



**HO-CHUNK NATION CODE (HCC)
TITLE 5 – BUSINESS AND FINANCE CODE
SECTION 5 – FINANCE MANUAL**

ENACTED BY LEGISLATURE: APRIL 15, 2003

LAST AMENDED AND RESTATED: January 12, 2018

CITE AS: 5 HCC § 5

This Manual supersedes the Finance Manual adopted by Wisconsin Winnebago Business Committee Policy #00101; Tribal Resolution 11/11/92D; 11/16/99A & B; 4/15/03A; 10/22/03A; 5/18/05C; 12-8-09G; 02-9-10 E; 12-21-10 B; 1-4-11 C; 02/08/11 D & E; 04-19-11 G, 05-23-17O, and 01-12-18C.

TABLE OF CONTENTS

1. Authority	2
2. Purpose	2
3. General	2
4. Declaration of Policy	2
5. Responsibilities	3
6. Definitions	3
7. Significant Accounting Policies	4
8. Operating Budget	7
9. Computerized Accounting System	9
10. Electronic Data Processing (EDP) and System Controls	10
11. Indirect Costs	11
12. Standard Financial Reports	11
13. Accounts Payable/Payroll Payments	12
14. Capital Expenditures	14
15. Banking	15
16. Gifts, Assets, Checks, and Drafts	16
17. Bank Signature Authorization	16
18. Long Term Debt	16
19. Independent Contractor Status	17
20. Credit Card Policy	18
21. Employee Expense Reimbursement	24
22. Charitable Contributions	27
23. Asset Management	28
24. Enterprise/Business Acquisition and Closing.....	30
25. Purchasing	31
26. Independent Annual Audit	31
27. Stipend Policy	32

1. Authority.

a. Article V, Section 2(a) of the Constitution grants the Legislature the power to make laws, including codes, ordinances, resolutions, and statutes.

b. Article V, Section 2(d) of the Constitution grants the Legislature the power to authorize expenditures by law and appropriate funds to the various Departments in an annual budget.

c. Article V, Section 2(f) of the Constitution grants the Legislature the power to set salaries, terms and conditions of employment for all governmental personnel.

d. Article V, Section 2(h) of the Constitution grants the Legislature the power to enact all laws prohibiting and regulating conduct and imposing penalties upon all persons within the jurisdiction of the Nation.

e. Article V, Section 2(l) of the Constitution grants the Legislature the power to manage, lease, permit, or otherwise deal with the Nation's lands, interests in lands or other assets.

2. Purpose. This Manual establishes uniform finance practices and procedures throughout the Ho-Chunk Nation in the use and management of the Nation's financial resources to ensure funds are used in a reasonable and prudent manner in the achievement of the desired goals and objectives of the Nation.

a. See the Nation's *Appropriations and Budget Process Act* (2 HCC § 4) for policies governing appropriations and budget.

b. See the Nation's *Materials Management Policies and Procedures Manual* for policies and procedures for the purchasing and management of products/materials and services. Until such time that the *Materials Management Policies and Procedures Manual* is published, the *Property and Procurement Manual*, dated 9/3/92, shall be followed.

3. General. The Ho-Chunk Nation operates a number of programs and enterprises for the protection and well being of its membership. These activities are funded by federal and state contracts and grants, and by net profits from enterprises.

4. Declaration of Policy.

a. It is the policy of the Ho-Chunk Nation that all its funds shall be accounted for by a centralized, budget driven, accrual system of accounting. The system shall ensure conformance with all applicable Ho-Chunk Nation, federal, and state rules and regulations, Generally Accepted Accounting Principles (GAAP), and any other rules and regulations as deemed appropriate by the Nation's Legislature.

b. Confidentiality.

(1) Financial information of the Nation shall be considered confidential and privileged. See paragraph 8, *Appropriations and Budget Process Act* (2 HCC § 4).

(2) Employee Non-Disclosure Agreements.

(a) Employees are prohibited from disclosing proprietary and confidential information learned, gained, or otherwise acquired while in the employment of the Nation.

(b) All employees shall be required to sign a Non-Disclosure Agreement.

5. **Responsibilities.** The Department of the Treasury (Treasury) is responsible for preparing, reviewing, and/or approving all financial statements of the Ho-Chunk Nation. Final approval of all financial statements lies with the Treasurer.

6. **Definitions.**

a. “Budget” means a plan in dollars and cents that provides for the allocation of the financial resources of the Nation. Budgets provide projections of both revenues and expenditures based on historical data and reasonable assumptions for a fiscal year.

b. “Capital Expenditure” is the purchase of furniture, equipment, vehicles, facilities, etc., with a price of \$5,000.00 or more and a useful life of two (2) years or more

c. “Capital Project” is a new construction, expansion, renovation or a project that would replace an existing facility and is projected to take longer than one fiscal year to complete but will not exceed two fiscal years. Funds may only be used for the specific purpose for which they have been appropriated by Legislature and cannot be transferred to any other capital project or capital expenditure.

d. “Financial Statements” report the Nation’s financial activities over a specific period of time or as of a specific date.

e. “Fiscal Year” means the period beginning on July 1 of any particular calendar year to June 30 of the following calendar year.

f. “Indirect Costs” represent the expenses of doing business that are not readily identified with a particular grant, contract, project, or activity. An indirect cost is any general management cost incurred for a purpose benefiting more than one cost objective, which is not readily assignable to the cost objectives benefited without effort disproportionate to the results achieved.

g. “Long-Term Debt” is debt that is not to be repaid within one (1) year.

h. “Operating Expenditure” is the purchase of equipment, etc., with a price under \$5,000.00 or a useful life of less than two (2) years.

i. “Treasury” means the Ho-Chunk Nation Department of Treasury.

7. Significant Accounting Policies. The general-purpose financial statements of the Nation are to be prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The significant accounting principles and policies utilized by the Nation are described below.

a. Fund Accounting. The accounts of the Nation are organized on the basis of funds and account groups, each of which is considered a separate entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. Financial transactions of the Nation and the results thereof are presented in the financial statements as follows:

(1) Governmental Funds.

(a) General Fund. The General Fund is the general operating fund of the Nation. It is used to account for all financial resources except for those required to be accounted for in another fund.

(b) Special Revenue Funds. Special revenue funds are used to account for the proceeds of specific resources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes.

(c) Capital Projects Funds. Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

(2) Proprietary Funds. Proprietary funds are those enterprise funds used to account for operations -

(a) that are financed and operated in a manner similar to private business enterprises, where the intent of the Nation is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be finance or recovered primarily through user charges; or

(b) where the Nation has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

(3) Fiduciary Funds. Fiduciary funds are those trust and agency funds used to account for assets held by the Nation in a trustee capacity or as an agent for others. The Nation uses an agency fund to account for per capita distributions to the Nation's minors. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurements of results of operations.

(4) Account Groups. Account groups are not funds as they reflect only financial position as of a certain date and do not involve the measurement of operations. The Nation uses the following account groups.

(a) General Fixed Assets. The general fixed asset account group is used to account for fixed assets acquired principally for general governmental purposes, which are not accounted for in the proprietary funds.

(b) General Long-Term Obligations. The general long-term debt account group is used to account for all long-term obligations of the Nation except those accounted for in the proprietary funds.

b. Basis of Accounting. The accounting and financial reporting treatment applied to a fund is determined in its measurement focus. The measurement focus and basis of accounting used Nation funds are as follows.

(1) Governmental.

(a) All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

(b) The modified accrual basis of accounting is used by all governmental and expendable trust funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means collectible with the current period or soon enough thereafter to be used to pay liabilities of the current period. All significant revenue sources are treated as "susceptible to accrual".

