

# **COPPERMINE CHAPTER**

## **FISCAL POLICIES AND PROCEDURES MANUAL**

### **I. AUTHORIZATION**

- A. Pursuant to 26 N.N.C., Section 101 (A), the *COPPERMINE Chapter* is required to formulate, implement, and operate in accordance with the Five Management System to ensure accountability. The *COPPERMINE Chapter* has developed the Five Management System Policies and Procedures consistent with applicable Navajo Nation law.
- B. Pursuant to *COPPERMINE Chapter* Resolution CO-10-009-20, this *COPPERMINE Chapter* Fiscal Policies and Procedures Manual is hereby approved and adopted.

### **II. PURPOSE**

- A. The manual is a statement of policies and procedures designed to ensure a financial management system which provides for planning, organizing, directing, and controlling the limited resources of the *COPPERMINE Chapter*, in order to achieve its mission, goals, and objectives, and to meet various governmental compliance requirements.
- B. These policies and procedures shall apply to all employees of the *COPPERMINE Chapter*, permanent or temporary and to the *COPPERMINE Chapter* Officials, where specifically noted.
- C. The *COPPERMINE Chapter* Officials, *Chapter* Manager, and the Accountants Maintenance Specialist will monitor and enforce the financial management system to ensure fiscal records are maintained and that these policies and procedures are fulfilled.

### **III. APPLICABLE LAWS**

The *COPPERMINE Chapter* shall comply with all applicable state, federal and Navajo Nation laws such as Navajo Nation Business Opportunity Act and Navajo Nation Sales Tax Act.

### **IV. ROLE OF THE COPPERMINE CHAPTER OFFICIALS**

- A. The Chapter President shall work closely with the Vice-President and Secretary/Treasurer, to ensure that the Chapter administration is adequately complying with the Chapter's directives and expending funds according to the conditions of the Navajo Nation Council and/or the Chapter's annual budgetary objectives.
- B. The Chapter President shall report to the Chapter membership, pursuant to 26 N.N.C, Section 1001 (B) (1) (j). This report shall also include regulations, terms and conditions, assurances and certification requirements for all funding agencies other than the Navajo Nation.
- C. In the event that the Chapter President is not available, the Chapter Vice-President shall assume the role of the Chapter President and perform in that capacity.

- D. The Secretary/Treasurer shall monitor the maintenance of an accounting system to ensure accountability for all funds and expenditures and report to the Chapter Membership during monthly Chapter meetings, pursuant to 26 N.N.C., Section 1001 (B) (3) (h).
- E. The Secretary/Treasurer and Chapter Manager shall be the co-signers on all checks. In the event the Secretary/Treasurer is unavailable, the Chapter President or Vice-President may be the co-signer of checks along with the Chapter Manager, pursuant to 26 N.N.C., Section 1001 (B) (3) (l).
- F. The Secretary/Treasurer, in consultation with the other Chapter Officials, shall ensure that the administrative staff prepares monthly financial reports covering all transactions and expenditures of the Chapter by categories. The Secretary/Treasurer is responsible for providing all financial reports to the Chapter membership at a duly called Chapter meeting, pursuant to 26 N.N.C., Section 1001 (B) (3) (l).
- G. Chapter Officials are prohibited from direct involvement in the management and operation of the Chapter Administration, pursuant to 26 N.N.C., Section 1001 (E). However, the Chapter Officials may provide recommendations or directives to the chapter Manager for assignments that benefit the Chapter.
- H. Upon taking the Oath of Office, the Chapter Officials shall attend a training session on ethics in government sponsored by the Ethics and Rules Office of the Navajo Nation and on the Five Management System by the Chapter staff.
- I. The Chapter Officials shall maintain a high code of conduct in all Chapter business consistent with Navajo laws, including the Local Governance Act and Navajo Nation Ethics and Government Law.
- J. Chapter Officials are prohibited from rendering opinions, directions, or decisions contrary to the sound practice of leadership or contrary to the best interest of the Chapter, pursuant to 26 N.N.C., Section 1001 (H).
- K. Chapter funds shall not be disbursed for personal or private business use, or for loans of any type. Per capita distribution of funds by the Chapter is prohibited.

**V. ACCOUNTING SYSTEM REQUIREMENTS**

**A. Policies:**

The Chapter adopts the following standards for an accurate and efficient accounting system:

- 1. The accounting system shall be on a cash-basis method of accounting; therefore, the Chapter shall be deviating from the Generally Accepted Accounting Principles (GAAP) with respect to the basis of accounting and type of financial statements. Under the cash-basis method of accounting, revenues are recorded or recognized when received in cash and expenditures are recorded or recognized when paid.
- 2. The Chapter shall comply with the conditions of appropriation for restricted funds.

3. The Chapter shall maintain an accounting system that is capable of maintaining accurate records by identifying the source and applicable funds.
4. The Chapter shall maintain a system of internal controls to ensure that all funds are used and accounted for appropriately.
5. The Chapter shall maintain a system for monthly, quarterly and annual disclosure and reporting of its financial position and operations.
6. The Chapter shall have audits to evaluate the Chapter's financial activities and operations.

**B. Fund Accounting:**

1. The Chapter accounts are organized by fund types and account groups:
  - a. There are three main categories of funds for governmental operations: (1) Governmental Funds, (2) Proprietary Funds and (3) Fiduciary Funds. Most Chapter funds are governmental funds and within this category, each fund is grouped as either General Fund or Special Revenue Fund.
    - 1) The General Fund is the general operating fund of the Chapter. It is used to account for all financial resources, except those required to be accounted for in a Special Revenue Fund.
    - 2) The Special Revenue Fund is used to account for specific revenue sources that legally restrict expenditure of funds for specified purposes.
  - b. Each fund maintains a separate set of accounts for recording assets, liabilities, obligations, reserves and fund equity.
  - c. Each account is considered a separate accounting group for financial reporting purposes.
2. ***COPPERMINE Chapter will maintain the following funds, including but not limited to the following:***

General Activities Fund	Scholarship Fund
Local Governance Act Fund	Housing Discretionary Fund
Stipend Fund	Maintenance/Utilities Fund
Public Employment Project Fund	Emergency Fund
Land Claims Trust Fund	Student Employment Fund
Veterans Fund	Sales Tax Revenue

**D. Financial Accounting Records:**

1. The *COPPERMINE Chapter's* accounting system consists of accounting records and procedures, which allow the *COPPERMINE Chapter* to identify, assemble, analyze,

classify, record and summarize its financial transactions and report on its financial position and results of operation.

2. The primary objectives of the *COPPERMINE Chapter's* accounting system are to provide reliable and consistent financial information on a timely basis, safeguard the *COPPERMINE Chapter's* assets, and to provide reasonable assurance that the *COPPERMINE Chapter* complies with all applicable laws and regulations.
3. The *COPPERMINE Chapter's* accounting records provide the documentary support for account balances and must be properly maintained to provide fiscal accountability for the *COPPERMINE Chapter*. Accounting records include source documents, journals, registers, ledgers and other supplementary records.
4. The *COPPERMINE Chapter* will maintain all accounting records in accordance with the *COPPERMINE Chapter* Records Management Policy and Procedures Manual.

## VI. **COPPERMINE CHAPTER OPERATING BUDGET**

- A. It shall be the *COPPERMINE Chapter's* policy that no expenditure of *COPPERMINE Chapter* funds shall be made without an approved annual budget and that no expenditures shall exceed the budgeted amounts without prior approval by the *COPPERMINE Chapter* voting members.

