

REDDING RANCHERIA TRIBAL GOVERNMENT POLICIES

Chapter TP 4-200

Budget Administration



February 11, 2014

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SECTION 1: PURPOSE

To set forth uniform procedures for the planning and administration of Tribal budgets in accordance with the Tribal Gaming Ordinance and other policies adopted by the Tribal Council.

SECTION 2: BACKGROUND AND INTENT

- (a) Budgets are required on an annual basis for all Tribal funds with exception of certain “permanent funds” and “trust funds” the management of which is otherwise provided for in another Tribal Policy. All Tribal governmental and business operations are required to prepare budgets for each calendar year. Specific guidelines are provided by Tribal Ordinances and by actions of the Tribal Council regarding various Tribal funds.
- (b) Responsibility for recommending, administering, executing and making expenditures pursuant to Tribal budgets is vested in the Chief Executive Officer for all governmental operations and those business operations operating under the direct line authority of that office. Responsibility for developing budgets for business operations that operate under boards of directors shall rest with such boards and furnished to the Chief Executive Officer.
- (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 Chapter 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 Tribal business.
- (e) This policy is being issued to guide the actions of all affected employees and shall be considered effective until modified.

SECTION 3: DEFINITIONS (Reserved)

SECTION 4: DELEGATED AUTHORITY (Reserved)

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SECTION 5: APPLICABILITY OF THIS POLICY

This policy is applicable to all organizations, departments, programs, business operations and funds of the Redding Rancheria, except as specifically excluded herein.

SECTION 6: ANNUAL BUDGET DEVELOPMENT

(a) Budget Period

- (1) Annual budgets shall be prepared for each calendar year (January 1 – December 31) for all Tribal operations and funds, except as provided below, provided that;
- (2) Funds that are administered in accordance with Tribal policies governing their sources and expenditures of resources, such as specific permanent, trust or agency funds, shall not require annual budgets.

(b) Budget development schedule

- (1) The following schedule shall apply to all governmental operations and business operations under the direct line authority of the Chief Executive Officer. All managers assigned responsibility for budgets shall ensure that all time frames are complied with.
 - (A) Budget and revenue estimates; shall be approved by the Chief Executive Officer and submitted to the Tribal Council during September. Budget estimates shall include the cost of continuing ongoing services and other estimated outlays consistent with preliminary Tribal Council direction.
 - (B) The Chief Executive Officer shall summarize Tribal Council direction and shall publish budget instructions, base funding amounts and target allowances not later than September 30.
 - (C) Proposed budgets for governmental programs; shall be submitted to the Chief Executive Officer not later than October 15.
 - (D) Proposed budgets for Business operations under the line authority of the Chief Executive Officer shall be submitted to the Chief Executive Officer not later than October 15.

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- (E) Proposed budgets for Business operations or other subordinate units operating under boards of directors or reporting to the Tribal Council shall be submitted to the Chief Executive Officer not later than October 15.
- (F) Revised revenue estimates and recommended budgets; shall be submitted to the Tribal Council not later than November 1.
- (G) Notice of General Council Meeting on or after September 15, but not less than 45 days prior to the scheduled General Council meeting on the Budget. The Chief Executive Officer shall provide notice to adult members of the Redding Rancheria as required pursuant to the Gaming Distribution Ordinance.
- (H) The proposed budget; shall be forwarded to all adult members of the Redding Rancheria seven days prior to the scheduled General Council Meeting. Such notice shall be made by the Chief Executive Officer and shall include additional notice of a scheduled General Council Meeting to review and act on the budget after November 1, but before December 1.
- (I) General Council on Proposed Budget; shall be held from November 1 to December 1.
- (J) If the General Council lacks a quorum or fails to take action on the budget, the Budget Ballot Committee shall mail absentee ballots to all adult members not later than 3 p.m. on December 5. The budget ballots shall apply only to Gaming Revenues defined under Section 1003 of the Tribal Gaming Distribution Ordinance as Tribal program funds. The Tribal Council shall act upon and approve budgets for all other programs and sources of funds at its next regularly scheduled Tribal Council meeting following the General Council meeting on the proposed budget.
- (K) All ballots received by mail shall be counted not earlier than December 20. If all ballots received represent less the number constituting a quorum, then the Tribal Council shall schedule a budget hearing within 20 days and shall provide not less than 10 days written notice to adult members of the Rancheria.
- (L) The Tribal Council shall conduct the budget hearing and shall accept input and comment from adult members of the