(c) Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt which are recognized when due. Liabilities for claims, judgments, and compensated absences, which will not be currently liquidated using expendable available financial resources are shown in the general long-term debt account. The related expenditures are recognized when liabilities are liquidated. The purchase of fixed assets used in governmental fund type operations (general fixed assets) are reported as expenditures of the governmental fund that finances the acquisition.

(2) Proprietary Funds.

(a) Proprietary funds are accounted for on a flow of economic resource measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increase (i.e., revenues) and decreases (i.e., expenses) in net total assets.

(b) The accrual basis of accounting is used by proprietary funds. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Unpaid enterprise fund services receivable are recorded at year-end. All fixed assets are capitalized at historical cost and depreciated over their useful lives.

(3) Agency Funds. The modified accrual basis of accounting is used by all agency funds.

c. Cash and Investments. Cash and investments are combined on the balance sheet. Cash deposits consist of demand and time deposits with financial institutions are carried at cost. Investments are stated at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. For purposes of the statement of cash flows, all cash deposits and highly liquid investments with a maturity of three months or less (including restricted assets) are considered to be cash equivalents.

d. Interfund Receivables and Payables. During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” and “due to other funds” on the balance sheet.

e. Inventories.

(1) Inventories are recorded at cost which approximates market, using the first-in first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure or as an expense at the time individual items are consumed rather than when purchased.

(2) Inventories of the general fund are offset in a fund balance reserve account to indicate that they do not represent spendable available financial resources.

f. Fixed Assets. Fixed assets of the Nation are valued at either historical cost or estimated historical cost. Donated fixed assets are valued at their estimated fair value on the date donated. Fixed assets are recorded in either proprietary funds or the general fixed asset account as follows:

(1) Proprietary Fund Fixed Assets.

(a) Fixed assets of the proprietary funds are recorded as an asset of the proprietary fund that maintains and utilizes the fixed asset. Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Depreciation is determined over the useful lives using the straight-line method. The estimated useful lives are as follows:

- 1 Buildings and Improvements. 20 to 40 years.
- 2 Machinery and Equipment. 5-7 years.
- 3 Fixtures and Furniture. 3-7 years.

(b) Net interest costs during construction periods are capitalized for fixed assets acquired by the issuance of long-term debt. Major additions and improvements are capitalized while expenditures for maintenance and repairs that do not add to the value of the asset or materially extend asset lives are charged to operations as incurred.

(2) General Fixed Assets. Fixed assets used in governmental fund type operations are not capitalized in the funds used to acquire or construct them. The expenditures for the acquisition and construction are reflected in governmental funds, and the related assets are reported in the general fixed assets account group. Assets in the general fixed assets account group are not depreciated.

8. Operating Budget.

a. Executive Directors and Managers are responsible for the development and management of their budgets.

b. Budget Development Process. The budget process shall:

- (1) Identify all potential funding sources.
- (2) Provide accurate income projections.
- (3) Effectively analyze the critical issues/needs facing the Nation and each department, program, and enterprise.
- (4) Evaluate the effectiveness of existing programs in meeting the critical issues/needs.
- (5) Ensure proper input from Department Executive Directors, managers, and staff.
- (6) Present budgets that efficiently meet the needs of the Nation within the allocated amount and on time.

c. Budget Components. The budget will contain the following components. In addition, budgets shall address potential outside funding sources, how each Tribal entity will address specific issues and needs of the Nation, and complete justification of expenses.

(1) Budget Narrative. The budget narrative shall include a description of the Tribal entity and the services provided to the Nation and Tribal members, the impact of the Tribal entity on the Nation's and member's critical issues and needs, the successes of the current and prior year's budget, an evaluation of the effectiveness of the current budget, an analysis of how the proposed budget will address effectiveness and revenue expectations.

(2) Budget.

(a) Expenses. The budget will include payroll expenses, operating expenses, special program expenses, and capital expenses.

(b) Revenue Sources. The budgeting entity shall identify the source of funding for each expense, either as an appropriation from Net Profit Distribution (NPD) or from a grant.

(3) Budget Justification. Each line item within the budget must be justified and include an explanation of the item and its use.

d. Income/Revenue Projections. The Nation's budget is based on two basic sources of revenue: Enterprise Profits (Net Profit Distribution (NPD) Funds) and Grants or other outside funds.

(1) NPD Funds. The Department of Business, with the assistance and input of the gaming and non-gaming enterprises, will develop thorough and accurate income projections for the budget year and the following year. These projections will be site specific and based on historical performance, industry trends, patron demographics, economic conditions, and any other relevant factors specific to the industry. The projections, with complete analyses included, shall be reviewed by the Treasury and submitted by the Office of the President to the Legislature in accordance with the *Appropriations and Budget Process Act*.

(2) Grants. The revenue from existing grants is to be detailed in budget presentations and specific expenses assigned to this revenue through the Special Program Expense of the budget. Potential grants not yet rewarded are to be included with an estimate of the probability of award, how the Nation is awarded the grant, and how the revenue will impact identified critical issues and budget proposals. In order to maximize outside funding, the Nation's Planning Division will develop and maintain a list of available outside funding sources and assist the Departments and Programs in preparing proposals to access these funding opportunities.

e. Budget Evaluations.

(1) Each month, the Department of Treasury shall provide each of the Nation's entities with a budget report. It is the responsibility of the Executive Director of each Department to review and monitor budgets, including grants, under their control, to adjust their spending patterns if necessary, and to evaluate the success of the entity.

(2) The Department of Treasury and the Office of the President will conduct a quarterly review of expenditures by appropriations and grants. A copy of that report shall be furnished to the Legislature.

f. Budget Modifications.

(1) The Nation's entities are given the opportunity to modify their current budget each quarter. The purpose of these modifications is to address unanticipated expenses, over-expenditures in specific line items beyond the control of the Director or Manager, and the addition of programs or activities not anticipated or planned during budget preparation. Modifications will not be used to compensate for poor planning and poor management. Directors and Managers may prepare modifications to request the transfer of NPD funds between operational line items including payroll, benefits, operating, and special program expenses.

(2) Capital Budgets. Capital budgets are restricted. Any modification involving the transfer of funds to or from a capital expense line item must go through the General Fund. This is done by doing a budget decrease to the General Fund and a budget increase from the General Fund.

(3) All budget modifications for the Executive Branch are reviewed by the Treasury to ensure adequate fund availability and provided to the Office of the President for approval. The President shall present approved modifications to the Nation's Legislature. Any modification affecting non-NPD funding must also be approved by the appropriate outside funding source. Modifications for other branches of the Nation are to follow the requirements of the Nation's Legislature as presented in the *Appropriations and Budget Process Act*.

(4) Upon approval by the Legislature, the Treasury shall enter approved budget modifications within one week of receipt.

g. All annual appropriations lapse at year-end, unless the Legislature specifically provides otherwise.

9. Computerized Accounting System.

a. The computerized accounting system is a tool to provide timely and pertinent financial information and budgetary transactions to appropriate budget managers or their designees. The financial information presented is intended to be up to the minute and

provide the user with the necessary information required to fulfill their daily financial responsibilities. All detailed transactions with respect to actual budgets (original and revisions) are displayed.

b. The system produces the Nation's various financial statements that may be viewed on-line from a terminal or workstation that is linked to the Nation's administrative server.

c. The Department of Treasury is responsible for authorizing access to the system. See paragraph 10, below, for further information.

10. Electronic Data Processing (EDP) and System Controls.

a. The purpose of EDP and accounting systems is to ensure the efficient and accurate use of available computer resources. The system is integrated and allows for single entry transactions, pre-posting transaction review, authorization verification, and segregation of duties among staff.

b. System Criteria.