Any person, agent or *COPPERMINE Chapter* official misappropriating or misusing *COPPERMINE Chapter* funds or property shall be subject to prosecution under the applicable laws of the Navajo Nation, and, if appropriate, under the laws of the federal government.

- B. The *COPPERMINE Chapter* Fiscal Year shall begin October 01 and shall end September 30 of each calendar year.

### C. **Budget Preparation and Procedures:**

1. Upon notification of the *COPPERMINE Chapter's* base allocation from the Navajo Nation, the *COPPERMINE Chapter* Manager, in consultation with the *COPPERMINE Chapter* Officials, shall review and follow the budget instruction manual of the Navajo Nation Office of Management and Budget (OMB) when formulating the annual budget.
2. The *COPPERMINE Chapter* Manager and *COPPERMINE Chapter* officials will formulate a proposed budget using the Navajo Nation OMB budget forms for all revenues the *COPPERMINE Chapter* will receive or generate and for all expenditures the *COPPERMINE Chapter* will make, including all Navajo Nation and non-Navajo Nation funds.
3. The proposed budget shall be based upon the goals and objectives established through budget hearings, which shall be held at least four (4) months before the end of the fiscal year (by June).
4. The *COPPERMINE Chapter* Manager, in consultation with the *COPPERMINE Chapter* Officials, shall prepare a proposed budget and schedule a public meeting to obtain input

on the proposed budget from the *COPPERMINE Chapter* Membership (which may be a duly-called regular *COPPERMINE Chapter Meeting*).

5. At least two (2) months before the beginning of each fiscal year (by August), the *COPPERMINE Chapter* Manager and *COPPERMINE Chapter* Officials shall prepare, present and explain the *COPPERMINE Chapter* proposed annual budget to the *COPPERMINE Chapter* Membership for discussion at a duly-called *COPPERMINE Chapter Meeting*.
  6. The *COPPERMINE Chapter* Membership shall vote to approve or disapprove the subsequent fiscal year's budget at a duly called regular *COPPERMINE Chapter Meeting* in September. This regular *COPPERMINE Chapter Meeting* will be publicly advertised at least (30) days in advance of said meeting by posting notices to inform the *COPPERMINE Chapter* Membership of the intent to discuss and approve the subsequent fiscal year's annual budget.
  7. The approved *COPPERMINE Chapter* operating budget may also include funds other than Navajo Nation appropriated funds as well as carryover of the previous fiscal year's unexpended funds, except where the funding agency(s) does not permit the carryover of funds.
  8. The *COPPERMINE Chapter* Manager shall notify the *COPPERMINE Chapter* Officials if any changes in the budget are necessary after the budget's adoption. At the next duly-called Planning meeting, the *COPPERMINE Chapter* Officials will discuss any proposed amendments or modifications to the budget.
  9. The *COPPERMINE Chapter* Manager will present in full detail all proposed budget related documents for review by the *COPPERMINE Chapter* Membership prior to approval of amendments. The proposed budget amendment(s) will be forwarded to the next scheduled *COPPERMINE Chapter* meeting for discussion and approval by the *COPPERMINE Chapter* Membership.
  10. All modifications or revisions during that fiscal year will be by budget transfers, and shall require *COPPERMINE Chapter* Membership approval. The *COPPERMINE Chapter* Manager will prepare and present the request for budget transfers.
  11. The *COPPERMINE Chapter* Manager will establish fund and subsidiary ledgers based on the *COPPERMINE Chapter*-adopted budget for each *COPPERMINE Chapter* fund. The *COPPERMINE Chapter* Manager will refer to these ledgers during the course of the fiscal year when reviewing expenditures, purchase requests, and transfers.
- D. The *COPPERMINE Chapter* Administrative Assistant will maintain current records of all financial transactions at all times, including budget modifications or transfer(s) of funds.

## VII. INTERNAL CONTROL POLICIES AND PROCEDURES

It is the policy of the *COPPERMINE Chapter* to establish internal controls to ensure its assets and resources are protected against waste, fraud, and inefficiency, and to ensure that accounting data are

accurate, dependable and compliant with any regulations, terms and conditions, assurances, and certification requirements of funding agencies.

**A. Cash Receipts:**

**1. Cash Receipts Control Policies:**

- a. The *COPPERMINE Chapter* administrative staff will use a two-copy receipt form to record all cash received whether by check, money order, or currency. The cash receipt forms will be pre-numbered.
- b. All checks and money orders received shall be endorsed "for deposit only" immediately upon receipt.
- c. Cash receipts shall be deposited (if practical) on a weekly basis to the *COPPERMINE Chapter's* checking account.
- d. Cash receipts shall be adequately contained in a cash box and further safeguarded in a safe or locked file cabinet at all times, promptly recorded, and accurately classified.
- e. The handling of all cash receipts shall be segregated to ensure that no one employee (cash custodian) is in a position to solely collect, deposit, safeguard and reconcile all cash receipts.
- f. Cash receipts shall not be co-mingled with petty cash or be used as cash disbursements for any expenditures, including travel, salary advances, or personal loans.
- g. The *COPPERMINE Chapter* Administrative Assistant shall be designated the custodian of cash receipts by *COPPERMINE Chapter* resolution.

**2. Cash Receipt Control Procedures:**

- a. Upon receipt by mail or other means, the *COPPERMINE Chapter* Administrative Assistant shall record all cash received, whether check or currency, on a two-copy pre-numbered receipt form which shall be recorded in the cash receipt journal on a daily basis.
- b. The *COPPERMINE Chapter* Administrative Assistant shall ensure all checks or money orders are immediately stamped with a restrictive endorsement.
- c. All cash receipts shall be recorded in ink on the cash receipt form daily, and which shall include the following: (1) the payer's name; (2) the purpose of the cash receipt; (3) the amount received, including check or money order numbers and the bank that the check is drawn on; (4) the date received; and (5) the initials and position of the person receiving the money. The *COPPERMINE Chapter* Administrative Assistant will record all cash received in the cash receipts journal at the end of each day.

- d. The *COPPERMINE Chapter* Administrative Assistant shall mail or give an original copy of the receipt form to the person or organization from which the money is received.
- e. The *COPPERMINE Chapter* Administrative Assistant shall safeguard all un-deposited cash receipts in a locked cash box and safe at all times.
- f. The *COPPERMINE Chapter* Administrative Assistant shall prepare the bank deposit slips and forward all cash receipts and restrictively endorsed checks, including the cash receipt book, cash log, and cash receipts journal to the *COPPERMINE Chapter* Manager for reconciliation.
- g. The *COPPERMINE Chapter* Manager shall ensure that the deposit amount reconciles with the total cash receipts in the cash receipts journal and shall initial the cash receipts journal to indicate the reconciliation was completed and shall resolve any variances.
- h. The *COPPERMINE Chapter* Manager shall deposit the monies into the *COPPERMINE Chapter's* bank account on a weekly basis or as practical. The *COPPERMINE Chapter* Manager shall deposit all monies within ten days of receipt.
- i. The *COPPERMINE Chapter* Manager shall obtain a deposit receipt and return the duplicate deposit receipt to the *COPPERMINE Chapter* Administrative Assistant who shall record the deposit in the appropriate check/savings fund and subsidiary ledgers when updating the *COPPERMINE Chapter* books.
- j. On a monthly basis, the *COPPERMINE Chapter* Manager shall reconcile the cash receipts records to deposits and actual cash by comparing receipts and deposits. The aggregate amount of receipts issued should equal the amount deposited in the bank.
- k. In the event of any discrepancies or variances in receipts and deposits, the *COPPERMINE Chapter* Manager/*COPPERMINE Chapter* Administrative Assistant shall immediately report said discrepancies or variances to the *COPPERMINE Chapter* Officials at a regular Planning Meeting. Any variances shall be investigated and resolved. If the *COPPERMINE Chapter* Manager/Officials determine any negligence or willful wrongdoing on the part of the *COPPERMINE Chapter* staff, he/she shall take immediate action in accordance with the policies set forth in the *COPPERMINE Chapter* Personnel Policies and Procedures Manual.
- l. Once any variance or discrepancy is resolved, the *COPPERMINE Chapter* Manager shall adjust the cash receipts journal and shall document the basis for the adjustment in the *COPPERMINE Chapter* records.

