



Sisseton-Wahpeton Oyate

LAKE TRAVERSE RESERVATION
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LAKE TRAVERSE DISTRICT BDE HEDAKINYA TIOSPAYE

OF THE

SISSETON WAHPETON OYATE

ACCOUNTING AND BUSINESS POLICIES AND PROCEDURES MANUAL

DISTRICT COUNCIL APPROVED: JULY 18, 2006

DISTRICT MINUTES/ACTION APPROVED: AUGUST 23, 2006

(Subject to Certified Public Accountant, CPA, Review and Certification)

AUGUST 23, 2006

(First Edition)

Lake Traverse Regular District Meeting
July 18, 2006
6:25 p.m.

All Officers Present: David Flute, chairman; Benjamin Thompson, Vice Chairman; C.R.James, Treasurer and Teresa Thompson Secretary.

Absent: Councilman Ron DuMarce in Shakopee, MN.

Questions and discussions were held regarding the Youth Board.

*Motion No. 1 made by Valerie to help everyone out regardless of their personality. Motion second by June. Question. MVC.

*Motion No. 2 made by Valerie that regarding the Youth that no checks be written ahead of time. Motion second by June. Question. MVC.

*Motion No. 3 made by Ray to approve the Secretary/Treasurer's Report. Motion second by Dave Roberson. Question. MVC.

Lengthy discussion held on the audits regarding the youth accounts for 2004 and 2005. it was suggested that they come up with some documentation.

*Motion No. 4 made by Ray that the youth committee go back and give us a summary/conclusion that this is what the money was used for as soon as possible or by July 28, 2006. Motion second by Dave Roberson. Question. MVC.

*Motion No. 5 made by Benjamin to nominate Ray Wilson. Motion second by Teresa. Question. MVC.

*Motion No. 6 made by David Roberson to appoint David Flute to the Cultural Preservation Board. Motion to cease second by Valerie. Question. MVC.

June stated that there is a trip planned for Tulsa Oklahoma this is for those that are 55 and older. There appeared to be not many people interested in going on this trip.

There will be seven people going to the Shakopee Health Care Conference.

*Motion NO. 7 made by Ray to accept the Lake Traverse Accounting Manual. Motion second by June. Question. MVC.

MINUTES APPROVED: AUGUST 23, 2006"

Lake Traverse District

Accounting and Business Policies and Procedures Manual

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Accounting and Business Policies and Procedures Manual

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I. INTRODUCTION

- A. General. The purpose of this manual is to describe the existing accounting and business policies and procedures that have been established as the norm for the Lake Traverse District and to serve as a valuable reference guide for the entire community. These policies and procedures have been designed to help safeguard the Lake Traverse District's assets and to promote accuracy, efficiency and consistency in accounting and business operations throughout the District. It is hoped that a written manual will both contribute to these objectives as well as to assist members of the community to comply with the prescribed accounting and business operations of the Lake Traverse District.
- B. District Office Staff. The following are brief descriptions of the responsibilities of the various positions.

1. District Chairman. The Chairman supervises the District Office staff and is responsible for all day-to-day work activity. The Chairman shall schedule all meetings necessary to conduct the affairs of the district, including, monthly, special and executive district meetings. The Chairman shall represent the district at the District Chairmen's Association meetings to assure the district's concerns and needs, including financial, are presented for action by the tribal government.

The Chairman, Vice-Chairman and Treasurer shall have signature authority on all accounts established in the name of the Lake Traverse District.

2. District Vice-Chairman. The Vice-Chairman attends all district meetings and must be knowledgeable of all district affairs because he shall assume the duties of the Chairman in times of emergency as defined in the district constitution and bylaws.
3. District Treasurer. The Treasurer is responsible for all accounting and financial reporting, financial services, cash management, and assists in the management of the Lake Traverse District's assets.