(1) The system design will be consistent with current and/or planned accounting and functional requirements.

(2) The system will accurately and efficiently interact with existing systems and subsidiary programs.

(3) Data conversion from existing programs and the verification of 100% conversion is required.

(4) All documentation regarding set-up, installation, and use will be maintained.

(5) Parallel tests to existing systems are required prior to complete implementation.

c. Maintenance.

(1) To ensure desired levels of efficiency and effectiveness, the system(s) will be regularly reviewed for system modifications. All modifications and available upgrades will be thoroughly researched to determine if they will positively impact system operation.

(2) Any system modification and maintenance will be approved by the Treasurer or designee to ensure avoidance of conflicts with existing requirements or needs and that the modification and maintenance are properly prioritized.

(3) All modifications and upgrades will be tested in demo mode to ensure the existing system remains free of erroneous data.

d. Computer Operations.

(1) The Management Information Systems (MIS) Department shall maintain the operations of the systems and provide evaluations on and recommendations to improve the effectiveness of the systems to the Treasurer. Evaluations will include the scheduling of computer-generated reports, check runs, scheduled backups, and other computer related activities. MIS will use activity logs and system usage reports to make recommendations to the Treasurer on system scheduling.

(2) Backups of the EDP and accounting system will be completed each night. A backup copy will be maintained off-site. Year-end copies shall be maintained for three (3) years.

e. System Access.

(1) All requests for access to the EDP and accounting systems shall be submitted to the Treasurer by the employee's supervisor. The request will include justification for the access, type of access needed, and account limitations. If approved, the Treasurer will forward the information to MIS.

(2) Upon employment separation, the supervisor will immediately notify MIS to revoke the employee's access to the systems. This notification will include the employee's name, type of access, and account limitations. MIS will notify the Treasurer when the employee's access has been terminated.

11. Indirect Costs.

a. An indirect cost will be applied to the Nation's operations to meet required federal regulations as well as for the general operation of the Nation.

b. The Treasury will annually develop an indirect cost rate based on a cost allocation plan. Upon Legislative approval, the indirect cost rate shall be forwarded to the U.S. Department of the Interior for review and negotiation. Upon receipt of an approved indirect cost rate, the notice of approval will be forwarded to all affected managers and funding agencies. The Treasury will maintain a signed copy.

c. The indirect cost shall be charged to the applicable budget on at least a monthly basis. Any indirect cost reimbursement from outside funding will be recorded as an increase in the General Fund.

12. Standard Financial Reports.

a. Contracts and Grants.

(1) Budget vs. Actual Report. Treasury will prepare a monthly Budget vs. Actual Report for each Contract/Grant Program. The report shall be provided to the applicable department and/or program director, with a copy provided the Office of the President and to the Chairperson of the Finance Committee. The reports will show monthly and yearly cumulative expenditures for each Contract/Grant Program by line item compared to budgeted amounts and the resultant variances. Department Executive Directors and Program Managers shall use this report to monitor and adjust expenditures as required.

(2) Consolidated Program Report. The Treasurer will prepare a monthly Consolidated Program Report for each Contract/Grant Program and submit to the Legislature. This report will show monthly and yearly cumulative expenditures by line item compared to budgeted amounts and the resultant variances.

b. General Fund Programs.

(1) Budget vs. Actual Report. The Treasury will prepare a monthly Budget vs. Actual Report for each department and/or program director, with a copy provided the Office of the President and to the Chairperson of the Finance Committee. A report for each General Fund Program will be prepared. The reports will show monthly and yearly cumulative revenues and expenditures for each General Fund Program by line item compared to budgeted amounts and the resultant variances. Department Executive Directors and Program Managers shall use this report to monitor and adjust expenditures as required.

(2) Cash Flow Report. The Treasury will prepare a monthly Cash Flow Report that shows the sources and uses of cash and submit it to the Office of the President and the Legislature.

c. Enterprises.

(1) Income Statement. Enterprises shall submit an Income Statement to the Treasurer no later than the 20th of each month for the previous month.

(2) Cash Flow Report. Enterprises shall submit a Cash Flow Report to the Treasurer no later than the 15th of each month for the previous month.

13. Accounts Payable/Payroll Payments.

a. Accounts Payable Checks.

(1) Accounts Payable produces system-generated payments at least once per week. Accounts Payable checks are stale dated six (6) months from date of issue. The Nation will honor stale accounts payable checks if the recipient returns the original check. A replacement check will be generated for payment with proper authorization.

(2) Manual checks should only be used when system generated checks will truly be too late. Manual checks are costly to produce and are less desirable from an accounting/control perspective. Manual checks require written authorization from the Office of the President.

(3) Single checks valued at less than \$5.00 shall not be issued for cost efficiency reasons. Where an expense is less than \$5.00, the employees or person may submit a voucher for cumulative reimbursement or reconciliation of greater than \$5.00.

b. Payroll Checks/Direct Deposit.

(1) Payroll payments (checks and electronic transfers) are system generated and disbursed weekly for employees. Payroll checks are stale dated ninety (90) days from date of issue. The Nation will honor stale payroll checks if the recipient returns the original payroll check. A replacement check will be generated for payment with proper authorization.

(2) Each voluntary employee deduction for other than Ho-Chunk Nation sponsored employee benefits may be assessed a fee of \$1.00 per transaction.

(3) Payroll checks picked up one calendar day prior to their normal disbursement require written approval by the area senior administrator and one-day advance notice to the Payroll Office. These early release payroll checks may be picked up in the Payroll Office at 12: 00 p.m. the calendar day before the normal payday.

(4) Payroll Advances. For emergency situations (health or employment threatening), a full-time employee upon completion of his or her initial probationary period can request an advance payment of future wages.

(a) An employee may not receive a payroll advance more than once every six (6) months.

(b) The employee shall request a payroll advance by submitting a Request for Payroll Advance Form through his or her supervisor and Executive Director or General Manager to the Department of Treasury. Written documentation of the need, i.e., copy of a car repair bill, will be attached to the request form. The Payroll Office requires a minimum of three (3) days to process a request for payroll advance.

(c) The Treasurer shall approve each payroll advance.

(d) The advance will be paid by check to the vendor. No checks shall be issued to the employee.

(e) The advance may not exceed the net amount of the employee's average weekly wages.

(f) The advance will be repaid by weekly payroll deductions for a period not to exceed six (6) weeks. In the event of resignation or termination, the unpaid balance is due immediately and will be withheld for the employee's final paycheck.

(5) Payroll Deductions and Attachments. Deductions from each employee's gross pay period earnings are two types, mandatory and voluntary.

(a) Mandatory Deductions. Mandatory deductions are those required by federal or state law or by order of the Nation's Trial Court.

1 Foreign Wage Garnishments (other than Ho-Chunk Nation). Foreign garnishment of employee wages will only be made upon the order of the Ho-Chunk Nation Trial Court.

2 Wage Garnishments by the Ho-Chunk Nation.

a Unless an employee obtains an order from the Ho-Chunk Nation Trial Court halting the wage garnishment, an employee upon whose wages a notice of garnishment is served is required to negotiate a payment plan acceptable to the Nation within ten (10) days of the date on which the garnishment notice was served.

b In the event an agreement is not reported to the Payroll Office in writing by the Department of Justice Attorney representing the Nation by the end of the ten (10) day period, the Payroll Office is authorized to begin involuntary payroll deductions from the employee's future earned wages in the amount of at least ten dollars (\$10) per week, but not to exceed twenty-five dollars (\$25) per week.