- m. The *COPPERMINE Chapter* Secretary/Treasurer will report the cash receipts as part of the monthly financial reporting to the *COPPERMINE Chapter* Membership at all duly called regular *COPPERMINE Chapter* Meetings.

**B. Cash Disbursements:**

1. Cash Disbursement Policies:

- a. The handling of all cash disbursements shall be properly segregated to insure that no single employee is in a position to authorize, execute, and/or approve all phases of cash disbursements.
- b. All disbursements (payments) shall be made by check only from the *COPPERMINE Chapter* general checking account, and not from the savings account.
- c. The *COPPERMINE Chapter* Manager and the *COPPERMINE Chapter* Secretary/Treasurer will co-sign all checks for payment. In the event the *COPPERMINE Chapter* Secretary/Treasurer is unavailable for co-signature, the *COPPERMINE Chapter* President or *COPPERMINE Chapter* Vice-President will be authorized to co-sign checks as the secondary signatory. Co-signature by the *COPPERMINE Chapter* President or *COPPERMINE Chapter* Vice-President shall require a justification memorandum. Two signatures shall be required for all checks.
- d. All checks will be pre-numbered and the *COPPERMINE Chapter* Administrative Assistant shall maintain a log of the numbered checks held by the *COPPERMINE Chapter*. The checks shall contain the name and address of the *COPPERMINE Chapter*, the bank drawn on, and the account number at the bank.
- e. The *COPPERMINE Chapter* chart of accounts shall be used to determine the appropriate accounts to which the disbursement will be charged.
- f. No checks shall be written out to "cash" or bearer; and no blank check shall be signed before it is completely filled out.
- g. The *COPPERMINE Chapter* is prohibited from making monetary loans to individuals using *COPPERMINE Chapter* funds.
- h. All disbursement transactions shall be reconciled on a monthly basis to ensure funds are disbursed with proper approval, based on adequate documentation and in compliance with funding guidelines and budget stipulations.
- i. All paid invoices and supporting documentations shall be properly defaced by indicating "paid", amounts paid, and date, to avoid duplicate payments.
- j. Disbursements of funds which were not budgeted are prohibited. Disbursements of *COPPERMINE Chapter* funds require *COPPERMINE Chapter* Membership



approval during a scheduled regular *COPPERMINE Chapter Meeting* to be documented in the *COPPERMINE Chapter meeting minutes*.

- k. All restricted funds shall be properly budgeted before funds are expended.
- l. The *COPPERMINE Chapter Secretary/Treasurer* and *COPPERMINE Chapter Manager* shall ensure compliance with all fund disbursements and monitor payables.
- m. The *COPPERMINE Chapter* shall submit timely payments to take advantage of any purchase discounts or payment-term discounts.

2. Cash Disbursements control procedures:

- a. The *COPPERMINE Chapter Administrative Assistant* shall prepare a Fund Approval Form indicating the date, amount, check number, account number and fund availability.
- b. The *COPPERMINE Chapter Administrative Assistant* shall ensure that the Fund Approval Form indicates payment authorization and that all source documents (i.e., invoices, quotes, claim forms, timesheets and similar documents) support each fund disbursement before preparing a check for payment.
- c. The *COPPERMINE Chapter Administrative Assistant* shall upon receipt of goods review all invoices to ensure completeness of the transaction and that those particular goods or services have been received. He/she shall then submit the payment authorization form to the *COPPERMINE Chapter Manager* for payment approval or disapproval.
- d. The *COPPERMINE Chapter Manager* shall review each fund disbursement for necessity, reasonableness and budgetary authorization. He/she shall ensure that each fund disbursement (check) is payable to the vendor. The *COPPERMINE Chapter Manager* and *COPPERMINE Chapter Secretary-Treasurer* shall review the completed check with all supporting documentation before co-signing the check.
- e. The original check shall be given to the *COPPERMINE Chapter Administrative Assistant* for mailing, or distribution to the payee(s).
- f. The *COPPERMINE Chapter Administrative Assistant* shall ensure that all disbursements are recorded immediately in the check ledger and the subsidiary fund balance ledger.
- g. When a check is written to a primary signatory (*COPPERMINE Chapter Manager* or the *COPPERMINE Chapter Secretary-Treasurer*), the *COPPERMINE Chapter President* or the *COPPERMINE Chapter Vice-President* shall substitute as co-signer. A memorandum of justification shall be required for the substitute signatory. When there is no substitute cosigner, the primary signatory, as payee,

may sign the check provided all essential documents and a memorandum of justification are attached.

**C. Bank Reconciliation Control Policies:**

1. The following policies shall apply to bank reconciliation:
  - a. One person, who must be other than the primary signatories, shall be designated to prepare the bank reconciliation.
  - b. Reconciliation shall be accomplished within one day upon receipt of the bank statement.
  - c. Any unexplained discrepancies shall be reported immediately to the *COPPERMINE Chapter Manager* for corrective action.
  - d. Any outstanding check that exceeds 90 calendar days from issue date shall be automatically voided. The 90 day stale-check notice should be printed on the *COPPERMINE Chapter's* checks to provide additional notice to the payee (e.g. "this check void after 90 days.")

2. Bank Reconciliation Control Procedures:

- a. Upon receipt of the unopened bank statement and cancelled checks, the *COPPERMINE Chapter Administrative Assistant* shall compare the cancelled checks to the Check Ledger to ensure that the numbers, dates, payees, and amounts are in agreement. Cancelled checks shall be examined for alterations, authorized signatures, and irregular endorsements.
- b. The *COPPERMINE Chapter Administrative Assistant* shall prepare a list of outstanding checks. If the list of outstanding checks discloses checks that have been outstanding for three months (90 calendar days) or longer, the *COPPERMINE Chapter Administrative Assistant* shall delete those checks from the list of outstanding checks and shall credit the checkbook register and the fund balance ledgers by the amount of the voided checks.
- c. All voided check(s) shall require proper justification from the payee and approval from the *COPPERMINE Chapter Manager* prior to re-issuance. Any bank service fee incurred will be assessed to the payee.
- d. The *COPPERMINE Chapter Administrative Assistant* shall compare the date and the amount shown on the bank statement to the validated bank deposit slips and checkbook register maintained on file, and shall prepare a listing of deposits in transit. Any variances shall be investigated, resolved and the checkbook register balance shall be adjusted as necessary. The *COPPERMINE Chapter Administrative Assistant* shall record the bank charges indicated on the bank statement in the checkbook register.