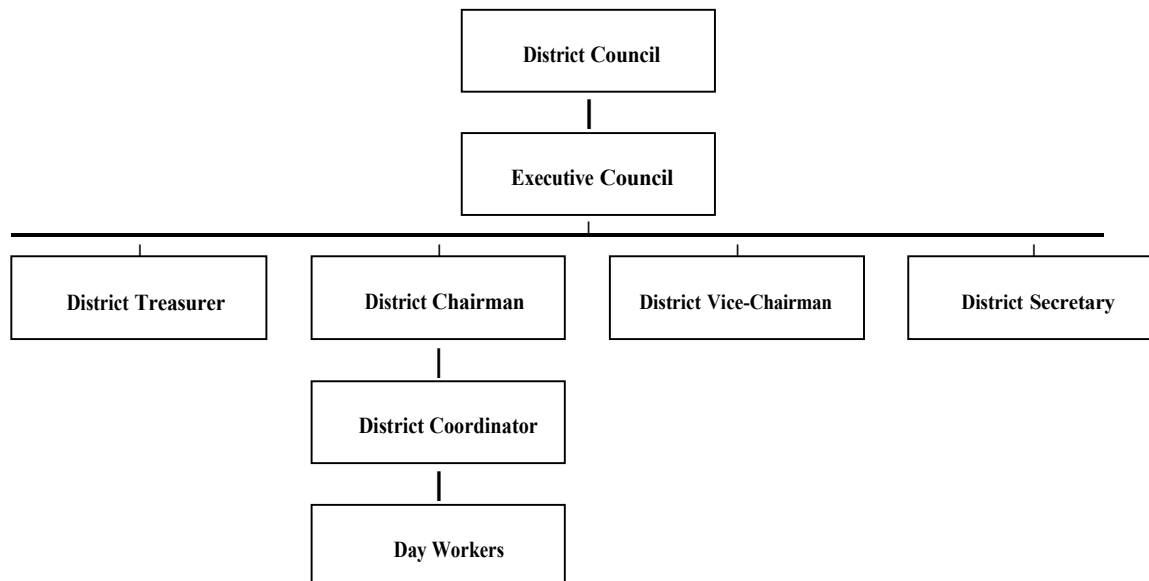
The District Treasurer has responsibility for the general ledger system (including monthly reports, journal entries, questions, and corrections), expenditures by district programs and projects, and for approving all purchase orders and check requests.

4. District Secretary. The District Secretary is responsible for the recordation, distribution, filing, and safekeeping of all official district documents, records, and meeting minutes; including, monthly, special, and executive district meetings.

The District Secretary shall affix his or her signature to all duly recorded and approved minutes, including, monthly, special and executive district meetings.

The District Secretary assists in administering the human resources function including hiring, processing benefits, maintaining personnel records, processing insurance claims, and completing government reports.

5. District Coordinator. The District Coordinator manages the day-to-day affairs of the district, and their primary responsibility is to assist District Members in accessing the programs and assistance that is offered by the District and the Tribe. For the purposes of this policy, the District Coordinator acts on behalf of the Executive Committee to carry out the clerical duties of the district.



II. GENERAL LEDGER ACCOUNTING

- A. Chart of Accounts. There are six accounts that the district utilizes; District Operations, General Welfare, Payroll, Youth, Elderly and Home Repair.
1. District Operations. These funds are budgeted for the day to day necessities of the district center; water and sewer, electric, propane, cleaning and cleaning supplies, maintenance and equipment, and all supplies and staples for guests. Payments will be made by check for the exact amount on the bill or invoice. Checks will be run and mailed within 5 business days of the receipt of the bill or invoice. Charge accounts have been established at select businesses in the community, where the Chairman, Vice-Chairman and Treasurer may charge items for district use.
 2. General Welfare. These funds are budgeted and distributed as economic assistance for district members. There are several sub-categories under this heading; hardship (adult and elderly), youth, funeral, education (high school and college), home repair, glasses. The Hardship Application must be filled out according to the type of assistance being requested.
 - A. Hardship: Adult members are eligible for \$300.00 and Elderly members are eligible for \$500.00. The application must include a bill or invoice from a vendor. The bill or invoice must include the members name and address, account number, type of service and name and address of the vendor. A check will be made in the vendor's name with the members name and account number listed on the check and it will be mailed directly to the vendor. Members are eligible for hardship assistance one time every 12 months.
 - B. Funeral: Adult members are eligible for \$250.00 when there is a death of their mother, father, brother, sister or child. An application for hardship must be filled out and a check will be made to the district member, as soon as possible.
 - C. Youth: Youth members are eligible for up to \$200.00 total per year for travel to non-regular events (i.e. tournaments), lessons or classes, cultural events, or any school related function or event taking place outside of the community. A letter from the school or coach, completed registration form for the event, class or lesson, letter of acceptance will be required as a part of the application. A check will be made to the vendor when at all possible, or a check may be made to the parent or guardian when appropriate and necessary.
 - D. Glasses: Members are eligible to receive assistance for glasses once every 3 years for up to \$200.00. The hardship application must be completed with a quote, bill or invoice attached. Checks will be made to the vendor.
 - E. Emergency Medical Assistance: Assistance for members who need accommodations outside of the community due to a medical emergency must contact a member of the Executive Committee or the District Coordinator. Hotel accommodations may be available for a maximum of 3 nights. Fuel assistance for a maximum of two full tanks may be available. The hardship application must be completed; if the emergency prevents the member from completing the application before assistance is granted, then the application must be completed upon return to the

community, along with documentation from the medical facility. Further assistance from the district will be withheld until the application and documentation is provided. Emergency Medical Assistance is not available for medical appointments or routine procedures.