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Redding Rancheria orally or in writing. After closing the public hearing, the Tribal Council shall take action on the proposed budget for Tribal Program Funds received from the proceeds of gaming.

(M) Budget Allocations related to all funds except those referred to in paragraph (K) above shall be issued to all managers not later than December 25.

(N) Budget Allocations related to funds referred to in paragraph (K) above shall be issued to appropriate managers within 10 days after General Council or Tribal Council action on such budget.

(c) Uniform Budget System for Governmental Operations

(1) There shall be an automated uniform budget planning system to be utilized for all governmental operations. This system shall include uniform budget categories and account codes to ensure that informative reporting and analysis can occur at various reporting levels with efficiency and reliability. Such system shall enable managers to utilize independent cost centers and account codes to support project cost, unit cost and other analysis in the planning and implementation of the budget.

(2) Managers shall utilize as many cost centers as are appropriate to properly segregate and budget costs by function or service, and for effective management.

(3) Managers shall account for items of cost, within each cost center, at least in the following detail:

(A) Personnel costs:

(i) Each personnel position shall be budgeted individually within budget information for internal use, but shall not be for public information.

(ii) Payroll taxes, workers compensation insurance and employee fringe benefits, in aggregate for the cost center.

(B) Operating expenses; at the level defined within the Tribal Cost Allocation Regulation

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- (C) General expenses; at the level defined within the Tribal Cost Allocation Regulation
 - (D) Revenue; by source and purpose
- (d) Budget Development Responsibilities
- (1) Process administration and support are the responsibility of the Chief Financial Officer who shall provide for the following:
 - (A) Revenue estimates: shall include revenues to all funds from all sources. Assumptions and sources of information made available shall be provided in sufficient detail as to allow the Chief Executive Officer to make informed judgments about the amounts to be available for the coming year. A comparison to the current year estimates shall be provided. These estimates are provided by September 1 of each year to be utilized by the Chief Executive Officer in determining the Target Allowances to be issued for the following budget year. Such estimates should also include information related to the cost of doing business, to support any inflationary adjustments that might be permitted.
 - (B) Revised revenue estimates: shall include the information provided above, updated for changes in circumstances and amounts. These are provided to the Tribal Council on November 1 to be utilized in determining the amounts available to support planned budget outlays.
 - (C) Budget Instructions: shall include an informational budget planning packet which is to be furnished to each manager who is responsible for preparing a budget. This instruction shall include detailed schedule information, cost information, forms and materials needed by such managers to complete preparation of budgets.
 - (D) Budget Base Funding Amount: each manager shall be provided with his/her respective budget base funding amount, which shall consist of the current year's annual budget, reduced or increased as appropriate for any non-recurring items, distributions of amounts or other adjustments. These should be prepared in consultation with respective managers to assure no discrepancies exist.

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- (E) Target Allowance: Based on instructions from the Chief Executive Officer and not later than September 15 of each year, target allowances will be issued to all managers. This amount shall be the upper limit of the budget proposal (appropriation request) to be submitted by each respective manager, and shall consider the Budget Base Funding Amount and such other adjustments (increases or decreases) as the Chief Executive Officer shall authorize, provided that:
 - (i) A manager may appeal the target allowance if in his/her opinion the target allowance is not correctly calculated.
 - (ii) A manager may request an increase in the target allowance for changes in workload, loss of revenue, or other conditions which are beyond the control of such manager. Such request shall include a summary of additional costs or revenue reduction, a narrative justification of the increase, and the specific amount being requested.
 - (iii) Absent a formal approval of the increase requested under (A) or (B) above, the Target Allowance shall remain as issued.
- (F) The Chief Financial Officer 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.
- (G) Budget Allocations shall be provided on the basis of the appropriation actions of the Tribal Council and shall include the following information with respect to budgets submitted by each responsible manager:
 - (i) The proposed budget submitted by the responsible manager
 - (ii) The recommended budget
 - (iii) The posted budget
 - (iv) The appropriated budget
 - (v) Any budget authority included in the appropriated budget, for which spending authority is reserved.