- e. The *COPPERMINE Chapter* Administrative Assistant shall begin with the bank statement ending balance and adjust as follows:
  - (+) Deposits in transit
  - (-) Outstanding Checks
  - (=) Month-end reconciled balance should be the same as the balance in the check ledger
- f. The *COPPERMINE Chapter* Manager shall investigate all discrepancies and seek to resolve differences.
- g. The *COPPERMINE Chapter* Administrative Assistant shall sign and date the computation and reconciliation. Once completed, the reconciliation, check register, validated bank deposit receipt slips and bank statements shall be forwarded to the *COPPERMINE Chapter* Manager for review.
- h. The *COPPERMINE Chapter* Manager shall cross reference the documents received and review for accuracy and assurance immediately. If there are discrepancies, the *COPPERMINE Chapter* Manager shall consult with the *COPPERMINE Chapter* Administrative Assistant for appropriate action.
- i. The *COPPERMINE Chapter* Manager shall review the reconciliation for accuracy and completeness and return the documents to the *COPPERMINE Chapter* Administrative Assistant for filing.
- j. The *COPPERMINE Chapter* Administrative Assistant shall file all completed reconciliation forms, bank statements, and cancelled checks by account and month.

**D. Bank Accounts Control Policies:**

- 1. The *COPPERMINE Chapter* shall maintain only one checking account and one savings account at a federally insured depository institution; and:
  - a. All bank records shall be sent directly to the mailing address at: *COPPERMINE Chapter*, P.O. Box 1323, Page, Arizona 86040.
  - b. A signature authorization card for each bank account shall be maintained and kept on file at the bank and at the *COPPERMINE Chapter* Administration Office.
  - c. Upon a change in authorized bank account signatories by *COPPERMINE Chapter* resolution, the *COPPERMINE Chapter* Administration shall immediately notify the bank.
  - d. All bank accounts shall be held in the name of the *COPPERMINE Chapter*.
  - e. Each Check issued shall have two required signatures.
  - f. The *COPPERMINE Chapter* shall have its own employer identification number for its bank account, including for its investments and savings account.

- g. The *COPPERMINE Chapter* shall prohibit unauthorized direct cash withdrawal and ATM/debit cards bank transactions. However, the *COPPERMINE Chapter* may make cash withdrawals for cash-only transactions (e.g. coal and medicine men's services), provided that the authorized signatories (e.g. *COPPERMINE Chapter* Secretary/Treasurer and *COPPERMINE Chapter* Coordinator/Manager) prepare and sign memoranda of authorization and justification. Moreover, all invoices and receipts must be provided to the *COPPERMINE Chapter* just as with all other financial transactions. Such a debit card must be prepaid only and the central account controlled by the *COPPERMINE Chapter* Manager.
- h. All unissued checks will be safeguarded in a locked safe at the *COPPERMINE Chapter* administrative offices.

**E. Certificate of Deposits and Other Investments:**

- 1. The *COPPERMINE Chapter* may establish reserves for funds not budgeted for operations, and its policies shall include that:
  - a. Investments shall be limited to readily marketable and negotiable instruments that are low in risk.
  - b. Establishment of an investment account shall require community participation and approval by *COPPERMINE Chapter* resolution.
  - c. Funds withdrawn from investment accounts shall be transferred by an approved *COPPERMINE Chapter* resolution and only by authorized signatories to the checking or savings account in order to be expended.
  - d. Investment documentation shall include the investment accounts, maturity dates, the custodian, location, account numbers and changes in value, and shall be sent directly to the *COPPERMINE Chapter's* mailing address.
  - e. Any changes to the investment(s) (i.e., withdrawals, sale, rollovers, etc.) shall be approved by the *COPPERMINE Chapter* Membership at a regularly called *COPPERMINE Chapter* Meeting.
  - f. All interest income received from interest bearing accounts shall revert to the General Activities Fund. This applies to all restricted and/or unrestricted funds. The interest income shall be recorded under line item interest income.
  - g. All original documents pertaining to investment accounts shall be properly secured in a locked safe at the *COPPERMINE Chapter* Administrative Office.
- 2. Investment Control Procedures:
  - a. The *COPPERMINE Chapter* Manager shall ensure that proper documents are maintained and that investments are recorded in the proper journals, ledgers, and financial statements on a monthly basis.

- b. The *COPPERMINE Chapter* Manager shall record all interest income on a monthly basis to appropriate ledgers in the General Activities Fund.
- c. Upon request for investments of *COPPERMINE Chapter* funds, the *COPPERMINE Chapter* Manager shall provide pertinent information to the *COPPERMINE Chapter* Officials and community members.
- d. The *COPPERMINE Chapter* Manager shall consult with the *COPPERMINE Chapter* Officials on a monthly basis in the event of any investment changes or activities.
- e. The *COPPERMINE Chapter* Secretary/Treasurer shall maintain periodic monitoring over the investment and keep the community members informed of investment results at a regular *COPPERMINE Chapter* Meeting.

**F. Capital Assets:**

1. Capital Asset Policy:

It shall be the policy of the *COPPERMINE Chapter* that accurate and reliable records be maintained on all Capital Assets purchased or acquired by lease or lease/purchases. The records shall include a description of the asset, identification numbers, cost of the asset, date acquired, location, and custodial responsibility. Expected lifetime and depreciation records shall be maintained.

2. Capital Assets Control Procedures:

- a. The *COPPERMINE Chapter* Administrative Assistant shall maintain the Capital Asset records. He/she shall insure that all Capital Assets are tagged with identification tags bearing a description, date acquired, and an identification number.
- b. The *COPPERMINE Chapter* Administrative Assistant shall record and report in the *COPPERMINE Chapter's* accounting financial records the total dollar value of inventory items and any changes to said inventory, including acquisition and disposition of Capital Assets and the funding source.
- c. The *COPPERMINE Chapter* Administrative Assistant shall verify the inventory on an annual basis through a physical count. Any differences from the financial records shall be investigated for cause and the records adjusted. Any adjustment to the records shall require a justification memorandum and/or appropriate documentation.
- d. If there are no documents to show the cost of any *COPPERMINE Chapter* Capital Asset, the value will be estimated by the *COPPERMINE Chapter* Manager based on fair market value.

- e. The *COPPERMINE Chapter* Manager shall be responsible for the disposition of these assets, and in the event of loss or theft, for which he/she is responsible, refer to *COPPERMINE Chapter* Property Policy and Procedures Manual, Section X (B).
- f. The recording and reporting of the *COPPERMINE Chapter's* Capital Assets into accounting records and financial statements will be the responsibility of the *COPPERMINE Chapter* Administrative Assistant pursuant to *COPPERMINE Chapter* Property Policy and Procedures Manual Section VIII.
- g. The Capital Assets account group shall be reported on the Combined Balance Sheet financial statement.
- h. The total of the Capital Asset inventory shall be entered into the Combined Balance Statement under Capital Assets column. An equal amount shall be entered into the statement under Investments column.
- i. All Capital Assets shall be identified by fund source.