F. Education:

1. High School/GED: Members are eligible for a gift of \$150.00 when they graduate high school or complete their GED. A completed hardship application along with a copy of the Diploma or GED Certificate need to be attached to the application.
2. High School: Members are eligible for \$200.00 towards their senior pictures, class ring, class trip, or any other expense related to graduating from high school or receiving their GED. A hardship application must be completed, and returned with documentation of the expense, such as an invoice or estimate, or a letter from the school or testing center. A check will be made to the vendor when at all possible, or a check may be made to the parent or guardian or the member if they are 18 years of age or older.
3. College: Members who are attending a post secondary institution are eligible for assistance. A completed hardship application along with a copy of a grade report or transcript with the most current semesters credits earned and grades should be attached to the application. Only classes in which the member earned a passing grade will be calculated into the credit hour number that determines full or part time. Members successfully completing 11 credits or less are eligible for \$250.00 and those successfully completing 12 credits or more are eligible for \$500.00. Checks will be made in the district members name unless otherwise requested. Applications will be accepted for 3 months after the semester ends.

G. Home Repair: members who own their home (title in hand, mortgage or contract for deed) will be eligible for up to \$2,500.00 for repairs to their home, once every 3 years. The home must be their primary residence. The hardship application must be completed with a quote from the contractor attached and two documents showing primary residence. These can be utility bills, letters from a government entity, picture ID's, etc. If the member intends on doing the repairs themselves, then an invoice or quote for materials must be attached to the application along with a letter stating that they are completing repairs. Checks will be made to the vendor.

H. Payroll: The District Coordinator is a full-time, permanent position. The rate of pay is determined by the Executive Committee, and increases, bonuses, leave, and all other benefits will follow the SWO Personnel Policy. The District Coordinator will be an hourly employee who will submit a timesheet and time card to the Treasurer every other Friday. Treasurer will calculate and run a payroll check on a regular schedule.

The district has the ability to give stipends for members who complete tasks to keep the building and property clean and properly maintained. The District Coordinator will keep a list of individuals who are willing to assist with duties at the district center for a stipend. Stipend checks will be made and delivered on the day that the work is completed.

3. Current Restricted Fund. Current restricted accounts are utilized when funds are received/designated for a specific operating purpose. These accounts always begin with a I and any fund balance remaining at September 30 is

carried over to the next fiscal year. Otherwise, these accounts function exactly as the unrestricted accounts described above.

- B. **New Accounts.** New accounts will be created when necessary and require a motion approved at either a Regular District Meeting or a Regular Executive Meeting.
- C. **Maintenance and Distribution of General Ledger.** The General Ledger and Budget Status are the two informational reports distributed monthly by the District Treasurer. All accounts are distributed to the district membership and the district officers, including the tribal council person. The General Ledger provides the current month's activity in detail. The Budget Status summarizes the previous activity for the current fiscal year, adding the current month's activity to get an ending balance. This ending balance is then compared to the allocated budget and an over/under budget is calculated.

In order to distribute these monthly reports on a timely basis, the District Treasurer uses the last working day of each month as a cutoff for receiving information about transfers, corrections, etc. All district operations charges must be given to the Treasurer by the last working day of the month to be included in the current month's printouts.

The process of gathering and inputting information, checking, balancing, printing, and distributing these reports requires approximately seven working days.

- D. **Accounting Corrections.** Occasionally, there may be some errors when reviewing the monthly printout. Corrections will be made and the new, corrected report will be attached to the incorrect report. These reports can be made available for district members to review at their request.
- E. **Questions and Information requests** can be directed to the Treasurer or the District Coordinator.

III. REVENUES AND CASH RECEIPTS

A. Sources of Revenues. The Lake Traverse District's revenue derives primarily from one source: the Sisseton-Wahpeton Oyate, formerly known as the Sisseton-Wahpeton Sioux Tribe of the Lake Traverse Reservation. However, it is foreseeable that the district will have other sources of revenue from rental income, sale of property, private gifts and grants, investment income and miscellaneous income such as facilities rentals, use of copying machines, etc.

B. Cash Receipts.

I. Gifts and Grants. All gifts and grants to the Lake Traverse District are processed and acknowledged by the District Treasurer. Do not hold checks, especially large ones, because the District loses interest income if you do. Checks received by the District are then restrictively endorsed (i.e. for deposit to the account of Lake Traverse District only) and processed for deposit. The total amount transmitted to the Bank should equal the total of the District's receipts transmittal.

2. Other Cash Receipts. All cash and checks received by district officers other than gifts and grants must be transmitted to the Treasurer together with a completed cash receipts form. This form should indicate the description of the transaction and the account to be credited. The originating officer for control purposes should retain one copy of the form. The District Office will retain one copy and will return the remaining copy to the originator indicating that the cash was received and verified. Cash and checks are items that can easily be lost or stolen. Therefore, all cash must be brought in person to the District Office on a daily basis. Cash maintained for operating needs must be kept in a locked safe secured in a manner that impedes removal.

