

# CENTRAL CALIFORNIA TRIBAL CHAIRPERSONS' ASSOCIATION

## FISCAL POLICY

### **Section 1. Purpose**

The Fiscal Policy of the Central California Tribal Chairpersons' Association ("Association" or "CCTCA"), an inter-tribal organization consisting of participating tribes in the Central California Region, is intended to set forth the guiding rules and principles governing the handling and management of the Association's financial assets. With the overall goal of ensuring the Association's financial health and responsibility, this Fiscal Policy shall serve as the basis to establish systems of internal controls and conduct for the Association's administration of its fiscal assets.

The Association's management of fiscal assets shall be in accordance with generally accepted accounting standards and in compliance with the Association's Bylaws, this Policy, and all other applicable laws and approved policies and procedures. To the extent there is any conflict between the Bylaws and this Fiscal Policy, the Bylaws shall control.

### **Section 2. Approvals Required; Significance of Budgets.**

Appropriate approvals shall be secured for the expenditure of any assets on behalf of the Association, as set forth in the Bylaws, this Policy and any other policy or procedure duly adopted by the Association.

The Governing Board shall strive to develop annual budgets, to be approved by the Association, and such budgets shall be guided by the annual priorities established by the Association's Member Tribes. A budget approved by the Association can provide the needed approval for expenditure of the identified funds. The process generally and otherwise required to obtain approval for all commitments and expenditures is addressed below.

### **Section 3. Scope of Financial Assets of the Association.**

This Fiscal Policy is intended to cover the handling of all assets of the Association, whether tangible or intangible. Specifically, the Association's financial assets shall include all cash owned by the Association (*e.g.*, through annual dues, donations, grant funding, or additional contributions from Member Tribes), as well as all tangible property and real estate the Association may acquire from time to time.

### **Section 4. Approval Authority, Reporting and Record-Keeping Obligations**

**a) General Authority of the Governing Board.** Subject to the provisions in this Fiscal Policy and the Association Bylaws, the Governing Board shall have the general authority to approve the use of Association assets for the benefit of the Association. Notwithstanding the Governing Board's power and authority to expend Association assets for the benefit of the Association, the Governing Board shall adhere to the lines of approval authority and fiscal restrictions contained herein.

1. **Reasonable Expenses.** Generally, Association assets are to be used for reasonable expenses identified within an approved budget, or otherwise approved by a majority of the Governing Board in writing, and found to be in the interest of the Association and consistent with its Mission and Purpose.

2. **Out of Pocket Costs/Compensation.** Consistent with the Bylaws and the terms of this Fiscal Policy, reasonable out of pocket costs incurred by a member of the Governing Board, or a Member Tribe, may be reimbursed. To the extent a Member of the Governing Board is to be reimbursed for out of pocket costs incurred by him or her, such reimbursement is conditioned on the Governing Board's prior notice and approval. The Governing Board may make exceptions to this rule in those rare situations where it determines an expense was not reasonably foreseeable, but necessarily incurred in the interest of the Association, and reasonable in amount. Member Tribes and their representatives will not be compensated, and may not be paid for, their services to the CCTCA.

3. **Grant-Funding Requirements.** All monies received pursuant to any grant-funding must be used consistent with the terms and conditions of said grant.

4. **Credit Cards.** The Governing Board may determine, in its discretion, to open a credit card account for use by members of the Board in the course of their work for the Association, for ease of business and tracking of expenses.

**b) Fiscal Limits and Lines of Authority for Expenditures/Commitments.**  
The lines of authority for any fiscal expenditures or commitments shall be as follows:

1. The Member Tribes of the Association must approve any one-time purchase or expenditure that exceeds \$10,000, or similarly, a series of installment payments collectively exceeding \$10,000 and designed for one particular purpose; likewise, the Member Tribes of the Association must approve any agreement or action that would contractually obligate the Association to any Member Tribe or to any third party for an amount that exceeds \$10,000. Only the Member Tribes may approve a loan, or the encumbrance of debt, on behalf of the Association.

2. The Association's Governing Board is empowered to approve any single expenditure or financial commitment that is valued at \$10,000 or less, including, but not limited to, payments made to any Member Tribe or third party. This \$10,000 limit includes a series of installment payments that are made for a particular purpose and that together exceed \$10,000.

3. The Association's Governing Board may delegate authority to the Chairperson and Treasurer of the Board to collectively approve a single expenditure or financial commitment that is valued up to \$10,000 or less, including, but not limited to, payments made to any Member Tribe or third party. In all events, absent any specific delegation of authority by the Governing Board,

the Chairperson has authority to approve expenditures and commitments up to \$500. In no event may the Chairperson of the Governing Board approve payment to himself or herself (for reimbursement or otherwise) without the approval of the Governing Board.

**c) Record-Keeping/Documenting Approvals.** The Governing Board shall maintain records of all financial transactions, and formulate and develop additional financial policies as such shall be needed from time to time. All Governing Board decisions to approve or expend Association assets, or all decisions made by the Chairperson or Treasurer as delegated, shall be memorialized in writing, with the basis or justification of said decision delineated.