**G. Chart of Accounts:**

- 1. The *COPPERMINE Chapter*, pursuant to the Navajo Nation Local Governance Act (LGA) 26 N.N.C., Section 2003 (B) (1), is required to follow the Navajo Nation Budget Instructions Manual when formulating its annual base allocation *COPPERMINE Chapter* budget. The *COPPERMINE Chapter* will use the *COPPERMINE Chapter* Chart of Accounts for all budget purposes and accounting system.
- 2. The *COPPERMINE Chapter* Manager, in consultation with the *COPPERMINE Chapter* Officials, will be authorized to make changes to the *COPPERMINE Chapter* Chart of Accounts.

**H. Payroll:**

- 1. Payroll Control Policies:

The following policies shall be applied to ensure effective control over payroll and disbursement:

- a. The *COPPERMINE Chapter* shall establish and maintain a salary and wage schedule. The *COPPERMINE Chapter* will abide by the federal minimum wage law then in effect.
- b. Appropriate segregation of duties shall be maintained to ensure that *COPPERMINE Chapter* employees are not in a position to authorize, execute and approve all aspects of payroll processing and disbursements.
- c. The *COPPERMINE Chapter* shall operate under a cash basis of accounting; therefore, all payroll expenses will be recorded on the check date.

- d. The *COPPERMINE Chapter* shall establish and maintain a system to account for the accrual and use of annual leave (compensatory, personal) and sick leave.
- e. The *COPPERMINE Chapter* will follow all applicable Navajo Nation, state and federal laws and regulations relating to payroll.
- f. The *COPPERMINE Chapter* shall have its own employer identification number for tax purposes when reporting and remitting applicable payroll taxes to the IRS.
- g. Personnel records on each employee shall be maintained at the *COPPERMINE Chapter* administration on authorized *COPPERMINE Chapter* Forms. These records include but are not limited to:
  - (a.) Personnel Action Form (PAF)
  - (b.) Employment Application Form
  - (c.) Employee's Federal Withholding Allowance Certificate (W-4)
  - (d.) Copy of Social Security Card
  - (e.) Voluntary Deductions Authorization
  - (f.) Employee Performance Evaluation Form
  - (g.) Arizona New Hire Form
  - (h.) Wage Garnishments
  - (i.) Parental Consent Form
  - (j.) Copy of voter registration

2. Payroll Processing and Procedures:

- a. The *COPPERMINE Chapter* Administrative Assistant will record employee's Personnel Action Form information on the employee's earning subsidiary ledger. The ledger will contain the employee's name, social security number, mailing address, authorized pay rate, date of employment, payment due, hours earned, gross pay, withholdings for FICA and federal taxes, any other deductions, net pay and leave account.
- b. The immediate supervisor is responsible to maintain an attendance sheet on all *COPPERMINE Chapter* employees. The attendance sheet shall be signed by *COPPERMINE Chapter* employees each day to record employees' time of arrival and departure, including for public employment projects and student employment personnel. These records shall be provided weekly to the *COPPERMINE Chapter* Administrative Assistant who shall forward these documents to the *COPPERMINE Chapter* Manager for review. The *COPPERMINE Chapter* Administrative Assistant shall retain these records and file them chronologically in accordance with the Records Management Policies and Procedures Manual.
- c. The *COPPERMINE Chapter* Administrative Assistant is responsible for calculating the time and hours worked for each employee and shall enter the total hours on the timesheet. Timesheets shall also document regular and overtime hours worked, annual, sick leave and leave without pay taken during each pay period.

- d. The *COPPERMINE Chapter* Administrative Assistant shall prepare payroll checks, attach all supporting documents and submit to the *COPPERMINE Chapter Manager* for review and approval.
- e. The *COPPERMINE Chapter Manager* shall review all timesheets, and sign the payroll checks. She shall then forward the payroll checks with applicable documentation for review and co-signature by the *COPPERMINE Chapter Secretary/Treasurer*.
- f. After completing the signature requirement, the payroll checks shall be given to the *COPPERMINE Chapter* Administrative Assistant for distribution. Each employee is required to personally obtain his or her check. In the event the employee is unable to pick up his/her check, the employee shall provide a written authorization to release his/her payroll check to the *COPPERMINE Chapter Manager*. The written documentation shall contain the employee's social security number, address, signature and the name of the person designated to pick up the payroll check.
- g. The *COPPERMINE Chapter Manager's* time and attendance and payroll check shall be reviewed and signed by the designated immediate supervisor. The *COPPERMINE Chapter* Officials will decide among themselves who will be designated the local direct supervisor of the *COPPERMINE Chapter Manager*.
- h. The *COPPERMINE Chapter* Administration shall ensure that Worker's Compensation is available for all *COPPERMINE Chapter* employees by paying requisite premiums to the Risk Management Department of the Navajo Nation. The *COPPERMINE Chapter*, not the employee, is responsible for paying any premiums for Worker's Compensation coverage for its employees.
- i. The *COPPERMINE Chapter* shall also participate in the State Unemployment Compensation Act Fund. The *COPPERMINE Chapter* Administration is responsible for submitting the requisite contribution to the Department of Economic Security or Department of Employment Security on a quarterly basis.
- j. The *COPPERMINE Chapter* Administrative Assistant shall prepare Social Security, Medicare (both employer and employee), and Employee Federal Taxes to be withheld on Form 8109, quarterly at the *COPPERMINE Chapter's* designated banking institution. The *COPPERMINE Chapter* Administrative Assistant shall ensure that timely deposits are made on the quarterly payroll tax deposit to avoid penalties. Form 941 shall be filed with the Internal Revenue Service on a quarterly basis according to the due dates set forth by the IRS. In the event the designations of these forms change, the *COPPERMINE Chapter* shall comply with all Internal Revenue Service filing requirements. The *COPPERMINE Chapter* Administration shall consult with Office of Management and Budget in November of each calendar year for any changes in Internal Revenue Service filing requirements.



- k. The *COPPERMINE Chapter* Administrative Assistant shall prepare and submit an Internal Revenue Service Form 1099-MISC to each vendor to whom \$600 or more in fees, commissions, or other forms of compensation is paid. Such vendors include independent contractors, attorneys, accountants and other professionals contracted for services. These forms shall be submitted to the vendor by January 31<sup>st</sup> and to the Internal Revenue Service by February 28<sup>th</sup> of the following calendar year.

**I. Travel Policies and Control Procedures:**

1. It shall be the policy of the *COPPERMINE Chapter* that only reasonable and necessary travel expenses are reimbursed and that the traveler shall submit a report for each trip describing what was accomplished and how the *COPPERMINE Chapter* and community benefited from the travel.
2. The *COPPERMINE Chapter* may issue pre-paid debit cards for an authorized amount to cover only reasonable and necessary travel expenses. Such a prepaid debit card must be prepaid only and controlled and issued by the *COPPERMINE Chapter* Coordinator/Manager. The authorized signatories (e.g. *COPPERMINE Chapter* Secretary/Treasurer and *COPPERMINE Chapter* Coordinator/Manager) must prepare and sign memoranda of authorization and justification. As with reimbursement checks, the traveler shall submit a report for each trip describing what was accomplished and how the *COPPERMINE Chapter* and community benefited from the travel. All receipts and invoices must be submitted to the *COPPERMINE Chapter* Manager.
3. The designated duty station for *COPPERMINE Chapter* Officials and *COPPERMINE Chapter* employees is the *COPPERMINE Chapter* house. This designated duty station will be used to calculate all travel mileage claims for meetings outside the designated duty station. For *COPPERMINE Chapter* employees and *COPPERMINE Chapter* officials, travel between an employee or *COPPERMINE Chapter* official's home and duty station is not considered official travel.
4. Travel Authorization: Authorized travel expenses will include transportation, lodging, meals and other costs directly related to *COPPERMINE Chapter* business travel conducted by a *COPPERMINE Chapter* employee or *COPPERMINE Chapter* official. All requests for travel funds are only reimbursable if funds are available in the *COPPERMINE Chapter*'s approved budget. To reduce costs, travel shall be limited to the most cost efficient method of travel available.
5. Travel Advances: The *COPPERMINE Chapter* will allow travel advances up to 80% of the total estimated travel expense. An employee/*COPPERMINE Chapter* official can only have one outstanding pay advance at any one time. Any outstanding travel advances delinquent over ten (10) calendar days after completion of travel shall be deducted from the employee's salary or the *COPPERMINE Chapter* official's meeting stipend.
6. Travel Expenses: The *COPPERMINE Chapter* Officials and employees shall be reimbursed for reasonable expenses while on *COPPERMINE Chapter* business travel including lodging, meals, transportation, telephone and for *COPPERMINE Chapter*