All miscellaneous cash receipts are considered general revenues of the Lake Traverse District and should not be credited to restricted accounts unless approved during the budget process or by the district council at a duly noticed monthly meeting.

Cash (not checks) received in the amount of \$10,000 or more must be reported to the federal government using the correct IRS forms.

C. Securities and Other Gifts to the Lake Traverse District. Like cash gifts discussed above, gifts of securities and other gifts (such as art, artifacts, cultural items, rare manuscripts or documents, and equipment) to the Lake Traverse District are processed through the District Treasurer. Any district officer receiving a gift or an inquiry about such a gift should consult with the District Treasurer.

1. Securities. Gifts of securities (including mutual funds) to the Lake Traverse District are processed by the Treasurer. The Treasurer coordinates the gift with the donor or donor's broker and records the gift. The Treasurer coordinates the sale of the security or mutual fund. The Lake Traverse District's policy is to sell all gifts of securities unless the donor specifically

requests otherwise. The decision to invest in a particular security is then left to the Lake Traverse District's officers.

2. Other Gifts. Gifts of tangible personal property such as art works, collections, gems, furnishings, and manuscripts that individually or collectively are claimed to have a value of \$5,000 or more must have that value established by a qualified appraiser. If such a gift is sold within two years of receipt by the Lake Traverse District, the sale must be reported to the Internal Revenue Service on Form 8282 within 90 days of the sale. This also applies to sales of restricted and closely held stock with a gift amount in excess of \$10,000.
3. Storage and Maintenance of Gifts. A tracking system will be implemented to account for all gifts. No individual shall be allowed to acquire a gift for his or her personal use.

IV. CASH MANAGEMENT

- A. Petty Cash and Other Reimbursement Accounts. Petty cash funds may be established by the district officers if the availability of cash is essential to the operation of the district. Petty cash is most often used to facilitate small repetitive purchases. The establishment of a petty cash fund requires the approval of the district council.

A district officer will be designated the custodian of the fund, who is responsible for the fund and its safekeeping. Receipts or statements must be obtained that substantiate the use of the cash. A report detailing all expenditures of the petty cash shall be given to the district council. When reimbursement of the fund is necessary, a check request should be submitted to the district council along with the appropriate supporting documentation.

Petty cash funds are subject to audit.

- B. Investment of Cash and Wire Transfers. A wire transfer refers to an electronic transfer of funds from one account to another involving two or more banking institutions. All monies received by the Lake Traverse District are deposited to a single Lake Traverse District deposit account to facilitate control and investment of available cash balances. Investment of available cash in this account shall be made in accordance with the Lake Traverse District's short-term investment policy. All wire transfers require the dual approval of the Treasurer and the Chairman or Vice-Chairman.
- C. Bank Reconciliations. Bank reconciliations are performed monthly by the District Treasurer and are reviewed by the Executive Committee.

V. PURCHASING AND ACCOUNTS PAYABLE

- A. Purchase of Goods and Services.

1. General. All purchases and expenditures of Lake Traverse District funds must meet the ordinary business standard of reasonable and necessary, with prudent consideration of the Lake Traverse District's limited financial resources. Purchases of goods and services on behalf of the Lake Traverse District may be authorized by the Chairman, and should not exceed the department's

budgeted amounts or, in the case of restricted accounts, should not exceed the restricted fund balance. Purchases over \$500 require the approval and signature of the Treasurer, and purchases over \$5,000 require

the approval of the district council. These levels of authorization also apply to all contracts.

Every reasonable effort should be made to obtain the best possible quality, service, and price. For larger non-routine purchases and contracts, competitive proposals should always be solicited and evaluated. Even for routine purchases, vendor prices should be checked periodically with those of reliable competitors.

2. **Competitive Bidding.** Competitive bidding is generally required for purchases, leases, and contracts over \$5,000. To the extent practicable, a written statement detailing the goods or services required should be provided to vendors. It is recommended that at least three (3) written bids be obtained and evaluated. Awards should be made to the vendor whose bid or offer is most advantageous to the Lake Traverse District, considering price, quality, service, and conformance to specifications. Indian preference will apply with qualified district members receiving highest preference.

Formal competitive bidding may not be appropriate in certain exceptional cases; for example, where the item is a highly specialized piece of equipment (or service) that is only available from one source, or due to legitimate extenuating or emergency circumstances. Authorization for exceptions to omit formal competitive bidding for items over \$5,000 should be made by the Chairman, as appropriate.

Documentation of competitive bidding (or justification why competitive bidding was not used) must be included in all requests for approval of purchases that exceed \$5,000, along with the related purchase order or check request. For smaller purchases, documentation should be kept on file at the office or in funding source records.

