

**REDDING RANCHERIA
TRIBAL GOVERNMENT POLICIES
Chapter TP 4-345**

Facility Improvement Internal Service Fund



February 12, 2019

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SECTION 1: PURPOSE

To provide for a separate accounting fund to account for resources utilized in the construction, alteration and repair of Tribal Governmental Facilities and the reimbursement of such costs through rent or depreciation charges over appropriate useful life.

SECTION 2: BACKGROUND AND INTENT

- (a) The Redding Rancheria (Tribe) owns and operates numerous facilities for use by Tribal governmental operations and programs.
- (b) Improvements, in the form of construction, alterations and repair is required for such facilities in order to maintain them in optimal condition, and from time to time to facilitate efficient used by departments and programs.
- (c) The cost of such construction, alteration and repair are recoverable over time through rent or depreciation charges to the benefiting programs or activities, either as indirect or direct charges as may be determined pursuant to the cost allocation policy.
- (d) Funds for such expenditures may include a variety of sources, including Tribal or borrowed resources, in the case of major projects having longer useful lives or as advances of Tribal working capital in the case of projects having shorter useful lives.
- (e) By adopting this policy, the Tribal Council intends to establish appropriate accounting and reporting, as well as to authorize reasonable expenditures for necessary approved projects as are required in the normal operation of programs and services.
- (f) It is the intent of the Tribal Council that the fund shall be utilized to provide appropriate accounting to ensure reimbursement of such projects, consistent with the Redding Rancheria's Cost Allocation Policies (Chapter TP 4-150), consistent with federal cost principles. It is intended that multiple accounts be maintained within the fund for the maintenance of separate facilities and projects and their reimbursement.

SECTION 3: DEFINITIONS (Reserved)

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SECTION 4: DELEGATED AUTHORITY

The Chief Executive Officer is hereby delegated all administrative authority to carry out the day-to-day operations of the program, in accordance with this policy. Such authority shall include but not be limited to:

- (a) Establish such accounts as are required to carry out the intent of this policy.
- (b) Provide for advances of general working capital for approved projects, authorized pursuant to Tribal policy.
- (c) Determine the useful life and allocation of rent/depreciation and other applicable charges to recover the costs of construction and repair of facilities.
- (d) To make provisions within Tribal budgets for scheduled payments to the Fund.

SECTION 5: APPLICABILITY (Reserved)

SECTION 6: GENERAL POLICY

- (a) Fund Authorization

There is hereby authorized the Redding Rancheria “Facility Improvement Internal Service Fund” (Fund). The Fund shall be utilized to account for all resources provided for facility improvement and charges to tribal departments and entities for the purpose of recovering such costs. The Fund shall be accounted for and reported as an internal service fund.

- (b) Contributions to the Fund

Primary contributions to the Fund shall be through appropriation or advances from general working capital, or from specific Tribal or other funds as shall be authorized by the Tribal Council. The Chief Financial Officer shall determine the appropriate fair and reasonable allocation of charges to departments necessary to assure recovery of all costs incurred by the fund over the appropriate period.

- (c) Custody

Resources provided to the fund shall be custodied in a bank account, brokerage account or trust account of an institutional trust company or any combination thereof, approved by the Tribal Council in common with General Funds.

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(d) Management of Fund Assets

Assets of the Fund, if any, will be held and/or invested in common with Tribal governmental funds under written investment policies adopted by the Tribal Council for Working Capital.

(e) Authorized Uses of the Fund

Uses of the Fund shall be limited to the accumulation of costs associated with facility improvements and their recovery over time.

(f) Authorized Uses of Fund Revenues

Amounts collected to the Fund shall reimburse debt or advances provided for the improvements. Under normal circumstances, collections will be derived from charges to Tribal departments and entities will be sufficient to fully reimburse costs over a reasonable period of years. To the extent that amounts can reasonably be known in advance, budget estimates for the Fund shall be presented to the Tribal Council as a part of each year's budget, or in the case of projects requiring Tribal Council approval, at the time the Tribal Council considers a project.

(g) Margin Borrowing and 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.

(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.

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(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) Restrictions on Use of the Fund

The fund shall be utilized only to account for the costs of facility improvement and their recovery, and the amounts of unreimbursed advances.

(i) Target Fund Balance

The Fund is not expected to carry net Fund balances.

(j) Implementation

This policy is to be implemented immediately upon its adoption. The Chief Executive Officer shall authorize all necessary procedures to carry out the provisions of this policy and shall recommend appropriations, if needed, to the Fund in accordance with this policy.

(k) Review

The Chief Executive Officer shall review this policy from time to time and shall make recommendations for such changes as are consistent with the intent of the Fund.

Legislative History:

Adopted by Tribal Council Resolution #043-10-18-16, dated October 18, 2016.

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