Property

A. Property that is determined to be no longer needed or usable by ABC shall be disposed of by the Controller with COO approval. As business operations allow, the Controller shall make a listing of the property scheduled to be disposed of available to all ABC departments and tribal organizations to allow them the opportunity to request the use of the property. Such list shall include description of the property, fair market value, condition and estimated remaining useful life.

B. If possible, property shall be sold, in a sale or other means in the best interests of ABC and the Tribes.

C. Unsellable property shall be disposed of in an appropriate manner.

1. Unsafe property cannot be sold or donated to an organization and must be dismantled and disposed of in an appropriate manner.
2. Property of a sensitive nature shall be disposed in such manner as necessary to minimize the exposure of such information.

X. Lost or Stolen Property

A. Loss or theft of ABC property shall be reported immediately to the custodian of the property who will report the loss or theft to Security.

B. Security shall report thefts to the Tribal Police, COO, and the Controller for reporting to the insurance carrier as applicable.

C. The Controller will report losses or thefts to the extent that ABC property is located and is not claimed or identified with a particular department or program, such property shall be turned over to the Controller for disposition.

XI. Financial Responsibility for Property

ABC employees and officials are expected to take personal responsibility for the care and safekeeping of ABC property under their control and use. To the extent that loss, damage or destruction of property is determined to be due to the neglect of the employee or official, such employee or official may be determined liable up to the value of the property, or may be otherwise disciplined in accordance with ABC policies. A written notice of such potential liability will be provided to the individual upon the assignment of property or upon the checking out of common use property.

XII. Insurance

Property shall be insured at its replacement value pursuant to ABC insurance programs, and subject to such deductibles and self-insured limits as may be established. The insurance carrier, if any, shall be provided with the property inventory on an annual basis or at such other intervals as are required. The COO may approve on a case-by-case basis an exception to the replacement value coverage.

PART EIGHT

TRAVEL ADMINISTRATION

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IV. Authorization of Travel

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IX. Car Rentals

X. Airline Mileage Credits

XI. Taking Leave in Conjunction with Authorized Travel

TRAVEL ADMINISTRATION

I. Purpose of this Part

To set forth uniform policies for fiscal administration of travel by all persons who are carrying out official business on behalf of ABC.

II. Scope of this Part

This policy covers all travel conducted by employees who are carrying out official business on behalf of ABC.

Travel required in conjunction with ABC business shall be authorized, conducted and compensated in accordance with the following and such implementation procedures as shall be prescribed by the Chief Operating Officer.

III. Objectives of the Travel Policies

The objectives of these travel policies are to ensure efficient use of resources while allowing for the convenience of the traveler, by maintaining flexibility as appropriate. Efforts shall be made to minimize the impacts of necessary travel on the personal and financial interests of the traveler.

IV. Authorization of Travel

A. Any business travel conducted must be approved in advance by the employee’s supervisor and processed on the Travel Authorization Form.

B. Managers are delegated authority to approve reasonable and necessary travel for subordinates, for travel to be paid from budgets under their authority.

C. Except when unforeseen circumstances prevent it, all travel will be pre- authorized in writing. In the circumstance when written approval is not readily available, verbal approval is required to authorize the travel. Such authorization shall indicate all anticipated costs associated with the travel, including registration fees, transportation, per diem and other costs.

V. Travel Planning

A. Travelers shall plan in advance and accommodate schedules as reasonably appropriate to conserve ABC resources. This includes coordinating with other departments that may have people traveling for the same purpose so that costs may be shared whenever possible.

B. Travelers shall be responsible to ensure cancellation of reservations, should their plans to travel change. Costs associated with non-cancelled reservations shall be borne by the traveler unless waived by the Chief Operating Officer.

C. When making travel arrangements, the manager and traveler shall take into account the total cost of the trip, to include the combined costs of transportation, lodging, meals and related expenses. Time away from the duty station shall also be taken into account in determining what travel itinerary is most advantageous for ABC.