3. **Purchase Orders.** All purchases of goods and services exceeding \$1,000 should be initiated on a Lake Traverse District purchase order form. A purchase order is not required for purchases under \$1,000 unless required by the vendor. The completed form requires the signature of the chairman. Purchase orders over \$1,000 should be approved by the District executive council before they are mailed or faxed to the vendor. The chairman and treasurer are authorized to approve purchase orders on behalf of the District. The purchase order is a legal document and, when accepted by the vendor, constitutes a contract between the Lake Traverse District and the vendor. It should therefore contain all pertinent details of the agreement such as terms and conditions of sale.

4. Office Supplies, Equipment, Photo Copiers, Fax Machines, and Furniture. All of the above should be purchased through the Lake Traverse District Office to assure accountability of costs and inclusion on the Property Inventory List if value exceeds \$500.

B. Accounts Payable.

1. Check Requests. Check requests (see Exhibit II) are used to process disbursements. These disbursements include personal reimbursement, subscriptions, honoraria, professional fees, petty cash reimbursement, and all other purchases and payments approved by the district executive committee. All check requests, including those for personal reimbursement, require the approval of the Chairman and original supporting documentation. Personal reimbursements submitted by the District Chairman require approval by the Treasurer. Check requests submitted that do not have the proper support and approval will not be honored.

In rare instances, a district official may require a cash advance to fund a specific activity (e.g., arm bands for the carnival, bus trip to an off- reservation event). The advance must be approved by the district council. A full accounting of the use of the funds and appropriate supporting documentation must be submitted to the Treasurer no later than one week after the date of the advance. Unused funds must be returned to the Treasurer for deposit into the bank account.

Check requests to individuals, partnerships, and unincorporated businesses for professional services, contracting, honoraria, prizes and awards, etc. require the individual's social security or the business tax identification number and permanent address for tax reporting purposes. This should be reported to the District Office using IRS Form W-9, which is available from the District Office (contact Ramona Keeble). Please note that the Lake Traverse District cannot release the check without this information. At the end of the calendar year, these individuals and businesses will receive IRS Form 1099 if payments to them exceed \$600.00.

2. Invoices. All invoices submitted to the District Office for payment, including those resulting from a purchase order, must be reviewed, and approved by the Treasurer. This is necessary to ensure that the goods or services purchased have been received or delivered in good order.
3. Processing of Checks and Manual Checks.
 - a) (Computerized Accounting System): Checks are run once a week minimum, with the option to process checks as necessary. Treasurer will use a software program of his choosing to process checks. All checks require two hand written signatures, and Chairman, Vice-Chairman and Treasurer will have signature authority.

4. Special Instructions Regarding Cashing of Payroll and Disbursement Checks. Please note that our regular payroll and disbursement (accounts payable) checks are drawn on Dacotah Bank. Dacotah Bank holds their own policies and procedures for cashing checks, which will be adhered to at the banks discretion.
- C. Sales and Use Taxes. Generally, purchases made on behalf of the Lake Traverse District are exempt from federal and State Sales and Use Taxes. Please deduct these sales taxes from invoices before submitting them to the District Office. Vendors may require the Lake Traverse District's exemption certificate, which can be obtained from the accounts payable section of the District Office. Personal purchases made through the Lake Traverse District to avoid payment of sales tax are prohibited. For further information about Sales and Use Taxes, contact the tribal tax department.

VI. HUMAN RESOURCES AND PAYROLL

- A. General. The Human Resources and Payroll policies of the Lake Traverse District will be the same as those described in the Employee Handbook of the Sisseton- Wahpeton Oyate, until such time as they adopt a specific one for the district, and is incorporated herein by reference.
- B. Authorization to Hire New Employees. The Lake Traverse District will develop procedures for hiring new employees that includes: job description, advertisement, wage and benefits, selection process.

Administrative and staff positions are approved in the annual budget process.

All full-time and part-time administrative and staff employees receive a letter of appointment from the Lake Traverse District Chairman. A copy of this letter is forwarded to the payroll section of the District Office as authorization to place the employee on the Lake Traverse District's payroll.

- C. Forms Required for Each New Full-Time Permanent Hire. All new full time employees must complete form W-4 (Employee's Withholding Allowance Certificate) for federal tax purposes before they will be put on the payroll. Each Lake Traverse District benefit for which an employee is eligible requires an application or enrollment form completed by the employee before enrollment is complete.

