

RESOLUTION OF THE
BUDGET AND FINANCE COMMITTEE
OF THE NAVAJO NATION COUNCIL

23RD NAVAJO NATION COUNCIL - First Year, 2015

AN ACTION

RELATING TO BUDGET AND FINANCE COMMITTEE; APPROVING THE NAVAJO NATION GAMING NET REVENUE DISTRIBUTION HOST CHAPTER RECIPIENT POLICY, NON HOST CHAPTER RECIPIENT POLICY, NON-CHAPTER RECIPIENT POLICY, NAVAJO GAMING REGULATORY OFFICE POLICY AND THE FUNDING REQUEST PLANS

BE IT ENACTED:

Section One. Findings.

- A. The Navajo Nation Council established the Gaming Revenue Fund Management Plan in which Class II and III net gaming revenues received by the Navajo Nation government from the Navajo Nation Gaming Enterprise shall be received and distributed. 12 N.N.C. § 2201, see also CJY-30-08.
- B. Pursuant to 12 N.N.C. § 2205 the Budget and Finance Committee of the Navajo Nation Council shall provide oversight for the Gaming Revenues Fund Management Plan, see also Navajo Nation Gaming Revenues Fund Management Plan, 3.B.
- C. Pursuant to BFF-03-10, as amended by BFF-05-13, the Budget and Finance Committee approved the Navajo Nation Gaming Revenues Fund Management Plan.

- D. The purpose of the Gaming Revenues Fund Management Plan is to establish procedures for the Navajo Nation to allocate gaming revenues in a manner which recognizes both the immediate and long-term needs of the Navajo Nation and its members, and meets the requirements of the Indian Gaming Regulatory Act, see 12 N.N.C. § 2202(B) and Navajo Nation Revenues Fund Management Plan, 2. A.
- E. Pursuant to BFF-03-10, as amended by BFF-05-13, the Budget and Finance Committee approved an amount equal to five percent (5%) of net revenues deposited from all gaming facilities shall be divided equally and distributed to the host gaming Chapters through the budget process.
- F. Host Chapters are not eligible to receive additional revenues beyond the five percent (5%) of net revenues deposited from all gaming facilities.
- G. Host Chapters who are designated as "sanctioned" by the Office of the Auditor General will not be eligible until the sanction is officially lifted by the Office of the Auditor General.
- H. The Navajo Nation Gaming Regulatory Office recommends the approval of the Navajo Nation Gaming Net Revenue Distribution Host Chapter Recipient Policy, Non-Host Chapter Recipient Policy, Non-Chapter Recipient Policy, Navajo Gaming Regulatory Office Policy and the Funding Request Plans to address the needs of the Navajo Nation host Chapters. Policy attached as Exhibit A, B, C, D, and E.

Section Two. Approval

- A. The Budget and Finance Committee, pursuant to 12 N.N.C. § 2205 hereby approves the Navajo Nation Gaming Net Revenue Distribution Host Chapter Recipient Policy, Non-Host Chapter Recipient Policy, Non-Chapter Recipient Policy, Navajo Gaming Regulatory Office Policy and the Funding Request Plans.

B. The Budget and Finance Committee may amend the Navajo Nation Gaming Net Revenue Distribution Policies upon recommendation of the Controller of the Navajo Nation, the Navajo Gaming Regulatory Office and the Navajo Department of Justice.

CERTIFICATION

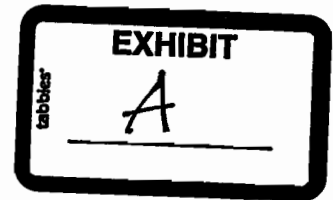
I hereby certify that the foregoing resolution was duly considered by the Budget and Finance Committee of the Navajo Nation Council at a duly called meeting held at Leupp, Navajo Nation (Arizona), at which a quorum was present and that the same was passed by a vote of 3 in favor, 0 opposed, this 11th day of May, 2015.



Dwight Witherspoon, Vice Chairperson
Budget and Finance Committee

Motion: Seth Damon

Second: Tom T. Chee



Navajo Nation Gaming Net Revenue Distribution Host Chapter Recipient Policy

1. Introduction and Background

Pursuant to the Navajo Nation Council Resolution No. CJY-30-08 Relating to Economic Development, Community Development, and Finance; Approving the Navajo Nation Gaming Distribution Plan, and Amending 12 N.N.C §§2201-2210, the Navajo Nation Gaming Distribution Plan was established to provide an allocation plan for the use of Class II and III net gaming revenues received from the Navajo Nation Gaming Enterprise from its gaming activities and to provide procedures to use and to account for net gaming revenues in accordance with federal law.

Pursuant to 5 NNC §2005, the expenditure of funds shall be used for the purposes as outlined in the Indian Gaming Regulatory Act (IGRA) and 25 USC 2710(b)(2).