3 Employees are discouraged from inserting their personal financial matters into their employment relationship with the Nation. When such attachments become administratively burdensome to the Nation, the affected employee will reimburse the Nation in an amount commensurate to actual processing costs.

(b) Voluntary deductions are those requested by employees in writing and may include such items as the employee's contribution to health care, optional pension or retirement plans, credit union or savings accounts, pay advancements, and charitable organizations.

14. Capital Expenditures.

a. Capital expenditures will be recorded directly to the appropriate fixed asset account, rather than charged against an operating expense in the appropriate fiscal year.

b. The computerized accounting system provides monthly reports on each department's major capital budget, expenditures to date, and balance available.

c. Capital expenditures in excess of the budgeted amounts will be permitted only with the approval of the Legislature.

d. Multiple purchases of minor equipment with an aggregate total of \$5,000.00 or less will not be recorded as a capital expenditure, but as individual operating expenditures.

e. Capital Leases. Capital leases are merely a form of financing and will be recorded as capital assets rather than an operating expenditure. All capital leases shall be approved by the Legislature.

15. **Banking**. The following policies shall apply to all banks, savings and loans, other depository, investment, or escrow accounts opened by or for the benefit of the Nation or any portion thereof, to any depository accounts bearing the names “Ho-Chunk Nation” (or similar references such as federal identification number), or referencing enterprises/departments/programs of the Ho-Chunk Nation.

a. Authorization. All bank accounts shall have the written authorization of the Ho-Chunk Nation Legislature before they are opened. In addition, the Treasury shall receive written notification of the approval prior to implementation to assist with proper tracking of the Nation’s financial activities.

b. Auditing. All accounts bearing the names “Ho-Chunk Nation” or similar designation shall be controlled and audited by Treasury.

c. Two Signatures Required. Unless otherwise authorized by of the Legislature, all accounts bearing the name “Ho-Chunk Nation” or any similar designation or specific reference to the Nation’s enterprises/departments/programs shall require two signatures on checks. Authorized signatories shall be designated or approved by the Legislature.

d. Financial Institutions. The Treasurer may, through written communication, request from specific financial institutions any existing account information including title, account number, authorized signatories, and date opened (or a photocopy of the documents authorizing the account) for any account bearing the name of Ho-Chunk Nation. If deemed necessary by the Treasurer or designee, the financial institution may be requested to provide further details (including copies of checks, deposits, or monthly statements). The Nation will reimburse the bank for any direct cost of complying with these requests upon receipt of an appropriate invoice.

e. Accountability.

(1) All accounts not directly controlled by the Legislature and managed by the Treasury shall be subject to audit at least annually.

(2) The Nation’s Official(s) responsible for the accounts shall provide the Treasury with a monthly detailed summary of all transactions in the account (including

the related bank account statement) and keep adequate records available upon request to prove the appropriateness of all receipts and expenditures.

(3) In the event of any misappropriation or misuse of funds in violation of Nation's policy, the parties involved will be held accountable for full restitution to the Nation and subject to penalty in accordance with the *Appropriations and Budget Process Act* (2 HCC § 4) and/or the Nation's *Code of Ethics Act* (2 HCC § 1).

f. Safety Deposit Boxes. The rental of bank safety deposit boxes for or in the name of the Nation is prohibited.

16. Gifts, Assets, Checks, and Drafts.

a. Financial donations and checks/drafts/other financial instruments made out to Ho-Chunk Nation shall be deposited in an account under the direct control of the Treasury. Violation of this policy shall subject the parties involved to immediate termination if employed by the Nation and to all legal remedies available.

b. Petty Cash Funds. This policy (except with regard to misappropriation and misuse of the Nation's assets) shall not apply to petty cash funds appropriately authorized by the Legislature. Petty cash fund usage shall not be in conflict with any other policy adopted by the Nation. Appropriate documentation shall be forwarded to Treasury prior to replenishment of the petty cash fund.

17. Bank Signature Authorization.

a. The bank signature authorization policy designates the number of signatures required on and the persons authorized to sign checks, drafts or other financial instruments on the Nation's depository and custodial accounts.

b. Pursuant to Ho-Chunk Nation laws, the Ho-Chunk Nation Legislature shall designate at least two authorized signatories to sign checks, drafts, or other withdrawals for all of the Nation's various depository and custodial accounts, taking into consideration the need for adequate internal controls over the Nation's resources. The Treasury shall maintain a list of these authorized individuals.

18. Long Term Debt. This policy governs the decision making process necessary to assume long-term debt and the compliance requirements associated with loan covenants.

a. Research. Prior to assuming debt, research shall be conducted to determine need for debt, cash flow available for repayment, and terms of debt. A three-bid process must be followed to choose the best available lender for the debt. The bid proposals must include the following: amount of debt financed, interest rate, fees, collateral, payback period, and any restrictive covenants. The three bids are then ultimately submitted to the Finance Committee for approval of the lender. Once the approved lender is chosen, the Department of Justice will work with the lender to draft an acceptable contract.

b. Approval. The Legislature shall approve all contracts associated with the assumption of the debt. All long-term debts must be approved by legislative resolution. The Vice President will sign debt agreements.

c. Interest and Principal Recording. The general ledger must reflect accurately the note and associated interest.

(1) When the money is received for the note payable, an entry is made to the general ledger to reflect the liability. As interest is paid the amount is recorded as an expense. As principal is repaid it is reflected in the general ledger as a reduction of the liability.

(2) The Treasury will make monthly calculations of interest and record the accrued interest to the general ledger based on imputed interest rate and the days since the last interest payment was made.

d. Compliance. The Department of Treasury is responsible for compiling any compliance certificate requirements and submitting them to the lender as required by the debt certificate. Also they must submit timely financial statements to the lender as required.

e. Records. The Treasury will maintain copies of the debt agreement and all covenants associated with it as well as the resolution approving the debt. If assets as collateral secure the debt, Treasury will keep an asset listing of those secured assets. In addition, they are responsible for maintaining repayment schedules including cash flow associated with principal and interest repayment. Maintenance of files regarding compliance certificates is required.

19. Independent Contractor Status.

a. When it is determined that the Nation requires the engagement of an individual in an employer-employee relationship, the hiring and payment shall go through regular employment and payroll procedures. Such individuals are legally employees of the Nation and not consultants or independent contractors.

b. Ordinarily, an employer-employee relationship will be deemed to exist if administrative activities or other personal services will be provided on regular intervals or under substantial direction and control of the Nation. In cases of doubt, the Treasurer (or designee) shall determine whether the work relationship is that of employer-employee or independent contractor.

c. When a consultant-client relationship exists (i.e., independent contractor), it shall be described in a contract or other written document specifying in detail the nature of the services to be rendered and the amount and method of payment. Also, at the time of the

written contract, the consultant must complete a W-9 form, which should be forwarded to Accounts Payable to fulfill federal requirements.

d. The Department of the Treasury is responsible for compliance with federal and state requirements concerning non-employee compensation. In all cases, it will be necessary that federal and state tax information be reported. In some cases, income tax withholding may be necessary.

e. Payments to Ho-Chunk Nation Employees. Employees may retain fees and honoraria received from speaking engagements in excess of actual expenses of travel to and from engagements. The Nation does not require reimbursement of an honorarium provided that the employee has not charged the Nation for any expenses connected with its receipt. See the *Code of Ethics Act* (2 HCC § 1) for policies governing elected and appointed officials.