**d) Reporting Obligations.** To the extent the Chairperson exercises delegated approval authority to expend Association assets, he or she shall notify the Governing Board of all such fiscal expenditures and commitments at each meeting of the Board. Likewise, the Governing Board shall report to the Association any and all expenditures and financial commitments that it (or the Chairman by delegation) authorized at regularly scheduled meetings.

## **Section 5. Bank Account/Deposits/Handling of Assets.**

**a) CCTCA Bank Account.** Pursuant to this Fiscal Policy, the Chairperson of the Governing Board shall establish a bank account at a financial institution in the name of the “Central California Tribal Chairpersons’ Association.”

**b) Signatory Authority.** Those with signatory authority on the Association’s bank account shall be limited to three Officers of the Governing Board, and in particular, the Chairman, Vice Chairman and Treasurer. Generally, the signatories should be restricted in number, and if the Governing Board determines two signatories are sufficient to allow business to proceed, the Chairperson and Treasurer should be the only authorized signatories for the CCTCA’s bank account.

1. **Restrictions on Recipient Signatories.** No recipient of any payment (for reimbursement or otherwise) may be the signatory on the check made payable to that recipient, including Officers of the Governing Board. Similarly, no Officer of the Governing Board may be the signatory on a check made payable to his or her Member Tribe.

2. **Signature Requirements/Electronic Signatures.** Subject to potentially more protective restrictions imposed by the financial institution holding the account for the CCTCA, any check for \$2,500 or more shall bear two signatures. Further, and subject to bank requirements, such signatures may be electronic signatures approved for use in a particular instance by the authorizing Officer. In the event an electronic signature is authorized in a particular instance, such approval shall be issued by the authorizing Officer, and confirmed in writing to the Governing Board (by electronic mail or otherwise).

**c) Checks Payable to CCTCA.** All monies owed to the Association by a Member Tribe or third party shall be made payable by check or traceable wire transfer delivered to the bank account in the name of the CCTCA. No financial obligation or debt to be paid to the Association may be made in cash. All checks payable to the Association shall be addressed to, and made payable to, the “Central California Tribal Chairpersons’ Association.”

**d) Timely Deposits.** To minimize the risk of loss, all checks made payable to the CCTCA shall be timely deposited in the CCTCA bank account, and in no event, more than two weeks after the date of receipt. Until the Association possesses its own staff, the Chairperson may delegate his or her Tribal staff to assist in the handling and administration of payments made to the CCTCA.

## **Section 6. General Ledger Activity**

To ensure that all general ledger entries are current, accurate, and supported by an audit trail, the following procedures shall be followed;

**a)** All financial transactions are to be posted to the general ledger by the end of the next business day after the underlying accounting event has occurred.

**b)** All financial transactions will be supported by attached adequate documentation (i.e. invoices, receipts, contracts, resolutions, etc.) that clearly show the occurrence, justification and authorization for the transaction.

**c)** The person who posts an entry or transaction will initial the printed copy.

## **Section 7. Records Retention**

The Governing Board shall retain financial records in accordance with the following provisions:

**a)** Annual financial records, including original documents and computer files, shall be stored and maintained in a secure location. Until determined otherwise by the Association, or Governing Board, the documents shall be maintained at the office of the Chairperson elected to the Governing Board (or Interim Board as the case may be).

**b)** The storage containers shall be numbered and clearly labeled with a description of the contents.

**c)** The storage containers and facility shall provide protection from environmental damage and be secure to restrict access to authorized persons.

**d)** A log shall be maintained to document boxes stored or items removed from the storage facility.

**e)** Financial records shall be maintained for a minimum of seven years, unless longer term is required by federal or state regulations.

f) Any records involving disputes or questioned costs must be retained at least until the issue is resolved.

### **Section 8. Audit**

The Governing Board will ensure there is an annual financial review and report, as an alternative to a formal audit, during the first four years of the Association's existence, unless the Board determines an audit is necessary at an earlier point in time. The Board shall evaluate the need for a formal audit after four years of operation.

When the need for an annual audit is determined given the scope and complexity of the CCTCA's fiscal operations, such audit shall be completed by an independent certified public accountant. No independent auditor will work for the Association for more than three (3) consecutive years. The selection of an auditor will be made by the Governing Board.

All financial reports and audit results will be presented to all representatives of the Member Tribes at a regularly scheduled meeting.

### **Section 9. Association Approval/Future Amendments.**

This Fiscal Policy shall be in effect upon adoption by the Governing Board, and subsequently presented to the Association for approval at the following regularly scheduled meeting. Upon approval by the Association, the Governing Board is thereafter empowered to adopt amendments to this Fiscal Policy, to the extent the Board determines such are needed for fiscally protective purposes. The Fiscal Policy, as amended, shall then be presented to the Association at a regularly scheduled meeting for ratification.

### **Section 10. Sovereign Immunity.**

Nothing in this Fiscal Policy may be construed to be a consent or submission by the Member Tribe to the power, jurisdiction or regulatory authority of any other entity, including the Association itself, and each Member Tribe's sovereign immunity shall remain intact. This explicit preservation of each Member Tribe's sovereign authority and immunity extends to every representative Tribal official, employee, entity, or other agent, all of whom participate in this inter-tribal entity in the course and scope of their official capacities for, and on behalf of, their respective participating Member Tribes.