VI. Travel Advances

A. ABC travelers shall receive a Travel Advance based on their trip itinerary.

B. To receive a travel advance, an approved travel authorization form must be submitted to the accounting department at least five (5) business days prior to the day the advance is needed.

C. All prepaid costs associated with the travel, (such as hotel deposits), and all costs charged to a ABC credit card shall be considered as a travel advance to the traveler.

D. Travel advances may be withheld from any traveler that has not filed the required return travel expense reports from prior trips.

E. All travel advances in excess of allowable costs as justified on the travel expense report are due and payable to ABC within 30 days of the travel return date. Any unpaid amounts are subject to withholding from the employee’s pay, unless other arrangements have been approved by the Chief Operating Officer.

F. Travel advances associated with trips that are not taken shall be required to be immediately repaid on the next working day after the individual returns to work. Any other advances, such as registration fees, lodging for non-cancelled rooms, etc., shall be repaid to ABC within 30 days.

VII. Travel Expenses

A. In determining the amounts to be paid in conjunction with travel expenses and to avoid the necessity of reporting travel reimbursements for individual tax purposes ABC shall observe federal travel rates.

B. The amount of reimbursement for meals, lodging and mileage shall be consistent with the federal rates established by GSA and shall be computed on a quarter basis utilizing the full quarter per diem rates. Since ABC is not eligible for government rates at lodging facilities, a 35% stipend shall be added to the per diem rates and will be reimbursed at actual cost to employee, up to the 135% of federal per diem rates.

C. In those circumstances where the cost for reasonable lodging accommodations significantly exceeds the federal rate and added stipend rate, the official authorizing the travel may approve the payment of the actual lodging costs. When known in advance, this information shall be part of the travel authorization request.

D. Other travel expenses, i.e. local transportation, parking, tolls, etc., shall be considered as "cost reimbursable" to the traveler. Travelers shall be reimbursed for reasonable and necessary expenses at their cost, upon submission of receipts for these costs with the return travel expense report.

E. Registration, tuition and airfare shall be paid directly by ABC Resort and Casino, except where circumstances dictate otherwise.

F. Travelers who have received a travel advance shall submit a Return Travel Expense Report to their Manager within five (5) working days after returning from travel status. The manager will review and authorize the report and then submit it to the Finance department within five (5) days. The Finance department will have 10 days to issue a reimbursement check to the employee.

G. Travelers who did not receive a travel advance for authorized travel shall submit the Travel Expense Report to the Finance Department within five (5) working days after returning from travel status.

VIII. Use of Private Vehicles

A. Locally, a ABC vehicle should be used for travel purposes, however if the situation dictates, the traveler may be authorized to utilize their private vehicle.

B. When private vehicle use is authorized, travelers will be reimbursed for the business related miles driven at the established mileage rate. The mileage reimbursement shall be the only vehicle related costs that will be paid by ABC. Any other costs, such as loss due to theft or vandalism, insurance deductibles, repair work, traffic and/or parking tickets, etc. are the responsibility of the traveler.

C. Approved mileage reimbursement forms are due to the Finance Department fifteen days after the end of the month in which the mileage occurred.

IX. Car Rentals

A. All car rentals must be approved in advance, unless the need for a car could not have reasonably been foreseen. Approval shall be based upon a legitimate business need for a car or that the rental will result in an overall cost savings to ABC.

B. All cars rented shall be of a size and style that is adequate for the business being conducted. Additional cost for larger or specialty autos, which are rented due to personal preferences, shall not be a reimbursable expense.

C. ABC includes hired auto coverage as part of the overall insurance package carried by the Tribes, therefore the additional insurance coverage offered by the car rental company should not be utilized.

X. Airline Mileage Credits

Credits provided by airlines toward the cost of future tickets or free trips shall be the property of the traveler. Use of a specific airline or other airline travel partner, which results in increased costs to ABC solely for the purpose of receiving mileage credits, is prohibited.