20. Credit Card Policy. Each branch of government is responsible to establish its own Credit Card Policy. The Legislative and Judiciary Branches have individually billed credit cards. The Executive Branch, to include enterprises, participates in the federal government's General Services Administration's (GSA) SmartPay Program as provided herein.

a. General Policy and Program Overview. The SmartPay Program is the only credit card that will be issued and used within the Executive Branch. Ho-Chunk Nation centrally billed credit cards can be issued to individual employees based on this policy. No personal expenses may be charged to the Nation's centrally billed credit cards. All centrally billed credit cards are the property of the Nation and must be surrendered upon demand from the respective Executive Director, Department of Treasury, the Office of the President, or as directed by the Legislature.

(1) Authorized Users. All of the Nation's Departments, Programs, and Enterprises are eligible to apply for centrally billed Ho-Chunk Nation Credit Cards.

(a) The Nation's Credit Cards may only be used for three (3) categories. Subsequent Sections (b through d, below) describe the authorized uses within each of the three categories. Those categories are: Travel, Fleet, and Purchase.

(b) The Executive Director of each Department is accountable for the use of the credit cards assigned and the amounts charged.

(c) All cards will be issued based on approval of the application by Treasury and the Office of the President.

(d) The use of these credit cards, in all categories, must be within Legislatively approved budgets and is governed by the Nation's *Appropriation and Budget Process Act* (2 HCC § 4).

(2) Centrally Billed Accounts.

(a) Only the Nation's Legislature may authorize Centrally Billed Accounts.

(b) All charges on Centrally Billed Accounts are the responsibility of the individual employee.

(c) The following employees are eligible to apply:

1 President.

2 Presidential Staff.

3 Executive Directors.

4 Enterprise and Program Staff, Division Managers, or Directors when approved by the Executive Director and the President.

(3) Restrictions. The use of all non-GSA SmartPay credit cards and charge accounts are strictly prohibited, except where expressly provided for in this credit card policy.

(a) The Department of Treasury will cancel or close any and all individually billed credit card accounts upon enactment of this Manual.

(b) Each card issued will be assigned a charge limit to a pre-authorized or unencumbered amount according to the Legislatively authorized budget line item(s).

(c) Any unauthorized use and/or purchases with the GSA Credit Cards will subject the unauthorized user to immediate restitution/reimbursement to the Nation and other disciplinary action, up to and including termination (see paragraph g, below).

(d) No personal charges are allowed. Charges personal in nature will be sufficient cause for termination and include restitution/reimbursement to the Nation.

(e) The purchase of the following items with a GSA SmartPay Program Credit Card is strictly prohibited:

1 Tobacco products.

2 Alcohol beverages.

3 Firearms or weapons.

4 Products or services specifically listed in paragraph 21p, Non-Reimbursable Expenses and any other items later identified. Exception: The Nation's

Retail and Casino/Hotel operations can purchase tobacco products and alcoholic beverages for resale, and for purchases in circumstances as permitted by IRS Publication-463, as it relates to Managers of Casino/Hotel Operations, and Marketing Operation Managers.

b. Travel Cards.

(1) Travel Cards can be only be used for common carrier transportation, car rental, and hotel and lodging facilities.

(2) City Pairs Program/Airline Travel. The General Services Administration (GSA) annually awards contracts for air transportation for Federal employees on official government travel under the City Pairs Program. The Nation must comply with City Pairs Program restrictions.

(3) Other Common Carrier Transportation.

(a) Other forms of transportation, that is, train or bus travel, can be booked by the individual Departments or Programs for the employee traveler only.

(b) Use of non-airline travel must be justified by the employee and be either lower in cost or more efficient.

(4) Car Rentals.

(a) Car rentals must be pre-approved and billed to the Travel Card.

(b) If an employee uses a personal charge/credit card, the employee may request reimbursement if the rental was pre-approved in accordance with paragraph 21 and a budget appropriation for car rental has been approved.

(5) Lodging.

(a) Hotel rooms are to be reserved for authorized business use only. No extra days will be paid/reimbursed.

(b) All rooms will be booked for a single rate only. The Nation will not pay the lodging costs of another unauthorized person traveling with the employee. Exception: The single rate will be waived if two (2) authorized employee travelers are on pre-approved travel and are willing to share a room.

(6) Meals.

(a) The Travel Card may not be used to charge meals if the employee has requested and obtained a per diem advance from Treasury.

(b) Meals charged will only be reimbursed to the amount stated in the per diem rates as monitored by Treasury.

(c) The employee is responsible for all charges and must reimburse any amounts paid in excess of established per diem rates.

(d) Purchase of alcoholic beverages is prohibited.

c. Fleet Cards.

(1) Restrictions. Fleet Cards may only be used for Nation owned fleet vehicles. Personal use is prohibited.

(2) Uses. Fleet Cards can be used for vehicle, marine, and/or aviation fuel, service, parts, and repairs associated with Nation use and business operation.

(a) Fuel. Fleet Cards can be used to fuel the Nation's fleet vehicles only. Whenever possible, vehicles are to be fueled at the Nation's facilities.

(b) Service/Repairs. Upon the approval of the Fleet Manager, or designee, the Fleet Card can be used for emergency repairs and towing of tribal vehicles only. Whenever possible, vehicles are to be repaired at the Nation's vehicle repairs facility.

d. Purchase Cards.

(1) Authorized Purchases. Purchase Cards may be used for products and services not available through the Nation's Distribution Center catalog and bulk purchase program as specified in paragraph 25 and in the Nation's *Materials Management Policies and Procedures Manual*.

(2) Approvals. Purchase Cards are to be issued to pre-authorized employees that are responsible for purchasing products and services for Nation use and business operations.

(3) Restricted Purchases. In addition to the Nation's restrictions, the GSA SmartPay Program prohibits the use of Purchase Cards to be used for transactions covered by the travel and fleet card, including:

(a) Travel or travel-related purposes.

(b) Fuel, oil, services, maintenance and repairs for those users of IFMS and the GSA Fleet Management Program.

(c) Cash advances.

(d) Long-term rental or lease of land or buildings.

(4) Restrictions on Use.

(a) Purchase Card usage is strictly limited to products used by and for the Nation's operations.

(b) Purchase requests for commercial products must first be submitted to the Nation's Distribution Center before routine purchases of commercial products is permitted with the Purchase Cards.

(c) Purchase Cards can not be used to avoid the 3-Bid process, contract approvals, or the Nation's purchasing policies as detailed in the *Materials Management Policies and Procedures Manual*.

(d) All returns for merchandise purchased with the Purchase Card must be reflected as a credit to the account. Return for cash or store credit is strictly prohibited.

(e) Purchase Cards cannot be used as a substitute for improper planning or to avoid the Nation's standard purchasing procedures.

e. Security/Control Measures.

(1) Reconciliation Of Credit Card Purchases.

(a) All Ho-Chunk Nation Credit Card purchases will be reconciled monthly by the appropriate Department.

(b) The statements for each category of purchases must be submitted by the user to their Department within five (5) days of receipt or return from travel.

(c) All original charge receipts are to be included with the payment packet.

(2) List Of Approved Users. Each Department Executive Director will submit a list of approved/authorized credit card users to Treasury.

(3) Budget/Purchase Amount Limitations. Credit card purchases shall not exceed the budgeted amount as approved by the Legislature.

f. Remedies.

(1) Department of Treasury Review. Any violations of this Manual will result in the Department of Treasury suspending or terminating charge privileges for individual employees and/or the entire Department or Division.

(2) Department Review.

(a) If, after reviewing the Department of Treasury's determination and responsive action, the Executive Director of the Department finds Treasury's remedy inadequate or insufficient, then the Executive Director may initiate its own actions against the individual and/or Department or Division.