business related calls, email, and other incidental expenses, all of which shall require receipts in support of costs. The *COPPERMINE Chapter* may pay any special fees in advance for the traveler, which may include seminars, symposium, registration fees, etc.

7. Transportation: The *COPPERMINE Chapter* shall reimburse all necessary transportation expenses for private vehicles, commercial airfare, rental vehicles, and other modes of transportation. Receipts shall be required for airfare, taxis and buses. Reimbursements shall be made at a rate equal to the least expensive mode of transportation, which is reasonably available. If a personal vehicle is used on *COPPERMINE Chapter* business, employees shall be reimbursed for actual mileage at the Navajo Nation established mileage rate. If the traveler does not provide an odometer reading, the *COPPERMINE Chapter* Administrative Assistant is required to use a mileage chart.
8. Meals and Incidental Expenses: The *COPPERMINE Chapter* may establish a maximum amount allowable for reimbursement for meals, and incidental expenses. In any circumstances, the *COPPERMINE Chapter* reimbursement rate for meals shall not exceed the Navajo Nation established rates. Meal expenses shall be reimbursable when incurred beyond a five (5) hour travel period or beyond a fifty (50) mile radius from the *COPPERMINE Chapter* house. Meals provided at no additional cost to the traveler (such as meals included in travel, conference, etc.) shall not be reimbursed. The *COPPERMINE Chapter* may prohibit employees and *COPPERMINE Chapter* Officials from obtaining government credit cards for travel.
9. Each traveler shall submit the completed travel authorization (TA) form with attached receipts and a trip expense report stating the purpose of the trip, accomplishments and benefits to the *COPPERMINE Chapter*, within ten (10) calendar days of his/her return. Failure to submit a trip expense report within ten (10) calendar days forfeits the traveler's right to reimbursement, unless reimbursement is approved by the *COPPERMINE Chapter* Manager or designated *COPPERMINE Chapter* Official for good cause shown. However, the traveler is still required to submit a trip report.
10. Travel Authorization (TA) Process and Payments:
  - a. A verbal travel request indicating the estimated travel costs and purpose shall be made to the *COPPERMINE Chapter* Manager.
  - b. Upon approval the *COPPERMINE Chapter* Administrative Assistant shall type and complete all requests for travel authorization.
  - c. The *COPPERMINE Chapter* Administrative Assistant shall be required to obtain from each traveler proof of current insurance and a valid driver's license when the traveler is using his/her personal vehicle. Photocopies shall be obtained and filed.
  - d. The *COPPERMINE Chapter* Administrative Assistant, after reviewing the TA, shall forward the TA for signature to the *COPPERMINE Chapter* Manager.
  - e. If the traveler requests a travel advance, the *COPPERMINE Chapter* Manager must first approve the advance before disbursement by the *COPPERMINE Chapter* Administrative Assistant. The *COPPERMINE Chapter* Manager approves any advance for *COPPERMINE Chapter* Officials.

- f. On completion of the signature requirement for the TA, the *COPPERMINE Chapter* Manager shall return the travel documents to the *COPPERMINE Chapter* Administrative Assistant.
- g. The *COPPERMINE Chapter* Administrative Assistant shall provide the TA to the traveler and file copies of the travel request documents.
- h. Upon completion of travel, the employee/*COPPERMINE Chapter* official shall submit a trip expense report to the *COPPERMINE Chapter* Manager. The *COPPERMINE Chapter* Manager shall review all supporting statements and calculate over or underpayment. Traveler shall remit payment within (10) ten working days to the *COPPERMINE Chapter* for any overpayment, or said amount shall be deducted from the employee's salary or the *COPPERMINE Chapter* official's meeting stipend.
- i. The *COPPERMINE Chapter* Manager, after approval of the trip expense report, shall return the travel documents to the *COPPERMINE Chapter* Administrative Assistant for preparation of the reimbursement check, and to file copies of the travel documents. The reimbursement check shall be co-signed by the required two signatures pursuant to Section V (C) (2). The check shall be made out to the traveler and disbursed by the *COPPERMINE Chapter* Administrative Assistant.

**J. Resale Inventory:**

The development and implementation of the resale inventory policy prevents overstocking, shortage and loss as a result of theft, spoilage, breakage, etc.

1. The *COPPERMINE Chapter* shall maintain detailed records of inventory items showing the description, cost, quantity and location.
2. The total dollar value of inventory items and the changes thereto shall be recorded in the *COPPERMINE Chapter's* financial records.
3. Verification of inventory shall be made on a monthly basis through a physical count.
4. Any differences in the financial records shall be investigated for cause and the records adjusted accordingly.
5. The inventory shall consist of goods purchased and/or produced for resale. Examples of such inventory are hay, grain, craft items and fuel for households.
6. First-in-First-Out (FIFO) Inventory Method: *COPPERMINE Chapter* shall use the FIFO inventory method. It is based on the assumption that the first items in are the first out of inventory. Under this method, the ending inventory balance will reflect the cost of the most recent purchases. The advantage of this method is that it gives an up-to-date inventory value.
  - a. The following example illustrates the use of the FIFO method for one inventory item under a perpetual inventory system. In this method, a cost must be assigned to each item of inventory purchased or sold.

