

# **REDDING RANCHERIA TRIBAL GOVERNMENT POLICIES**

## **Chapter TP 4-310**

### **General Fund Authorization**



**February 12, 2019**

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#### SECTION 1: PURPOSE

To provide for a Tribal General Fund, for the purpose of ensuring the appropriate management of resources of the Redding Rancheria not required by law or policy to be accounted for with another fund.

#### SECTION 2: BACKGROUND AND INTENT

It is the intent of the Tribal Council that this Fund shall be managed and accounted for in such a manner as to provide a ready source of resources for working capital requirements and other needs of the Tribe which are not otherwise provided for by other funds and resources. It is intended that amounts available within the Fund shall be utilized, as appropriated by the Tribal Council, for the purpose of maintaining governmental operations and programs of the Tribe.

In governmental fiscal management and accounting, general funds are utilized to account for resources which are not required by their nature to be accounted for and/or managed separately. General revenues are those which are of a general nature, have no specific restrictions on their use and are not dedicated to any specific purpose. The Tribal Council, in recognizing the need to give direction for the proper administration of all funds has developed a number of policies for governmental operations, including budget policies. This policy for the General Fund provides the necessary guidance to ensure that amounts available within the Fund are managed and utilized only as authorized by the Tribal Council.

Due to the high volume of transactions necessary to conduct business in the tribal environment, the Tribe must maintain minimum available resources to provide for necessary outlays as they are required. Tribal resources come from many different sources and have varied restrictions and requirements on use. In addition, transfers from external sources are not always timely with the need for disbursement during the operation of programs and services. Consistent support of tribal activities requires a dependable pool of available funds. The Tribal General Fund serves as one central pool of "working capital" which is used to pay necessary expenditures while awaiting receipt of revenue and reimbursements from other funds and funding sources. The Tribal Council established an initial target of \$250,000 for working capital and made provisions within the policy to review this amount each year.

It is the intent of the Tribal Council that sufficient balances be available within the Fund for working capital and to meet unforeseen needs so that the Tribal Council has access, as needed, to available spendable resources in order to provide for the needs of the Tribe. In addition, as the General Fund is used to account for the expenditure and reimbursement of indirect costs, the Tribal Council intends to reserve sufficient balances to provide for failure of the federal government to meet its obligations in this regard.

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SECTION 3: DEFINITIONS (Reserved)

SECTION 4: DELEGATED AUTHORITY (Reserved)

SECTION 5: AUTHORIZED PROGRAMS AND SERVICES (Reserved)

SECTION 6: GENERAL POLICY

(a) Fund Authorization

There is hereby authorized the Redding Rancheria "General Fund" (Fund). The Fund shall be utilized to account for all the resources which are not legally required to be accounted for within other funds, and to ensure the availability of spendable resources to finance and support activities of the Tribe.

(b) Contributions to the Fund

Primary revenues to the Fund shall be all revenues of the Tribe which are not required to be accounted for within other funds. The Fund is authorized to accept such donations or grants to the Tribe as are made available by individuals, foundations and other entities, provided that the use of such donations or grants are not restricted as to use.

(c) Custody

Contributions, assets and earnings of the Fund shall be custodied in a bank account, brokerage account, or trust account of either an institutional trust company or any combination thereof, approved by the Tribal Council.

(d) Management of Fund Assets

Assets placed in the Fund shall be managed in accordance with an Investment Policy Statement (IPS) approved and adopted by the Tribal Council for tribal working capital and/or other short term investment needs. Such policy shall provide for optimum return on investment, without unnecessarily risking the principle of the Fund. Fund assets may be invested through investment professionals selected by the Tribal Council. As the General Fund provides the general working capital of the Tribe, it is anticipated that significant balances will reside within general checking account(s) for immediate use, or in money market funds providing one day liquidity. Funds may also be invested in short term fixed instruments through banking institutions, to the extent that other short term managed accounts have not been established for such purpose. Fund assets may

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be invested under a common IPS asset of other Tribal Funds having similar time horizon, liquidity and risk constraints.

(e) Authorized Uses of the Fund

The authorized use of the fund shall be for working capital and for any lawful purpose and amount as shall be appropriated for use by the Tribal Council pursuant to the Tribal budget and policies. From amounts available for working capital, amounts may be advanced for any purpose authorized within the budget to pay obligations when due, while awaiting reimbursement from other funds and sources. The Chief Executive Officer shall establish procedures to ensure timely reimbursement of working capital.

(f) Appropriation Procedures

General Revenues that are not earmarked or that do not constitute reimbursements associated with expenditures during the year shall be available for expenditure in the year following the year of their receipt. Not to exceed 60% of such revenues may be utilized to finance annual recurring costs, with the balance remaining available for other needs identified by the Tribal Council from time to time. The use of the Fund, including amounts appropriated for use for working capital, will be authorized through the Tribe's annual budget and at other times as determined necessary by the Tribal Council through appropriating resolution.

(g) Margin Borrowing or Leveraging of Fund Assets

(1) Margin Borrowing: provided the Fund is custodied in a brokerage account governed by Regulation T limits on margin borrowing, margin borrowing against assets of the Fund may be authorized as follows:

(A) By the Chief Executive Officer, to minimize uncollateralized and/or uninsured cash balances in portfolios, while providing for authorized trading, transfers and wires to and from investment portfolios.

(B) By the Tribal Council;

(i) In order to invest in short term secure instruments that have a yield two percent or greater above the margin borrowing rate.

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(ii) In order to provide short term (less than one year) bridge loans to Tribal projects awaiting other assured funding.

(iii) Other important purposes as determined by the Tribal Council.

(2) Leverage of Fund Assets: The Tribal Council may assign or pledge fund assets to Tribal creditors in order to secure loans for Tribal projects at competitive rates or to provide debt reserves to assure issuance of a required loan.

(h) Financial and Budget Reports

The Chief Executive Officer shall provide an accounting for the fund, its receipts, disbursements and obligated and unobligated fund balance by the 20<sup>th</sup> day following the end of each quarter to the Tribal Council. Such report shall include total outlays related to each separate appropriation from the fund and the remaining amount of such appropriation.

(i) Restrictions on Spending

The Tribal Council shall not authorize expenditures from the fund in excess of the amounts available within the fund or its expected revenues. The Tribal Council may, as a normal practice, budget funds to be expended during the calendar year, and may at its discretion pre-designate through appropriation any additional amounts which may become available.

(j) Minimum Target Fund Balance

The minimum target fund balance shall be an amount representing appropriated working capital reserves of \$500,000 and any other reserved, unreserved, appropriated or unappropriated balances as the Tribal Council shall direct.

(k) Implementation

This policy shall be implemented immediately upon its adoption. The Chief Executive Officer shall be responsible to provide for all necessary procedures and actions to carry out its provisions.

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(l) Review

The Chief Executive Officer shall provide for review of this policy not less than once each year and shall make recommendations for such changes as are consistent with the intent of the fund, including recommended "minimum target fund balance," which shall be recommended each year as part of the annual budget process and at such other times as appropriate.

Legislative History:

Adopted by the Tribal Council pursuant to Res. No. 03-12-96-A on March 12, 1996.

Amended on April 29, 1998 pursuant to Res. No. 04-29-98-B.

Amended on November 21, 2005 pursuant to Res. No. 049-11-21-05.

Amended by Tribal Council Res. No. 014-02-12-19, dated February 12, 2019.