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- (2) Public information shall be the responsibility of the Chief Executive Officer. This shall include information released through the media and a budget mailout to be made available when the annual budget is mailed to members.
 - (A) The CEO shall have discretion to communicate through news releases, mailouts, etc.
 - (B) The budget mailout shall be mailed to all Tribal households where adult members of the Tribe reside, seven days prior to the scheduled General Council.
 - (i) This mailout shall contain information related to goals and objectives of the Tribe, appropriate messages from Tribal leaders, the proposed posted budget and other budget information in such a form as to assist the membership in making informed judgments about the budget.
 - (ii) The Chief Executive Officer is responsible to determine the format for, coordinate and supervise the development of the mailout.
 - (iii) All managers are expected to contribute quality information regarding their portions of the budget in a timely manner and in such form as is determined by the Chief Executive Officer.
- (3) 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.
- (4) Each manager who is responsible for a specific budget(s) shall be responsible to prepare and may be required to present information related to such budget(s) at public meetings on such budgets and to be available at such meetings to answer questions thereon.
- (5) Each manager who is responsible for preparing budgets shall be responsible for maintaining information related to changes made to proposed, recommended and approved budgets during the review process and for future reference.

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- (e) Budgets for Enterprises
 - (1) All Tribal enterprises shall submit budgets that shall at a minimum include the following;
 - (A) Pro–forma financial statements, including balance sheet, income and expense and cash flow statements covering a period of not less than three years beginning with the budget year;
 - (i) By month for the budget year, and
 - (ii) Quarterly for subsequent years;
 - (B) Written assumptions covering all major items of revenue, expense and capital expenditures.
 - (C) Amounts, if any, which are expected to be needed from the Tribe in the form of capital contributions.
 - (D) Amounts, if any, of excess net revenues that are expected to be distributed to the Tribe.

SECTION 7: BUDGET IMPLEMENTATION

- (a) Authority to Expend Funds

Each manager who is responsible for preparing budgets shall have the authority to authorize obligation and expenditure of funds from such budgets effective January 1 of the budget year, as soon as budget allocations have been provided, following the appropriation of such funds.

- (b) Budget Variances

- (1) Budgets for the operations assigned to each manager are plans, and may be adjusted within the total amount of funds provided for within each cost center, provided; that any variance from the approved budget which involves the internal shifting of in excess of 10% of the total of such cost center shall require approval of the Chief Executive Officer, and provided further;
 - (A) whenever revenue received pursuant to a contract or grant exceeds the amount which was reflected in the budget, as approved, for a program for which appropriations of Tribal or Self–Determination funds are authorized, such amount shall

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be utilized to offset the requirement for Tribal appropriations, and shall not be available to increase overall expenditures unless otherwise authorized by the Chief Executive Officer.

- (2) Variances involving the transfer of budget authority from one budget to another, shall require approval of the Chief Executive Officer.
 - (3) Variances involving the transfer of budget authority from one fund to another shall require approval of the Tribal Council.
 - (4) Reports and requests for budget transfers made pursuant to this Chapter shall be submitted to the Chief Executive Officer through the Chief Financial Officer.
- (c) Availability of Appropriations
- (1) Funds appropriated pursuant to annual budget shall remain available for expenditure until expended, pursuant to the following limitations:
 - (A) Funds appropriated for a budget year may be expended only in that year unless authorized for carryover by the Chief Executive Officer.
 - (B) The Chief Executive Officer may authorize the carryover of any appropriated funds for the purposes for which appropriated, limited only by transfer authority as provided above.
 - (C) A manager may request to carry over budget authority to a subsequent budget year for any purpose other than for recurring expenditures which are otherwise budgeted on an annual basis.
 - (D) Authority to expend funds appropriated pursuant to the annual budget, which are not expended and which are not authorized for carryover by the Chief Executive Officer, shall lapse effective as of December 31 of the budget year.
 - (E) Requests for carryover of funds appropriated pursuant to the annual budget shall be considered only if submitted to the Chief Executive Officer not later than December 31;
 - (i) Requests shall be submitted through the Chief Financial Officer;