Date	Quantity	Cost	Sale(s)	Adjmt	Quantity (On-hand)	Cost	Balance
03/02/06	100 bales	1.50	0		100	150.00	150.00
03/10/06	50 bales	1.60			50	230.00	380.00
03/15/06	100 bales	1.50	150.00		(100)	150.00	230.00
"	25 bales	1.60	40.00		25	40.00	270.00
03/20/06	25 bales	1.55			25	38.75	308.75
"	50 busted bales	1.50		75.00	(50)	75.00	230.00

- b. The *COPPERMINE Chapter* shall also use the FIFO inventory method for all resale items. Determining the cost and value of the resale items will depend upon the following factors:
- (1.) Cost to produce the item
  - (2.) Economic demand for the item
  - (3.) Comparable price on the market
  - (4.) *COPPERMINE Chapter* approved amount (hay, grain, etc.)
7. The *COPPERMINE Chapter* shall maintain support documentation on all inventory transactions on an ongoing basis. These inventory records shall reflect the inventory receipts, issuances and balances. The inventory record keeping and custodial function shall be segregated for internal control measures.
- a. Inventory Sales Receipt (cash receipt): Pre-numbered and numerically controlled sales receipt forms shall be prepared in duplicate for each sale. Each form shall be properly prepared and have the following information: number and quantities issued; unit sale price; vendor; date; total amount of sales; and the signature of employee who sold the inventory. The inventory sale receipts shall be reconciled with the inventory records on a monthly basis, or whenever necessary.
8. Inventory Control Procedures:
- a. The *COPPERMINE Chapter* Administrative Assistant, at the time of inventory count, shall obtain the current perpetual inventory record and cross reference items during a physical count to determine whether any items are missing, damaged, spoiled, or obsolete.
  - b. The *COPPERMINE Chapter* Administrative Assistant shall report any discrepancies in the inventory immediately to the *COPPERMINE Chapter* Manager.
  - c. The *COPPERMINE Chapter* Manager shall review the inventory count listing and any findings by the *COPPERMINE Chapter* Administrative Assistant. If there is a major deficiency or changes in the inventory not properly recorded, the *COPPERMINE Chapter* Manager shall consult with the *COPPERMINE Chapter* Officials as soon as possible, and correct the deficiencies with the *COPPERMINE*

*Chapter* Administrative Assistant. Any changes/corrections to the inventory shall be documented with a justification memorandum.

- d. It shall be the responsibility of the *COPPERMINE Chapter* Administrative Assistant to handle all daily inventory record keeping. The *COPPERMINE Chapter* Manager shall perform monthly physical count and reconciliation of cash receipt tickets to the inventory records. Nevertheless, it shall be the responsibility of the *COPPERMINE Chapter* Administrative Assistant to handle all daily inventory record keeping and to perform monthly physical counts and reconciliation of cash receipt tickets to the inventory records.
- e. The *COPPERMINE Chapter* Manager shall also ensure that fair market value will be used to determine the sale of any items that are for resale.

**K. Financial Assistance:**

No financial assistance shall be awarded without a *COPPERMINE Chapter*-approved budget where the *COPPERMINE Chapter*'s general funds are utilized. The *COPPERMINE Chapter* Manager is authorized to approve requests by simply complying with the respective budgets which have been approved by the *COPPERMINE Chapter* Membership, and all financial assistance shall comply with applicable policies and procedures. Nevertheless, regardless of the type of assistance, the *COPPERMINE Chapter* shall always comply with the following criteria for all financial assistance:

1. All recipients must be registered members of the *COPPERMINE Chapter*.
2. All requests for assistance shall be documented on a standard assistance application form with supporting documents as required by the type of assistance requested (i.e. scholarship award will need transcripts, etc).
3. All assistance awarded shall be based on availability of funds and in accordance with the ceiling limits set forth in the policies approved by the *COPPERMINE Chapter*.
4. Generally, checks shall be made payable directly to the vendor(s) and or institution(s). When allowable pursuant to *COPPERMINE Chapter* approved policies and in accordance with Navajo Nation or other applicable law, check(s) may be made payable directly to the requestor.
5. Assistance shall be limited to once per family every 12 months, unless specified otherwise. For purposes of this section, "family" is defined as those persons related either by blood or marriage who reside at the same domicile. "Unless specified otherwise" means otherwise lawful expenditure of funds in extraordinary circumstances that are approved by community resolution.
6. Financial assistance includes but is not limited to the following:
  - a. Student Enrichment/Scholarship Financial
  - b. Housing material
  - c. Emergency (burnout; natural and man-made disasters)

**L. Financial Statements:**

1. Policy:

The *COPPERMINE Chapter* shall generate the following basic financial statements and prepare reports on the *COPPERMINE Chapter's* financial position and results of operations on a monthly basis in the following areas:

- a. Combined Statement of Revenues, Expenditures and Changes in Fund Balances- All Governmental Fund Types.
- b. Combined Balance Sheet - All Fund Types and Account Groups.
- c. Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General and Special Revenue Funds.

2. Procedures:

- a. The *COPPERMINE Chapter Manager* shall prepare monthly financial statements and the *COPPERMINE Chapter Secretary/Treasurer* shall present it to the community at a duly called *COPPERMINE Chapter Meeting* following the end of the month.
- b. Within 60 days after the end of the fiscal year the *COPPERMINE Chapter Manager* shall prepare the annual financial statements and forward to the *COPPERMINE Chapter Secretary/Treasurer* to present to the community at a duly called *COPPERMINE Chapter Meeting*.

**M. Audit Requirements:**

1. The *COPPERMINE Chapter* shall obtain an audit of its financial operations at least every two years and which shall include funds received from all Navajo Nation, State, County Federal sources and other fund sources.
2. The *COPPERMINE Chapter* may obtain the services of the Auditor General of the Navajo Nation, subject to sufficient resources at the Office of the Auditor General, or shall contract with an independent licensed Certified Public Accountant to conduct the biennial audit. The *COPPERMINE Chapter Manager*, in consultation with the Auditor General, Navajo Nation, shall ensure that the independent Certified Public Accountant meets all requirements of the Generally Accepted Government Auditing Standards issued by the Comptroller General of the United States.
3. In the process of selecting an auditor, the *COPPERMINE Chapter* shall follow the policies and procedures established for procurement of professional services.
4. Upon completion of the audit, the auditors shall furnish a statement of findings on the results of the examination.

5. The *COPPERMINE Chapter* shall conduct an exit conference between the auditor(s) and *COPPERMINE Chapter* Officials to review the procedures taken by the auditor(s) and the findings identified. The *COPPERMINE Chapter* Manager and *COPPERMINE Chapter* officials may furnish written comments concerning the report which shall be incorporated into the overall report and submitted to the funding agency and to the *COPPERMINE Chapter* Membership.

Procedures:

- a. The *COPPERMINE Chapter* Manager, in consultation with the Auditor General, Navajo Nation, shall ensure that the independent licensed Certified Public Accountant meets all requirements of the federal General Accounting Office standards for the audit of governmental organizations and programs.
- b. The *COPPERMINE Chapter* Manager and *COPPERMINE Chapter* Officials shall have an entrance conference with the Auditor.
- c. The *COPPERMINE Chapter* Manager and *COPPERMINE Chapter* Administrative Assistant shall ensure that the Auditor receives all information requested.
- d. The *COPPERMINE Chapter* Manager shall ensure that the auditor furnishes twelve certified copies of the audit results. The reports shall be prepared in accordance with the reporting standards published by the American Institute of Certified Public Accountants.
- e. The *COPPERMINE Chapter* Manager and *COPPERMINE Chapter* Officials shall have an exit conference with the Auditor.
- f. The *COPPERMINE Chapter* Manager and *COPPERMINE Chapter* Officials shall develop a Corrective Action Plan for any discrepancies cited.

**N. Misuse of *COPPERMINE Chapter* Funds or Assets:**

Any individual, *COPPERMINE Chapter* employee or *COPPERMINE Chapter* official who witnesses or has knowledge of misuse of funds or financial improprieties shall immediately report the violation to the appropriate Navajo Nation entity or *COPPERMINE Chapter* official. Each *COPPERMINE Chapter* official and employee should understand that it is part of his/her fiduciary duty to report any and all violations.