XI. Taking Leave in Conjunction with Authorized Travel

A. Employees may request to take leave in conjunction with authorized travel. If approved, the reimbursable portion of the trip shall be based upon when the employee would have reasonably left and returned, utilizing the most direct route for the authorized travel if leave had not been approved. All additional costs shall be the responsibility of the traveler.

B. If an additional destination(s) is added to the airline ticket, the total amount paid by ABC shall not exceed what the ticket would have cost if the traveler had gone directly to and from the authorized travel site. Additional costs shall not be billed to ABC as part of the airline ticket cost as travelers are expected to make their own arrangements with the travel agency for the payment of the additional costs.

C. The Finance Officer shall have the authority to make the final determination as to what are reimbursable and what are personal expenses. In making this determination the Finance Officer shall use a “Reasonable and Prudent” standard.

PART NINE

AUDIT AND INTERNAL CONTROL

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AUDIT AND INTERNAL CONTROL

I. Purpose of this Part

To set forth direction for the establishment of appropriate internal controls and expectation and procedures for the external audit of ABC operations. ABC is regulated by various laws, rules, and regulations. This part is not intended to supersede or conflict with any laws, rules, or regulations but to provide clarification.

2. Scope of this Part

This policy provides overall guidance and responsibility for internal controls and for both internal and independent audits of all ABC operations.

3. Internal Control

A. The Controller shall establish procedures to safeguard all ABC assets and to provide for an accurate and consistent accounting of all financial transactions.

B. The Controller shall insure such insurance and risk management procedures as are appropriate to protect and safeguard ABC assets. Procedures shall include the selection of insurance policies considered necessary to protect the interests of ABC. Included in such policies shall be:

1. A policy of liability insurance, which shall insure the Board of Trustees and other directors of ABC for errors and omissions in carrying out ABC business.

2. An employee fidelity bond covering all employees having access to or responsibilities over moneys and other assets of ABC.

3. Property and casualty policies providing for the replacement of assets lost due to fire, theft or other casualty.

4. Such liability policies as are considered appropriate to ABC business.

5. The Controller shall recommend self-insurance programs where such programs will reduce the overall cost of insuring against losses, without significantly increasing risks.

6. The Chief Operating Officer or delegate, the HR Director, and the Controller shall serve in the Employee Benefits Committee for purposes of overseeing Employee Benefit programs.

IV. Audits

A. The ABC Compliance and Internal Audit Department’s shall conduct such audits and internal examinations of financial records and procedures as are deemed necessary to ensure the financial and operational integrity of ABC.

B. The casino will have regular and ongoing audits of Internal Controls Compliance conducted by the ABC Gaming Commission or outsourced to an External Audit CPA firm.

C. The ABC Audit Committee, comprised of ABC & ABC Gaming Commission staff, shall notify the Board of Trustees of their selection of a firm of independent Certified Public Accountants who shall conduct an annual audit of all of the financial operations and records of ABC for each calendar year.

1. The Audit Committee shall obtain proposals from qualified audit firms.
2. The Controller shall schedule and coordinate such audit in such a manner as to facilitate delivery of completed audit reports to the BOT not later than April 15 of each year.
3. Such audit shall be conducted in accordance with Generally Accepted Auditing Standards and shall provide for all financial statements and other reports required by ABC, the ABC, and the NIGC.
4. The auditors shall provide a personal report after the completion of the audit to the Board of Trustees and Tribal Gaming Commission annually no later than April 15.
5. The report of such auditors shall be addressed to the Board of Trustees.
6. The ABC Gaming Commission shall submit the appropriate audit documents to the NIGC no later than April 30, to maintain compliance with NIGC.

V. Security of Tribal Assets and Information

A. Any and all financial assets and information regarding the assets and financial matters and interests of the Confederated Tribes of the ABC Indian Reservation/ABC shall be utilized only to carry out the programs and purposes as authorized by the Board of Trustees and only in the best interests of the Tribes.

B. Any individual who knowingly and willfully misappropriates funds, property or financial information for personal or other use, not in the interest of ABC and/or the Confederated Tribes of the ABC Indian Reservation shall be subject to the penalties provision of this Policy.