(b) The Department Director, or in the case of the Director, the Department of Justice, may recommend additional monetary penalties against persons violating any provision of this Manual pursuant to the *Appropriations and Budget Process Act*.

(c) An employee found to be in violation of the law shall be subject to discipline including, but not limited to, immediate termination.

(d) The Department of Justice will initiate legal proceedings. The Attorney General or designee shall not exercise prosecutorial discretion (e.g., shall prosecute).

(3) Restitution/Reimbursement.

(a) If the employee fails to repay the amounts owed and is a Tribal member receiving Per Capita payments, then the Nation will initiate an action with the Ho-Chunk Nation Trial Court for a Claim Against Per Capita pursuant to the *Claims Against Per Capita Ordinance*.

(b) If the employee fails to repay the amounts owed and is presently an employee of the Nation, then the Nation will initiate an action to recover through an Involuntary Wage Garnishment.

(c) If the person is no longer an employee of the Nation, any debts or obligations owed to the Nation shall be pursued in a court of competent jurisdiction.

g. Penalties.

(1) If the Nation finds any person in violation of any provision of this policy, that person shall be fined no less than five hundred dollars (\$500.00) in addition to restitution and reimbursement.

(2) Notwithstanding any other provision of this Manual, the Ho-Chunk Nation Trial Court is hereby granted authority to order relief against any person who violated any provision of this Manual.

(3) A conviction of a violation of this policy shall be deemed a criminal offense punishable by up to one hundred and twenty (120) days in jail for any person who fails to comply with any order issued pursuant to this Manual.

h. Enforcement. The Department of Justice shall promptly prosecute all violations of this policy whenever:

(1) On the basis of information available, including receipt of information from any person, where the Attorney General has reason to believe that any person is in violation of any provision of this Manual; or

(2) The Director of any Department/Division, including but not limited to, the Department of Treasury, Executive Departments, or Legislature may request prosecution of an individual after the Department/Division has provided the individual with notice and an opportunity to be heard and whose finding results in a reasonable belief a violation of this Manual has occurred. In this case, the Attorney General or his/her designee shall not exercise prosecutorial discretion.

21. Employee Expense Reimbursement. Employees will be reimbursed for reasonable and appropriately documented expenses incurred on authorized business. All expenses submitted for reimbursement must be accompanied with a receipt. All expenses incurred and any advances received by an employee are the personal liability of the employee until he or she has complied with these policies.

a. Travel and Entertainment Expenses. General travel expenses are reimbursable only when the appropriate supervisor authorizes the specific trip in advance.

(1) Vacation or other leave taken in conjunction with reimbursable travel must be requested and approved prior to departure.

(2) The Nation does not reimburse personal expenses while on official business, nor fares for family members, or others, accompanying the traveler.

b. Transportation Expenses. Employees are expected to travel by the most direct route using the most economical and reasonable mode of travel available. If an employee travels on official business by an indirect route, reimbursement shall be based on charges as would have been incurred by traveling the most direct route. Additional time required for such indirect travel shall be charged to vacation or leave without pay in accordance with policies regarding such absence.

c. Commercial Carrier Fares.

(1) An employee may be reimbursed for necessary costs over and above those assumed by the airline because of overbooking and travel delays, provided these expenses are reasonable and supported by receipts.

(2) The Nation will not reimburse additional expenses incurred due to change of schedules to meet personal needs or desires.

(3) Any unused portions of tickets must be returned to Treasury for appropriate credit. Employees are not permitted to cash unused tickets, and, except in cases of emergency or changes resulting in no additional cost to the Nation, employees may not alter the ticket purchased by the Nation

d. Auto Rental Fees. Car rental service may be utilized only when other ground transportation is not practicable or the cost of public transportation (or taxicabs) is greater than auto rental charges.

(1) The least costly available vehicle (economy or compact car) and rental arrangement (government rate rental) are to be used, taking into consideration the number of passengers, luggage or equipment, etc. Travelers should always request the government rate. When a more costly rental is used, reimbursement may be limited to the amount of the less expensive rental.

(2) Extra Insurance. The Nation will not reimburse or pay for the Collision Damage Waiver commonly offered by rental companies, except for rentals in foreign countries. If Personal Accident Insurance is elected on rentals, it is at the traveler's personal expense.

e. Personal Automobile Mileage Allowance.

(1) Use of a privately owned vehicle is authorized when fleet vehicles are not available or impracticable in the circumstances.

(2) Except when authorized for the reasons stated above, total private automobile mileage expense is limited to the lesser of coach air transportation costs for the same destination or actual business mileage driven multiplied by the mileage reimbursement rate.

(3) Reimbursement will be based on the Federal reimbursement schedule. Changes to the schedule will be automatically implemented by the Nation either August 1st or January 1st, whichever date comes first, and after the new Federal mileage rate goes into effect.

(4) No employee is authorized to use a privately owned vehicle on the Nation's business unless such vehicle is covered by the employee's personal insurance meeting minimum Wisconsin State requirements. The Nation does not provide property damage or liability insurance coverage and accepts no responsibility for accidents and injuries for employee travel in privately owned vehicles.

f. Parking And Toll Charges. Necessary parking and toll charges incurred on Nation business are reimbursable in addition to mileage allowances and other transportation expenses when receipts are provided.

g. Meals While in Travel Status. The Nation will reimburse meals in travel status up to the allowable per diem rate.

h. Lodging. Employees will be reimbursed reasonable and appropriate hotel expenses. Reimbursement will be based on the paid receipt received by the traveler.

i. Passport And Visa Charges. Passport and visa charges are payable by the Nation only when required for Nation-related international travel.

j. Travel Insurance. The Nation does not reimburse premiums for personal trip insurance.

k. Telephone.

(1) When business calls from non-Nation telephones are necessary the employee must submit an Employee Expense Report for reimbursement.

(2) The use of aircraft telephones while in transit is not permitted except in cases of extreme emergency.

l. Conference and Seminar Registration Fees. Registration fees for conferences and seminars should be paid by normal check requisition procedures. Such fees should be paid in advance to obtain available discounts and to permit processing through the standard accounts payable process.

m. Professional Association Membership Dues And Subscriptions. The Ho-Chunk Nation will pay for individual memberships to professional organizations only when the Nation requires such membership.

n. Moving Expenses. Reimbursement of moving expenses is not permitted. (Except for those professional nonexempt employees hired by the Nation and approved by the Legislature.)

o. Flower Expenses for Employees. In the case of death or serious illness of an employee, donor, or member of their family, responsibility and coordination of sending flowers should be handled through the President's Office. The President's Office, Judiciary, or the Legislature may respond on behalf of the Nation.

p. Non-Reimbursable Expenses. Except as specifically provided otherwise herein, non-reimbursable expenses include, but are not limited to, the following:

Barber and hairdresser expenses.

Articles of clothing.

Personal telephone calls (see paragraph 21k).

Personal entertainment (including TV movies).

Magazines and other reading material (except authorized subscriptions to professional journals).

Child care.

Travel insurance.

Lost or stolen money or personal items.

Repairs, maintenance, or towing of personal vehicles.

- Traffic fines or penalties.
- Alcoholic beverages of any type.
- Flowers or other gifts for employees (see paragraph 21o).
- Formal attire rental.
- Relocation moving expense.
- Any expense lacking appropriate documentation or authorization (i.e. an expense without a receipt).

q. Travel Advances.

(1) Advances may be authorized when:

(a) The reimbursable expenses are expected to exceed one hundred dollars (\$100.00). The Nation's Traditional Court and General Council Agency are exempt from this restriction.

(b) The advance is approved by the appropriate supervisor.

(c) The employee has no advances past due for reconciliation.