Procedures:

- a. All *COPPERMINE Chapter* Officials and *COPPERMINE Chapter* employees shall refrain from making, participating in or influencing decisions where there is any real or potential conflict of interest. In the event of a real or potential economic conflict of interest where the *COPPERMINE Chapter* official or employee is required to participate as part of his or her official duties, the individual shall write a justification memorandum disclosing the real or potential conflict of interest and the necessity for that individual's continued participation, a copy of which shall be provided to the Navajo Nation Ethics and Rules Office and the

*COPPERMINE Chapter Administration.* In the event that the individual does not properly disclose the real or potential conflict of interest to the Ethics and Rules Office and the *COPPERMINE Chapter Administration*, any *COPPERMINE Chapter* official or employee aware of the real or potential conflict of interest shall make said disclosure or take other action as appropriate.

- b. The *COPPERMINE Chapter* Manager shall monitor all allocation of *COPPERMINE Chapter* funds, property, or personnel to investigate alleged conflicts of interest or misuse of *COPPERMINE Chapter* resources.
- c. The *COPPERMINE Chapter* Manager shall report all alleged misuse of *COPPERMINE Chapter* resources and assets to the proper authority.

## VIII. DEFINITIONS

The language contained in this section applies to this Fiscal Manual:

- A. Accounting System – is the method and records established and maintained to identify, assemble, analyze, classify, record and report the *COPPERMINE Chapter's* financial transactions and to maintain accountability, in accordance with generally accepted accounting principles, of such transactions and related assets and liabilities.
- B. Assets – The total amount of petty cash, undeposited revenue, checking, saving and investment balances and resale inventory, and property and equipment that are recorded in the General Capital Assets Account Group.
- C. Bank Account – is any money held in a bank.
- D. Bank Reconciliation – is the verification of bank balances to the *COPPERMINE Chapter* book balance.
- E. Bank Transfer – is funds transferred between *COPPERMINE Chapter* bank accounts without withdrawing cash.
- F. Budget – a plan of financial operations embodying an estimate of proposed expenditures for a given period and the proposed means of financing them, it usually indicates a financial plan for a single fiscal year.
- G. Carry over Funds – means unexpended funds from the previous fiscal year that are authorized to be carried into the fiscal year.
- H. Cash – is currency, coin, checks, money orders, and bankers draft on hand or on deposit with an official or agent designated as custodian of cash and bank deposits.
- I. Cash Basis Method of Accounting – is the basis of accounting under which revenues are recorded when received in cash and expenditures are recorded when cash is disbursed.
- J. Cash Disbursements – is payments for goods and services.



- K. Cash Receipts – is receiving cash, coins, checks, dividends etc, in the form of payment.
- L. COPPERMINE Chapter Manager – means the individual who is responsible for administering the Five Management Systems and the administration of the *COPPERMINE Chapter*.
- M. COPPERMINE Chapter Membership –
1. For purposes of services and benefits, all tribal members who either reside within or are registered *COPPERMINE Chapter* members. An individual may not be a member of more than one *COPPERMINE Chapter*.
  2. For voting purposes and participation in the *COPPERMINE Chapter* government, all registered voters of the *COPPERMINE Chapter*.
- N. COPPERMINE Chapter Officials –means the following public officials elected by the *COPPERMINE Chapter* Membership; *COPPERMINE Chapter* President, *COPPERMINE Chapter* Vice-President, and *COPPERMINE Chapter* Secretary/Treasurer.
- O. Custodian – means an individual having day-to-day charge of official books, records, documents, equipment, property and funds of the *COPPERMINE Chapter* government.
- P. Five Management Systems – means a management system that includes; fiscal, procurement, records, personnel and property management.
- Q. Form W-2 – is an earnings statement for employee’s salary/wages.
- R. Form 941 – is an employer’s quarterly federal tax return.
- S. Form 1099 – is a non-employee earnings statement to report income that is not salary or wage (self employment income).
- T. Fund Accounting – provides the means to segregate financial resources into funds or account groups in order to determine compliance with finance related legal, contractual, or other restrictive requirements; aid *COPPERMINE Chapter* management by transactions related to certain restrictions and specific *COPPERMINE Chapter* functions and activities.
- U. Fund Balance – The difference between all asset and liability balances. Represents the net worth of a particular fund and is increased by revenues and decreased by expenditures.
- V. Capital Assets – Capital assets are items of tangible property having a value of more than \$500.00 and have an estimated useful life of one year or more as distinguished from intangible property and consumable tangible property. Includes building, infrastructure, improvements, property and equipment.
- W. Capital Assets Account Group – is a self-balancing group of accounts, set up to account for the general Capital assets of the *COPPERMINE Chapter*.
- X. General Ledger – is the summary of financial transactions and the basis for preparing trial balances and financial reports.

- Y. General Purpose Financial Statements - Describes the five-combined financial statement of the reporting entity that is required by Generally Accepted Accounting Principle. (Combined Balance Sheet, Combined Statement of Revenues and Expenditures – Change in Fund Balance and Combined Statement of Revenues and Expenditures – Budget vs. Actual).
- Z. Generally Accepted Accounting Principles (GAAP) – are financial accounting and reporting assumptions, standards, and practices that a business or governmental entities rely upon in preparing fair and consistent financial statements.
- AA. Investments - Securities and real estate held for the production of income in the form of interest, dividends, and rental or lease payments. The term does not include capital assets included in governmental operations.
- BB. Journal – is defined as a book of original entry. Journals provide a chronological detailed record of daily financial transactions and support balances in the general ledger accounts. Journals may be posted manually or generated by computer.
- CC. Liabilities – Amounts owed for goods and services (labor, materials, or services), which are recognized each month and recorded in the financial records of the *COPPERMINE Chapter* so as to properly reflect the *COPPERMINE Chapter's* financial condition. Debts maturing more than a year later should be shown in the General Long Term Debt Group.
- DD. Payroll Taxes – consist of federal withholding, social security, Medicare, FUTA and SUTA taxes.
- EE. Source Documents – are used to initiate accounting transactions and should be retained to support each entry recorded in the accounting records. Examples of cash receipts include source documents; pre-numbered cash receipt tickets, cash register tapes and validated bank deposit receipts. Examples of cash disbursements source documents include requisitions, purchase orders, receiving reports, and vendor invoices.
- FF. Subsidiary Ledgers - a book of accounts that provides supporting details in individual balances, the total of which appears in a general ledger.

## IX. APPENDICES

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|----|--|-----------|
| A. | Cash Receipts Journal                          | Exhibit A |
| B. | Payroll Journal                                | Exhibit B |
| C. | Individual Employee Earnings Subsidiary Ledger | Exhibit C |
| D. | Timesheet                                      | Exhibit D |
| E. | Work Site Sign-In Sheet                        | Exhibit E |
| F. | Monthly Check Ledger                           | Exhibit F |
| G. | Capital Asset Inventory                        | Exhibit G |
| H. | Checking Account Reconciliation                | Exhibit H |
| I. | Savings Account Reconciliation                 | Exhibit I |
| J. | Fund Approval Form                             | Exhibit J |
| K. | Budget Transfer Form                           | Exhibit K |
| L. | Travel Authorization & Trip Report             | Exhibit L |

- M. Assistance Application (General)
- N. General Claim Form
- O. Housing Application Forms & Ranking
- P. Personnel Action Form

- Exhibit M
- Exhibit N
- Exhibit O
- Exhibit P

EXHIBIT  
14  
15  
16

General  
House  
Annual

17  
18  
19  
20