

REDDING RANCHERIA TRIBAL GOVERNMENT POLICIES

Chapter TP 4-363

Scholarship Trust Fund Authorization



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SECTION 1: PURPOSE

To provide for a Tribal Education Trust Fund, for the purpose of ensuring the availability of resources to augment Federal and other sources of education services available to members of the Tribe.

SECTION 2: BACKGROUND AND INTENT

It is the intent of the Tribal Council that this Fund be a permanent trust fund, and that it grow to a target level before being utilized. Thereafter it is intended that only the earnings of the fund be utilized, with the principle of the fund remaining in tact. The fund is to supplement other available education services.

With restoration of Federal recognition to the Redding Rancheria Tribe, the Tribe and its members became eligible for a variety of Federal education services available to Indians because of their status as Indians. However, such services are very limited. Other education programs are offered to states and local government, and Tribal students may otherwise qualify for a variety of education assistance programs.

Education has been established as an important goal of the Redding Rancheria. It is recognized that other sources of education assistance are not adequate to assist members in achieving their educational goals. The Tribal Council has recommended, and the General Members have established, a supplemental education appropriation within the annual budget. In addition, the members have approved appropriations for contribution to a permanent trust fund to develop a permanent source of earnings that will be available at a future date to provide for the services without relying on any other annual revenues.

The Tribal Council considers an initial goal of \$2 million to be a short term goal to ensure that scholarship funds would be available for higher and vocational education if all other resources were diminished. This goal is expected to be revisited each year as a part of the Tribal budget planning process. The Tribal Council hopes to meet the initial goal of \$2 million by the year 2003.

Thereafter, the Tribal Council recognizes the need for the fund to grow to accommodate inflation, and has made provisions within its policies for such growth.

In adopting this policy, the Tribal Council intends to limit uses of the fund to ensure that it will be in place in the future for its intended purpose. The Tribal Council wishes to impress on future Tribal Councils the importance of this fund to the Self-Sufficiency of the Redding Rancheria Tribe, and urges care in managing the fund in the future.

SECTION 3: DEFINITIONS (Reserved)

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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 "Tribal Scholarship Trust Fund (Fund). The Fund shall be utilized to account for all resources contributed to it, including revenues earned on fund assets. The Fund is established for the purpose of ensuring the availability of resources to finance supplemental education services in order to augment the services provided by Federal and other sources. The Fund shall be accounted for as a permanent fund.

(b) Contributions to the Fund

Primary contributions to the fund shall be by appropriation of the Tribal Council of available Tribal Revenues together with all earnings thereon from the time of such contribution. In addition, the Tribe is authorized to accept such donations or grants to the fund as are made by individuals, foundations and other entities, provided that the use of such donations or grants are restricted only by policies of the Tribal Council.

(c) Custody

Assets of the Fund shall be custodied in a bank account, institutional 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 pursuant to an investment policy adopted by the Tribal Council for Tribal Self-Sufficiency Funds, in such a manner as to provide optimum return on investments, without unnecessarily risking the principle of the Fund. Assets of the Fund shall be invested in common with other Tribal funds having similar investment objectives and constraints.

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(e) Authorized Uses of the Fund

The only normal authorized use of the Fund shall be for the provision of supplemental education services. Supplemental education services shall include any program or services intended to promote the education of the members of the Redding Rancheria Tribe as authorized by policy of the Tribal Council. To the extent that significant demands are placed on the Fund, the Tribal Council shall place a priority on higher and vocational education. The principle of the fund shall not be utilized except in emergencies as provided below.

(f) Appropriation Procedures

The authorization of use of the Fund shall be pursuant to Tribal Budget. The Tribal Council shall determine the amount of anticipated revenue and the expenditure requirements each year. The Tribal Council shall, as part of the annual budget, authorize the expenditure of a specified amount for the year from the fund. As a general rule, the amount of withdrawal from the fund in any year shall not exceed an amount that is equal to the earnings of the fund minus inflation, as measured by the consumer price index.

(g) Restrictions on Spending

The Tribal Council shall not authorize use of the Fund when the total amount in the fund is less than the "target fund balance" as provided below, except for emergency use. Expenditures from the Fund in any single year shall not exceed an amount that is equal to the average annual projected earnings of the Fund as stated within the appropriate investment policy statement minus the rate of inflation for the proceeding year. Inflation shall be measured based on the change in the Consumer Price Index, U.S. City Average for All Urban Consumers, published by the United States Department of Labor.

(h) 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.

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(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.

(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.

(i) Emergency Use of the Fund

In the event that the Tribal Council determines that a financial emergency exists the severity of which threatens life, property or the financial stability of the Tribe, the Tribal Council may, by resolution adopted by unanimous vote of not less than six members of the Tribal Council, declare an emergency and approve emergency expenditures from the Fund. If an emergency is declared, the Tribal Council may authorize expenditures directly from the Fund, or for transfer to the General Fund for disbursement.

In the event that emergency expenditures are made from the Fund, the Tribal Council shall appropriate or recommend appropriations from available Tribal revenues to reimburse the Fund, as soon as such revenues are available.

(j) Target Fund Balance

The target Fund balance is twelve million dollars (\$12,000,000). This amount shall be increased by an amount equal to the amount of annual inflation as described above. Calculated inflation adjustment shall be from January 1, 2018 and shall be reviewed and updated at regular intervals by the Tribal Council.

(k) Implementation

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

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Officer shall review 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 the recommended "target desired fund balance" as provided above as part of each year's recommended budget.

Legislative History:

Adopted by the Tribal Council pursuant to Res. No. 04-29-98-B on April 29, 1998.

Amended pursuant to Res. No. 022-09-10-02 on September 10, 2002.

Amended pursuant to Res. No. _____, on December , 2016

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