- a) To fund tribal government operations and/or programs
- b) To provide for the general welfare of the tribe and its members;
- c) To promote tribal economic development;
- d) To donate to charitable organizations; and/or
- e) To help fund operations of local government agencies

2. General

Pursuant to BFMA-03-10, and as amended by BFF-05-13, an Action Relating to Finance; Approving the Navajo Nation Gaming Revenues Fund Management Plan section 4(A), an amount equal to five percent (5%) of net revenues deposited from all gaming facilities shall be divided equally and distributed to the host gaming chapters through the budget process. Host Chapters are not eligible to receive additional revenues beyond the five percent (5%) of net revenues deposited from all gaming facilities. Net revenues as defined by 25 USC § 2703(9), “net revenues” means gross revenues of an Indian gaming activity less amounts paid out as, or paid for, prizes and total operating expenses, excluding management fees.

3. Eligibility

Host Chapters who are designated as “sanctioned” by the Office of the Auditor General will not be eligible until the sanction is officially lifted by the Office of the Auditor General.

4. Funding Request Plans

A. Capital Improvement Project

All eligible Host Chapters are required to submit their Capital Improvement Office (CIO) approved Capital Improvement Project proposal to the Office of the Controller to the attention of the Controller. The eligible Host Chapters must include a detailed budget and other funding source information. The Gaming Revenues Funding Proposals Review Team (“Review Team”) will review proposals to determine if the detailed description, how the funding will be used and how it will benefit the eligible Host Chapter’s community are sufficiently communicated.

B. Utilities

All eligible Host Chapters may use funds to pay for utilities expenses for the local Chapter House but are required to submit original invoices or bills to show what utilities (propane, electricity or water) will be paid for the local Chapter, and to submit to the Office of the Controller to the attention of the Controller, original receipts and copies of the check or payment receipt to document payment for propane, electricity or water for the local Chapter. Payments must be made directly to the vendor and must not be made to an individual.

Funding Request Plans deemed “incomplete” by the Review Team will be returned to the Host Chapter. **See Funding Request Plans, Tab E, for further instructions.**

5. Expenditure Guidelines

The following guidelines shall be adhered to:

- a) Direct monetary payments to individual tribal members are strictly prohibited
- b) Per Capita payments are strictly prohibited
- c) Expenditures must be within the scope of the Capital Outlay Project as documented in the Proposed Project approved by the Capital Improvement Office (CIO) and in compliance with the Capital Improvement Projects Guidelines Policies and Procedures (TCDCJY-77-99).
- d) Documentation is required for all financial transactions for audit purposes
 - a. Internal controls must be maintained to ensure expenditures are in compliance with IGRA and Navajo Nation Law
- e) Funds unexpended by the Host Chapters shall revert to the Host Chapter’s Business Unit at the Office of the Controller.

6. Accounting

Notification to the Host Chapter of Funds awarded and the amount awarded shall be made in writing with copies also sent to the Navajo Gaming Regulatory Office, Capital Improvement Office, Office of Management and Budget and the Department of Justice (Navajo Gaming Section). The Award Letter shall include an expiration date to expend the awarded funds.

Documentation is required for all financial transactions for audit purposes.

An updated Signature Authorization form will be kept on file at the Office of Management and Budget, and the Office of the Controller.

Requests for payment from the Host Chapters will be reviewed and approved by the Office of the Controller, General Accounting or Chapter Accounting, whomever is assigned by the Controller.

Internal controls must be maintained to ensure expenditures are in compliance with IGRA, Navajo Gaming Ordinance and Navajo Tribal Gaming Regulations, Navajo Nation Law

including Navajo Preference in Employment and the Navajo Nation Business Opportunity Act (NNBOA).

Host Chapters shall submit budget and expenditure forms to the Office of the Controller no later than 30 calendar days following the end of each quarter. Failure to submit reports within the 30 calendar day time frame will result in discontinuation of fund distribution or expenditures until such reports are received. The expenditure of funds for each Host Chapter will be maintained at Office of the Controller for tracking and auditing purposes. The Navajo Gaming Regulatory Office may have access to such quarter reports for periodic audit of Gaming revenues.

7. Terms and Conditions

The Office of the Controller reserves the right to request access to any and all source documentation at any given time relating to the usage of funds the Host Chapter(s) receives from the Navajo Nation Gaming Distribution Plan. The Host Chapter(s) is subject to audits by The Office of the Controller, The Auditor General, and Navajo Gaming Regulatory Office at any given time regarding the usage of funds.

Disclaimer: Navajo Gaming Regulatory Office in consultation with The Navajo Nation Department of Justice reserve the right to determine if expenditures or proposed expenditures are in compliance with IGRA and Navajo Nation Law.

8. Amendments

The Navajo Nation Gaming Net Revenue Distribution Policy may be amended by the Budget and Finance Committee of the Navajo Nation upon recommendation of the Controller of the Navajo Nation, Navajo Gaming Regulatory Office and Navajo Department of Justice.