- D. Timesheets, Processing of Payroll and Distribution of the Payroll. All employees are paid every other Friday. In order to be paid, employees must submit timesheets for all hours worked to the payroll section of the District Office.
- E. Payroll Corrections and Transfers. All corrections to individual paychecks must be submitted in writing to the Treasurer.
- F. Special Instructions Regarding Temporary Summer Employees. Temporary summer employees are those hired to work during the summer months. The hiring of these employees and the applicable wage rate should be authorized during the regular budget process. The Chairman, who hires a temporary summer employee should send a completed authorization form to the Treasurer. The employee also needs to submit to payroll a completed W-4 form. These employees must submit approved timesheets.
- G. Outside Contractors vs. Employee Status. Outside contractors are individuals or firms (such as physicians, lawyers, architects, consultants, speakers, service contractors, and construction contractors) who follow an independent trade, business, or profession in which they offer their services regularly to the public. They are generally not considered employees, and require a tribal business license. All other individuals who perform services for the Lake Traverse District are generally considered employees of the Lake Traverse District, even if the duration of their employment for the Lake Traverse District is of a temporary nature. Accordingly, payments made to such individuals (except amounts totaling under \$100) must be processed through payroll and the appropriate forms, time sheets, etc. must be completed.
- H. Special Instructions Regarding Student Scholarships, Fellowships, and Prizes. The Lake Traverse District issues IRS Form 1099 to recipients of prizes and awards of \$600 or more.
- I. Salary Advances. Salary advances are made only in emergency situations and require the approval of the District Executive Council,
- J. Resignations and Terminations. When an employee resigns or otherwise leaves the Lake Traverse District, it is imperative the Chairman ensures that all Lake Traverse District property (e.g. keys and equipment) are collected from the employee. This will be done by withholding the last payroll check until all keys, computers and related equipment, passwords, and any other property of the Lake Traverse District is returned in good condition.

VII. FIXED ASSETS

- A. Definition. The term fixed assets refers to the Lake Traverse District's tangible properties that have useful lives that benefit the Lake Traverse District over a period of years. These properties include land and land improvements, buildings and building improvements, all types of equipment, furniture, vehicles, books as well as art and other historical treasures. Fixed assets are distinguished from other tangible

items such as office supplies and consumable supplies (e.g. paper, light bulbs, and supplies) that are used within a relatively short period of time.

- B. Authorization for Purchase. Purchases of fixed assets should be made in accordance with the purchasing procedures described in Section V. The Treasurer must approve all purchases of fixed assets that exceed budgeted amounts.
- C. Capitalization Policy. It is the policy of the Lake Traverse District to capitalize (i.e., record as an asset in our building fund) fixed assets with a cost of \$2,500.00 (\$5,000.00 for computer equipment) or more and with a useful life benefiting the Lake Traverse District of two years or more.
- D. Insurance Records and Reporting of Thefts and Damage. Most fixed assets purchased through regular purchasing procedures need not be reported separately to the District Office for insurance purposes. However, works of art and fixed assets donated to the Lake Traverse District should be separately reported. In addition, the District Office keeps separate insurance schedules for automobiles and farm equipment, and these purchases should also be reported to the District Office.

All thefts, damage, or destruction of Lake Traverse District assets must be reported promptly to the Chairman and the tribal police. The Treasurer will report the loss to the insurance company if it is considered an insurable loss.

- E. Disposal or Trade-In of Fixed Assets. No Lake Traverse District assets of value should be sold, traded-in, or otherwise disposed of without the approval of the District Executive Council, which must be reflected in their official minutes. All such disposals should be reported to the Treasurer describing the asset involved, the tag number, if applicable, and the nature of the transaction. For office equipment and similar assets not sold or traded-in, the Treasurer should determine if the asset should be stored for future use. If not and the asset is considered worthless, (e.g. surplus or obsolete) they may proceed with the disposal of the item.

VIII. BUDGETING

- A. The Budget Cycle. Planning for the annual operating budget of one fiscal year begins in the summer of the year. Working with the District Executive Committee, the Chairman and Treasurer reviews such major budget parameters as income, project costs, spending, annual giving, employee compensation, operating expenses, utilities, debt service, insurance, and other expenditures. By October a preliminary budget has been prepared for review by the Chairman and the executive committee. The final budget for the following fiscal year is normally approved by the District Council at its August meeting.
- B. Budget Request Forms.
 - I. Operating Expenditures. Each officer is asked to prepare a request of funds for operating expenditures (supplies, duplicating, postage, printing, travel, food services, etc.) for the following fiscal year. As guidelines for the request, information is provided on the current year's budget and amounts actually spent for the two prior fiscal years. Requests that exceed a targeted

level of increase must be accompanied by an explanation of the need for the larger increase.