(2) Treasury handles requests for advances. Petty cash may not be used to obtain travel advances. Any unspent or unsubstantiated amount must be returned no more than ten (10) working days after the expense was incurred. Failure to return any unspent or unsubstantiated amount within the time period will be deducted from the individual's paycheck. Habitual delays in proper clearance of advances will lead to suspension of this privilege.

(3) The employee is responsible to reconcile advances within ten (10) working days of their return.

r. Finance Review and Follow-Up. The Department of Treasury is charged with the responsibility for the reporting and reconciliation of employee expense transactions. The employee and the signing budget manager are accountable for integrity of expense reporting.

22. Charitable Contributions.

a. The Legislature may authorize contributions for charitable events that are paid for from the General Fund or another designated account. See the *Charitable Request Act* (4 HCC § 8).

b. Solicitation of funds by an event organizer shall be limited to a single source (Department of Business or Legislature) within the Nation.

c. Unless specifically written and approved otherwise by the Legislature, all charitable contributions shall be reconciled in a timely manner upon completion of the

event. Reconciliation is an accounting of all funds received and is accomplished by completion of a Charitable Event Reconciliation Form.

(1) The Form shall be submitted within thirty (30) calendar days of the completion of the event.

(2) The Form shall be completed and signed by the individual responsible for the charitable contribution.

(3) The Form requires all original receipts that detail spending from the total charitable contribution be submitted to Treasury along with a copy of the deposit of excess fund deposit receipt (if applicable). The sum of these items shall be equal to the total dollar amount of the charitable contribution.

(4) The individual responsible for the charitable contribution shall reimburse any shortage to the Nation.

23. Asset Management.

a. Scope.

(1) The fixed asset inventory systems of the Nation have changed in scope from inventory tagging to a more comprehensive function of Asset Management. The Nation is in the unique position of being both a government and a business. This combination affects financial and asset accountability. It should not affect standard asset management practices.

(2) The following nine (9) functional areas are essential to the effective management and utilization of the Nation's assets and to be in compliance with all requirements.

(a) Property Management. The process of maintaining an adequate control system for the Nation's assets; reporting of lost, damaged or destroyed equipment; and the process of internal self-audit.

(b) Identification. The process of properly identifying the Nation's assets.

(c) Records. The official records maintained to show the status of and control over the Nation's assets.

(d) Movement. The process of tracking the movement of the Nation's assets from one entity to another.

(e) Storage. The process of safely storing all types of the Nation's assets.

(f) Physical Inventories. The process of physically locating and counting assets and comparing this information to the records of the assets.

(g) Reports. The preparation and submission of reports reflecting the status of the Nation's assets.

(h) Maintenance. The process of providing the amount of care necessary to obtain high quality maximum use of the Nation's assets.

(i) Disposition. The process of disclosing excess, recommending disposal procedures, and effecting disposal of the Nation's assets.

b. Standards. The Department of Treasury shall establish such standards, policies, and procedures that:

(1) Facilitate the disposition, transfer, and assignment of the Nation's assets, including, but not necessarily limited to, expendable supplies, equipment, vehicles, services, real property, as well as some of the items and inventories targeted for resale.

(2) Provide protection against loss due to improper handling, assignment, or theft.

(3) Assign direct accountability and responsibility to Tribal Departments, Divisions, Programs, and Enterprises.

c. Responsibility and Accountability.

(1) Each of the Nations Enterprises, Departments, and Programs are directly responsible and accountable for the control, use, maintenance, and security of the movable and fixed assets in their possession. In accordance with this responsibility, each tribal entity is to have staff appointed to be responsible for the fixed assets assigned to the entity, to conduct yearly physical inventories, and to provide the main line of communication between the entity and Treasury. These individuals, and others who are directly involved in purchasing and asset management, shall be familiar with the Nation's policies and procedures as contained in this Manual and the *Materials Management Policies and Procedures Manual*.

(2) Responsibilities of each tribal entity and their appointed staff include:

(a) Enforcing compliance within the tribal entity with the Nation's policies and procedures as contained in this Manual and the *Materials Management Policies and Procedures Manual*.

(b) Assisting Treasury by tagging all new fixed assets whose total purchase cost exceeds \$1,000 and those assets with a high-risk classification and forwarding the required information to Treasury for entry into the Fixed Asset Database.

(c) Recording the movement and disposal of assets on the forms provided by Treasury and following the procedures within this Manual regarding the movement (transfer) and disposal of assets.

(d) Assigning or scheduling responsible department personnel to assist Treasury staff with physical inventory audits.

(3) Each employee is responsible for using the Nation's assets only for the Nation's operations and to exercise reasonable care for their safekeeping. The misuse of Nation assets subjects an employee to discipline in accordance with the Nation's employment law. The term "reasonable care" means that, at a minimum, steps are taken to:

(a) Maintain the assets in an acceptable manner.

(b) Ensure the security of the assets.

(c) Ensure that the assets can be located at any time requested.

(d) Ensure that the person responsible for the assets is known and is an employee of the Nation.

24. Enterprise/Business Acquisition and Closing.

a. Corporation Formation and Dissolution. The Nation may form a business in accordance with a variety of structures including incorporation (see *Business Corporation Ordinance*) and LLC (see *Limited Liability Company Act*). Such legal structures shall include specific language in the charter/articles of incorporation as to what happens should the Nation decide to end such operations. This shall include descriptive language as to the return of the Nation's assets. In any event, the assets shall be accounted for and returned to the Nation within a reasonable time period. Such charter/article of incorporation language shall also require the business to provide audited financial statements performed by a licensed independent certified public accountant to the Nation on an annual basis in addition to any management letter provided to the business based upon the results of an audit.

b. Acquisition.

(1) At the initial start-up or acquisition of an enterprise, financial considerations shall be addressed to ensure the accurate financial reporting of the enterprise and its operations.

(2) Proper cash controls shall be implemented and maintained by enterprise/business management. Treasury shall prepare the necessary initial cash fill to establish beginning cash on hand. Additionally, Treasury shall set up a unique depository

account in which all enterprise deposits shall be placed. Treasury shall coordinate with enterprise management to assure necessary start-up bank deposit supplies are ordered and received at or prior to start-up of operations.

(3) At least a week prior to the start-up of operations, enterprise/business management shall meet with appropriate Treasury staff to communicate needed accounts. Additionally, enterprise management shall communicate and coordinate with Treasury staff to ensure timely recording of day-to-day operation financial activities.

c. Closings. Upon the Legislature's decision to close an enterprise/business, the Department of Planning shall use the existing Closure Checklist and coordinate such closure with other Departments. The Department of Treasury shall be responsible for the following:

(1) When the Nation closes an enterprise/business, all financial issues shall be reported to Treasury staff. Treasury staff shall promptly review and process the forwarded information.

(2) During the final day of operations it is extremely important to maintain strong cash controls. All of the remaining cash within the facility shall be included within the final day's bank deposit. Treasury staff shall close the related general ledger cash-on-hand account with any difference recorded as a cash short/over.

(3) Within 48 hours of the last day of operations a complete physical inventory shall be conducted with the results properly documented and forwarded to Treasury for both operating inventory as well as fixed assets (building, land, and equipment).

(4) Based upon the results of the physical inventory, Treasury shall make the appropriate general ledger entries. Any approved return, disposal or transfer of remaining operating/fixed asset inventories shall be documented and submitted to Treasury to maintain accurate records.

(5) In the weeks after closing the enterprise, short-term assets and liabilities shall be accounted for and processed. Attempts to collect all receivables shall be made and all liabilities shall be liquidated.

(6) At close of the fiscal year, all balance sheet accounts related to the enterprise shall be closed to the General Fund.

