

REDDING RANCHERIA TRIBAL GOVERNMENT POLICIES

Chapter TP 4-751

Tribal Tax Receipts Fund Authorization



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SECTION 1: PURPOSE

To provide for the administration of taxes collected pursuant to the Tribal Tax Ordinance.

SECTION 2: BACKGROUND AND INTENT

The Tribal Council has declared that “the policy of the tribe is to exercise its sovereign right of taxation over sales of goods and services and operation of businesses and professions on lands of the Redding Rancheria, and to use the taxes thereby collected for the purposes authorized under the Tribe’s Constitution to promote the general welfare of the Tribe. The Tribal Council recognizes that certain the receipt of taxes relies on a collection process, which requires the filing of tax reports and payment of taxes by individuals and entities subject to the tax. The process also provides for appeal of taxation. Because the amount of tax to be collected is not assured as to any specific period, the Tribal Tax Ordinance provides that amounts collected are not budgeted for use until the year following their year of receipt, and any disputed amounts are not available pending their resolution. The Tribal Council also intends to utilize this source of revenue for the purpose of creating reserves to assure the availability of resources in the future to provide for needed maintenance of infrastructure.

It is the intent of the Tribal Council that the tax collection account(s) shall be managed and accounted for in such a manner as to provide a ready source of resources to support the costs of governmental services, both cyclical and non-cyclical, including long-term reserves to support future maintenance of necessary infrastructure. 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 services of the Redding Rancheria as set forth within the Tribal Tax Ordinance.

SECTION 3: DEFINITIONS (Reserved)

SECTION 4: DELEGATED AUHORITY (Reserved)

SECTION 5: AUTHORIZED PROGRAMS AND SERVICES (Reserved)

SECTION 6: GENERAL POLICY

(a) Fund Authorization

There is hereby authorized the Redding Rancheria "Tax Receipts Account" (Fund). The Fund shall be utilized to account for all proceeds of taxation under the Redding Rancheria Tax Ordinance pending their appropriation and use. The Funds shall be accounted for as a separately accountable fund within the General Fund.

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(b) Contributions to the Fund

Primary revenues to the Fund shall be all receipts of taxes collected pursuant to the tax ordinance. Investment earnings on the account not needed to provide to third parties in conjunction with appeals and refunds of tax collections shall be credited to the unallocated portion of the General Fund.

(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

Pursuant to the Tribal Tax Ordinance: *“Tax receipts shall be deposited into and custodied within an account or accounts authorized by the Tribal Council, and properly registered as the Redding Rancheria Tax Collection Account(s). Funds shall be custodied and administered in accordance with the Redding Rancheria Fiscal Management Policies. Amounts shall not be commingled with other funds of the Redding Rancheria until they have been appropriated pursuant to Tribal Budget.”*

Assets placed in the Fund shall be managed in accordance with an Investment Policy Statement (IPS) approved and adopted by the Tribal Council for working capital. Fund assets 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. Funds appropriated for long-term reserves shall be invested under the IPS most appropriate to funds having a similar time horizon. Fund assets may 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

Pursuant to the Tribal Tax Ordinance: *Amounts may be appropriated for use for essential governmental purposes as defined by the Tribal Council, which shall include but not be limited to public infrastructure and safety, governmental management and administration, and other programs and services which contribute to the general and economic welfare of the Redding Rancheria.”*

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(f) Appropriation Procedures

Pursuant to the Tribal Tax Ordinance: *“Amounts collected as tax receipts shall be available for appropriation pursuant to Tribal Budget in the year following the year of their receipt, provided that amounts that are subject to dispute or appeal shall not be available for appropriation until such time as such dispute or appeal has been resolved.”*

The authorization of use of the tax receipts shall be through appropriation for use pursuant to Tribal budget. Amounts appropriated may be transferred to other funds for expenditure pursuant to budget in advance of expenditure. Amounts appropriated for long-term reserves shall be transferred to and set aside within the Capital Projects Fund. Amounts shall normally be appropriated pursuant to annual budget, either specifically for programs or projects, or for general use for later designation by Tribal Council resolution.

Of the total amount available for appropriation, not less than 25% shall be appropriated for long-term reserves for infrastructure.

(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) 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 30th 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, not subject to claims or appeals, at the time of appropriation.

(j) Minimum Target Fund Balance

The Tribal Council may establish minimum target funds balances pursuant to annual budget, as it considers in the best interests of the Redding Rancheria. Such minimum target fund balance may consider the need for balances for emergency purposes, fluctuation in annual revenues, and such other purposes as the Tribal Council may determine.

(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.

(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 balances," which shall be recommended each year as part of the annual budget process and at such other times as appropriate.

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Legislative History:

Adopted by the Tribal Council pursuant to Res. No. 036-08-08-06 on August 8, 2006.

Amended Tribal Council Resolution No. 063-11-16-06 on November 16, 2006.

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