2. **Boards and Executives Stipends.** The Chairman will make the request for all stipends based on the approval of positions by the district council. Historical data on the stipends of previous years are provided by the Treasurer.
 3. **Staffing (Personnel).** Information on the staffing of positions for the current fiscal year is by the Treasurer. Any proposed changes from the current staffing must be discussed with the Chairman and the need for the position explained in detail for consideration by the executive committee.
 4. **Capital Equipment.** All purchases of major capital equipment are included in the equipment budget handled by the Chairman and the Treasurer.
- C. **Budget Control.** The District Office (see II.C. above) provides monthly reports, which describe spending in individual line items within each budget. Each officer and project supervisor must limit its spending to those amounts agreed to during the budgeting process. A proposal to spend amounts that exceed the budget must receive prior approval from the Chairman after consultation with the Treasurer.

X. YEAR END CLOSE AND AUDIT

- A. **Fiscal Year Closing Procedures.** The Lake Traverse District's fiscal year ends on September 30. This means that all revenues earned and all expenditures incurred after September 30 are recorded in the next fiscal year. Conversely, a purchase made and received September 29, for example, would have to be recorded in the current fiscal year even if the invoice is received after September 30. Therefore, we recommend that purchases of equipment and supplies and other purchases of a material (sizable) nature be well into process by September 1 to ensure that the goods and related invoice are received in the District Office by September 30. Specific cutoff instructions are as follows:
- I. **Invoices and Check Requests.** All invoices and check requests pertaining to the current fiscal year should be submitted to the District Office by September 30 or as soon as possible thereafter. Generally, invoices received after the first week in October will be charged to the next fiscal year unless the amount exceeds \$2,500.00, or the amount has been properly accrued at September 30. All officers should review their open purchase orders and other expenditures at September 30 and inform the Treasurer if an accrual is necessary to reflect the expenditure in the proper fiscal year. An accrual means that the item has been charged to a project in the current fiscal year and recorded as a liability at September 30 since the item was received and actual payment of the invoice will not be possible until after September 30.
 2. **Gifts and Grants.** All gifts and grants postmarked by September 30 and received during the first week in October will be recorded (by the Treasurer)

in the current fiscal year. All subsequent gifts will be recorded in the next fiscal year.

3. Physical Inventories. The Chairman must take an annual physical inventory at or near September 30. The Treasurer audits the physical inventory counts as necessary. Purchasing and receiving should be suspended for at least one week before the inventory to facilitate the actual count. The final priced out physical inventories should be submitted to the Treasurer no later than October 10.
- B. The Outside Audit. The Treasurer should coordinate with the Tribal Vice-Chairman's office each odd year for an audit to be conducted at the Tribe's expense, with the audit firm to be procured through the tribal process. The annual audit of the Lake Traverse District's books and records generally takes place from early November until early February. While most of the auditors' time is spent in the District Office, the scope of the audit may require the auditors to visit with other district officials as well. District officials should provide the auditors with any information or documentation that they might request.
- C. Internal Audit Function. The Lake Traverse District does not have a formal internal audit department. However, the Tribal Vice-Chairman's Office on occasion may conduct internal audit reviews within the Lake Traverse District. The purpose and extent of such reviews includes examination of financial records to ensure proper use of Lake Traverse District funds and evaluation of accounting and business procedures to ascertain compliance with established procedures and controls. An internal review also has the goal of assisting district officials to improve the efficiency of their operation and to suggest improvements when deemed necessary.

XI. TRAVEL AND OTHER ITEMS

A. Business Travel Policies, Advances, and Reimbursement.

1. General. All necessary and reasonable expenses for authorized Lake Traverse District travel will be paid or reimbursed in accordance with the following guidelines. Exceptions will be necessary from time to time, and should be cleared in writing, in advance if possible, with the Chairman. Unreasonable costs (e.g., very expensive restaurants or exclusive hotels) and travel expenses incurred by an unauthorized companion cannot be paid by the Lake Traverse District and are not reimbursable. Upon completion of a trip, a travel reimbursement request form (see Exhibit IV) must be submitted to the District Office, along with the required vouchers and receipts to document business related expenses. Travel expenses must be approved by the Treasurer. When employees travel together, the most senior person should pay for shared meals, taxis, tolls, etc.
2. Transportation.

Airplane and Train. All efforts should be made to obtain the lowest, coach fare (or other intermediate class) available. This usually requires 14 to 30 days notice and often, a non-refundable ticket. Only if such accommodations are not available or would be inconvenient to use is first class or other travel allowable, provided that a proper explanation is made with the travel reimbursement request. Ticket stubs should be attached to the request for

reimbursement. It may be appropriate to travel and stay over a Saturday night if it reduces the overall cost of the trip.

Automobile. Travel by private auto is reimbursable at a fixed rate per mile, provided such total reimbursement does not exceed equivalent air coach fare or other reasonable available transportation. The mileage rate is currently 44 cents per mile.