25. **Purchasing**. All purchases for goods and services must follow the Nation's *Materials Management Policies and Procedures Manual* and shall be properly documented and authorized.

26. **Independent Annual Audit**. The Independent Annual Audit is an annual report based upon Generally Accepted Auditing Standards as promulgated by the American

Institute of Certified Public Accountants in which financial results of operations and activities based on the Nation's financial reports produced by Treasury.

a. An independent annual audit shall be conducted to be in compliance with federal and state requirements.

b. The Treasurer (or designee) at the direction of the Nation's Legislature shall prepare a Request for Proposal. The Request shall be communicated to at least three independent certified public accounting firms that meet all applicable federal, state and Nation requirements. Upon receipt of the proposals, the Treasurer shall forward the proposals to the Finance Committee of the Nation's Legislature. The Nation's Legislature shall select the Independent Certified Public Accounting Firm.

c. The Independent Certified Public Accounting Firm shall directly report the final audit results to the Nation's Legislature.

d. In order to effectively monitor and resolve audit findings, appropriate officials or directors shall provide written communication to the Nation's Legislature within sixty (60) days from date of notification. The written communication shall state whether (i) the finding has been corrected, the date of correction, and a description of how it was corrected; or (ii) the finding has not been corrected, the reasons for delay in correction, and an estimated date of correction.

27. Stipend Policy.

a. The daily stipend for members of the boards, committees, and commissions of the Ho-Chunk Nation will be commensurate with the scope and responsibilities of the services provided the Nation. Members shall also be provided travel reimbursement, as applicable. When required to attend District Meetings to report on the activities on their board, committee, or commission, members shall also be eligible for travel reimbursement.

b. Rate.

(1) The stipend rate for a regular monthly or quarterly one-day meeting shall be \$125, plus mileage.

(2) The daily stipend rate for a special meeting (a meeting other than regular monthly or quarterly meeting) or for additional days to a one-day regular meeting shall be \$50, plus mileage.

c. An employee of the Nation serving on a board, committee, or commission during normal work hours may choose to receive a stipend or their regular compensation. If receiving a stipend, the employee must take annual leave or leave without pay.

d. The following criteria must be met prior to the payment of a stipend:

(1) Stipends shall only be paid to the primary board, committee, or commission member. Alternate members may only receive a stipend if attending in a member's absence.

(A) Once the Election Board officially calls for an election, either General or Special, through the date of the swearing-in of an elected official(s), both the delegate, as a primary member, and the alternate shall be allowed to receive a stipend in accordance with the other provisions of Section 27. Stipend payments to delegates shall be allowed to Election Board alternates and delegates as they carry out their constitutionally mandated duty to call for and hold elections. Both the delegate and alternates shall be equally informed about the election process to aide in the operation and execution of the election.

(2) Stipends shall only be paid for meetings where notice of the meeting has been made in accordance with the Nation's *Open Meetings Act*.

(3) Stipends shall only be paid for duly called meetings under the Nation's *Open Meetings Act* at which quorum has been achieved. If the board, committee, or commission fails to achieve quorum within one (1) hour of the schedule start time, the payment of stipends shall be prohibited; however, mileage may be paid, as applicable.

(4) Minutes of the meeting must be posted in accordance with the Nation's *Open Meetings Act*. A detailed written report by the board, committee, or commission member must be furnished to their respective District Legislator for dissemination at the next scheduled monthly meeting.

e. Payment Vouchers. Payment vouchers for compensation and personal expenses shall be submitted to and approved by the board, committee, or commission budgeting authority (i.e., respective Executive Director or the Office of the President). A copy of the draft meeting minutes and sign-in roster shall be attached to each voucher.

f. Traditional Court and Clan Mothers. This stipend policy does not apply to the Traditional Court or Clan Mothers. Stipends for Traditional Court shall be established in each annual budget for the Judiciary Branch. Stipends for the Clan Mothers shall be established in each annual budget for the Executive Branch.

Legislative History:

- | | |
|----------|--|
| 11/11/92 | Wisconsin Winnebago Business Committee adopts Finance Manual by Tribal Resolution 11/11/92D. |
| 11/16/99 | The Legislature adopts the Ho-Chunk Nation Credit Card Usage Policy for Elected and Appointed Officials and Employees by Legislative Resolution 11/16/99A. |
| 11/16/99 | The Legislature increases the minimum of a capital expenditure from \$500.00 to \$3,000.00 by Legislative Resolution 11/16/99B. |

Ho-Chunk Nation Legislature

Finance Manual

Page 34 of 34

- 4/15/03 Enacted as 5 HCC § 5 by Legislative Resolution 4/15/03A.
- 10/22/03 Amended and restated by Legislative Resolution 10/2/03A which replaced Section 27, Stipend Policy.
- 5/18/05 Amended and restated by Legislative Resolution 5/18/05C inserting paragraph 27c.
- 10/7/09 The Legislature adopts Resolution 10-07-09 A, Placing Proposed Amendments to the Finance Manual out for 45 Day Public Comment.
- 12/8/09 The Legislature adopts Resolution 12-08-09 G, Adopting Proposed Amendments to the Finance Manual.
- 02/9/10 Using the Quick Passage procedures of the *Legislative Organization Act* (2 HCC § 11), Legislature increases the minimum of a capital expenditure from \$3,000.00 to \$5,000.00 and addresses concerns regarding appropriate notice being provided to the Nation's employees when the Nation seeks to garnishes the employees' wages for debts owed to the Nation by Legislative Resolution 02-9-10 E .
- 12-21-10 The Legislature adopts Resolution 12-21-10 B to amend the Finance Manual to modify the stipend policy, amending § 27(d)(1) by adding subsection (A).
- 01-04-11 The Legislature adopts Resolution 1-4-11 C to amend the Finance Manual to update the Nation's depreciation schedule, amending § 7f(1), changing 20 years to 20-40 years.
- 02-08-11 The Legislature adopts Resolution 02/08/11 E that rescinds Resolution 1-4-11 C (Previously amending the Ho-Chunk Nation Finance Manual and Depreciation Schedule).revising effective date from January 31, 2011 to July 1, 2011 to be consistent with the Nation's fiscal year accounting process.
- 02-08-11 The Legislature adopts Resolution 02-08-11 E that a Quick Passage amendment to the Finance Manual amends § 7f(1) with effective date of July 1, 2011.
- 04-19-11 The Legislature adopts Resolution 04-19-11 G to amend the Finance Manual to define capital projects with effective date of April 19, 2011.
- 04-17-12 Legislature makes a motion to place the Finance manual and the proposed amendments from the General Council Agency for a forty-five day comment period.
- 04-08-13 The Legislature adopts Resolution 04-08-13D as a Quick Passage amendment to the Finance Manual, adopting the General Council Agency's proposed amendment and adopting a separate proposed amendment increasing stipend in § 27b(1) to \$125.00.
- 08-06-13 The Legislature adopts Resolution 08-06-13B as a Restatement of Resolution 04-08-13D to clarify the intent as to the effective date of the amendments. Effective date of the General Council Agency proposed amendment is April 8, 2013, while the effective date of the stipend increase is July 1, 2013.
- 05-23-17 The Legislature adopts Resolution 05-23-17O as a Quick Passage amendment to the Finance Manual, adopting proposed amendments of IRS Publication-463.
- 01-12-18 The Legislature adopts Resolution 01-12-18C as a Quick Passage amendment to the Finance Manual, adopting proposed amendments that the Stipend Policy does not apply to Clan Mothers and stipends shall be established in each annual budget for the Executive Branch, while also striking all language referring to the General Council Agency.