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- (ii) The Chief Financial Officer shall determine the estimated full amount of unexpended appropriated funds, and shall compile all requests for carryover not later than January 31 of the following year, including any important items for which funds have not been appropriated, and shall submit such information to the Chief Executive Officer;
 - (iii) Once the Chief Executive Officer takes action on carryover requests, the amount authorized for carryover shall be added to the annual budget for the current year and remain available for expenditure during that year for the purposes authorized;
 - (iv) Amounts carried over shall retain their identity, separately from current year appropriations.
- (2) Funds appropriated outside the annual budget process, which are appropriated for a specific purpose, shall remain available for expenditure only for that specific purpose until expended, or until that purpose is completed. When purpose has been completed, the authority to expend any funds so appropriated shall lapse.
- (3) Funds appropriated for transfer to other funds shall be transferred effective the beginning of the calendar year, unless otherwise directed by the Chief Executive Officer, provided:
 - (A) Funds not transferred effective the beginning of the Calendar Year shall remain available until transferred, and shall be automatically carried forward unless otherwise directed by the Chief Executive Officer.
- (4) Amounts available for specific purposes shall remain available for such purpose until expended. When such purpose has been completed, then such amounts shall remain available within such fund for a similar purpose, subject to Tribal laws and policies for such fund or approval by the Chief Executive Officer, except that:
 - (A) Authority to expend funds remaining after completion of projects authorized from the Tribal Programs Account shall end and any remaining amounts shall remain in the Fund subject to re-budgeting.

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- (5) Approval by the Tribal Council of specific contracts or grants shall constitute appropriation and authority on the part of the Chief Executive Officer to modify the budget accordingly, when such award is available for expenditure.

SECTION 8: REPORTS

(a) Monthly Reports

- (1) The Chief Financial Officer shall provide a written monthly report to appropriate managers on or before the 20th day of each month, which shall reflect the amounts provided for in the adopted budget, as adjusted by additions, carryovers and other adjustments, in detail, and the amounts of expenditures made against such appropriations.
- (2) The Chief Financial Officer shall provide such other information on a monthly basis as is considered necessary for the proper administration of budgets.

(b) Quarterly Reports

- (1) The Chief Financial Officer shall present a formal financial and budget status report to the Tribal Council after the end of each calendar quarter.
- (2) Recommended budget modifications requiring Tribal Council actions and reports of other budget actions shall be submitted as part of quarterly budget reports.

(c) Reports of Variances

- (1) Quarterly Reports: Any manager, who is responsible for administering budgets, shall report, in writing, on any significant variances, (over or under expenditures) at the end of each calendar quarter.
- (2) Anticipated Overruns: At any time that a manager has reason to believe that the total amount to be expended will exceed the total amount appropriated for any budget item, such manager shall immediately bring the matter to the attention of the Chief Executive Officer, in writing.

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- (3) Change in Operations: Managers shall report in advance any anticipated changes in methods of delivering services which involve changes in employment or other financial commitments.

- (d) Other Reports
 - (1) The Chief Financial Officer shall provide other reports as needed by managers to administer budgets.

Legislative History:

As amended by Tribal Council Resolution #7-21-98, dated July 21, 1998.

As amended by Tribal Council Resolution #038-09-02-03, dated September 2, 2003.

As amended by Tribal Council Resolution #058-10-24-06, dated October 24, 2006.

As amended by Tribal Council Resolution #011-02-11-14, dated February 11, 2014.