Rental Automobiles. Rental autos may be used when such travel is more advantageous to the Lake Traverse District than the use of taxis or other means of transportation. Normally, advance reservations for compact automobiles should be requested. (When a rental reservation for a compact vehicle has been made and none is available, rental agencies usually provide a standard vehicle at a compact rate.) Optional collision damage waivers should normally be declined since the Lake Traverse District's automobile insurance includes this coverage.

Taxi and Limousine Service. Fares including reasonable tips are allowable if no other reasonable public transportation is convenient.

3. Meals, Lodging, and Other Expenses.

Meals. Reasonable and customary expenses for meals and tips are reimbursable. Meal expense should be claimed only when there is an out of pocket meal expense. Out of pocket meal expense should normally be limited to \$45.00 or less per day.

Lodging. Reasonable hotel/motel expenses when supported by receipts are reimbursable. (While no maximum is established since it is recognized that reasonable expense differs according to size of town and area of the country, "deluxe" and other expensive hotels should always be avoided.)

Other Necessary Miscellaneous Expenses. Reimbursement is provided for such items as customary gratuities, parking, business telephone calls and registration fees at conferences and conventions. If such expenses exceed \$25, they must be supported by receipts. Personal entertainment (e.g. movies, concerts, and athletic events) and other personal expenses are not eligible for reimbursement.

4. Travel Arrangements. The Sisseton-Wahpeton Oyate has established relationships with an area travel agency to coordinate travel arrangements for tribal employees. You may use their services or you may book your trip on-line with established travel carriers and companies.
5. Travel Insurance Notes. The Lake Traverse District should carry insurance coverage for employees of the Lake Traverse District against accidental death during travel on Lake Traverse District business. Details of the coverage amounts and limitation are negotiated by the Treasurer. The

mileage rate for reimbursement of personal automobile use is a full-cost rate and the employee must carry his or her own automobile insurance.

6. Travel Advances. A cash advance equal to estimated out-of-pocket travel costs may be requested using the standard check request form. The advance must be approved by the Chairman. At the conclusion of the trip, all expenses must be itemized on the reimbursement request form and charged to the appropriate account(s) with the cash advance indicated as an offset to the total expense. A cash advance in excess of actual costs incurred by the employee must be returned to the Lake Traverse District.

B. Entertainment Expenses. Reasonable and necessary expenses to entertain official Lake Traverse District visitors (such as speakers) or donors must be approved by the district executive council as appropriate. Group meals off-reservation should be kept to a minimum and gratuities must not exceed 15-20%. Costs of alcoholic beverages are forbidden. Entertainment expenses for employees are generally not allowed, except for the occasional event such as a holiday luncheon or retirement party.

C. Telephone Service. All new telephone service, changes to existing telephone service and repairs must be requested through the District Office.

Telephone expenses are allocated to the district office operations budget. Personal calls are not allowed, unless approved by the Executive Council. The District Office administrative assistant shall maintain a log of all incoming calls that includes: date and time, name, purpose, brief message. Installation costs related to new service, additional equipment or changes to existing service are charged directly to the operations budget.

D. Charging by Employees. Personal charges made by district officers and employees for any purpose is prohibited.

E. Conflict of Interest Policy for District Officers and Employees.

District officers and employees have a duty to carry out their responsibilities in good faith with due regard for the best interests of the Lake Traverse District. A conflict of interest or possible conflict of interest may arise between a District officers and employee's personal and/or business interests and his/her responsibilities to the Lake Traverse District. A conflict may exist if it adversely influences the District officers and employee's judgment with respect to his or her job responsibilities, or leads to some financial gain or potential financial gain to the District officers and employee or a member of his/her family.

District officers and employees are encouraged to avoid any conflict between their interests and the interests of the Lake Traverse District. However, when a conflict or possible conflict of interest exists, the individual shall promptly make full disclosure to the District Chairman.

With any conflict of interest, the employee shall not initiate any related contract or transaction to which the Lake Traverse District is a party, and shall otherwise refrain from acting, until written approval is received from the District Chairman. In the case of a district officer, written approval must be obtained from the district council.

Employees may not accept gifts or any payments from vendors or potential vendors to the Lake Traverse District. Unauthorized use of Lake Traverse District resources or property is also unacceptable.

Credit Card Policy

In accordance with Motion #11 of the Regular District Meeting held February 25, 2023 the Executive Committee will secure a credit card in the district's name with a credit limit of \$2,500.00.

The credit card will be secured at the District Center and will be used for the following purposes;

1. Emergency accommodations for district members who have a family member with a medical emergency.
2. Services that require reservations to be secured with a credit card.
3. Items for the district center that can only be purchased with a credit card.

A credit card use form will be filled out for each transaction by the Treasurer. Two signatures are required before the purchase is made.

A separate report will be included with the general ledger in the Treasurer's report each month.

The monthly billing will be paid in accordance with Dacotah bank's policies.