BBNA POLICY
REGARDING PASS-THROUGH OF COMPACT FUNDS TO TRIBAL GOVERNMENTS

Part I. General Provisions

Section 1.1. Purpose and Effect.

(a) The purpose of this Policy document ("Policy") is to establish the policies and procedures by which BBNA will provide funds to tribes participating in the BBNA Compact of Self-Governance ("Compact") with the Department of the Interior, Office of Self-Governance (OSG), so that the tribes can provide OSG-funded services locally. This Policy replaces the standing Memorandum of Agreements BBNA previously maintained with each tribe to govern pass-through funds.

(b) BBNA will award Compact funds via grants. Each award of funds under this Policy creates a recipient (BBNA) and subrecipient (the Tribe) relationship between the parties as these terms are defined in OMB Circular A-133, Subpart B, section 210b. Acceptance of this Policy is a condition of the award of funds to the tribes.

Section 1.2. Available Fund Categories. This Policy applies to Compact funds that have been identified by the BBNA Board of Directors as available for pass-through grants to the Tribes.

a. Consolidated Tribal Government Services Fund. Each year the BBNA Board reprograms budget lines within its Compact funding agreement with OSG into an internal "Consolidated Tribal Government Services" fund, and makes this fund available for transfer to the tribes. These are direct program funds designated by the Board for the operation of tribally designed programs, in accordance with BBNA's funding agreement with OSG. This fund is distributed on a tribal share basis, in the same amount per tribe as the tribal shares coming into the Compact from OSG.

b. Office Support. BBNA makes administrative funding available to reimburse the tribes for specific costs, as provided in more detail in Parts IV and V of this Policy.

c. Other. The BBNA Board or management may from time to time make other program funds from the Compact available for pass-through to a Tribe for particular projects or activities. The purposes and restrictions on such funds will be identified at the time the Tribe is given notice of availability of the funds.

Section 1.3. All Funding Subject to Availability. All pass-through grants provided for by this Policy are subject to the availability of funding. The availability of BBNA Compact funds for any purpose is dependent upon annual appropriations by Congress. Additionally, the BBNA Board of Directors is ultimately responsible for the fiscal management of BBNA's compact, and may choose to eliminate or change pass-through categories.

i Maintain financial and administrative management systems sufficient to responsibly administer federal funds. Tribal fiscal and administrative management systems must meet the minimum standards required of Tribes that contract with the Bureau of Indian Affairs, as provided in 25 CFR Subpart F. (§§ 900.35-900.68).

ii Maintain sufficient internal financial controls including requiring two (2) check signers on bank accounts, the separation of accounting functions so that only non-check signers perform bank reconciliations, and the timely examination of financial records.

iii Have no delinquent and unresolved obligations to the Internal Revenue Service or the Alaska Department of Labor. A delinquent and unresolved obligation means a delinquent obligation for which the Tribe has reached no payment agreement or other resolution with the IRS or Alaska DOL.

b. Certification of Financial Management. Demonstration of compliance with this Section may be by certification of the Tribe's financial and administrative systems by an independent CPA or, at the Tribe's option, by an on-site CFM review of the Tribe's management systems by BBNA staff.

Section 3.2. Annual Requirements. Each year, in order to access BBNA pass-through funds, the Tribe must:

a. Be current on reporting and otherwise be in compliance in regard to prior year funding under this Policy and any other funding agreements with BBNA.

b. Provide BBNA a budget and brief narrative scope of work for the Tribe's use of the pass-through funds.

c. Demonstrate compliance with the federal Single Audit Act, if applicable. See Section 7.1.

IV. Grant Procedures

Section 4.1 Procedures for the Award of Funds.

a. As soon as practical after funds in pass-through categories are available to BBNA, BBNA will issue the Tribe a Notice of Availability of Funds showing the Tribe's funding amount, a description of the funding source, and any restrictions imposed by the government or BBNA on the use of the funds. BBNA will also provide a copy of this Policy. See sample, Attachment 1.

b. The Tribe will provide BBNA a funding request with a narrative scope of work describing the work to be performed, and a proposed operating budget. The scope of work and budget must be approved by the tribal council and will have signature

a. Generally, grants from the Consolidated Government Services Fund may be used for any purpose for the benefit of the Tribe or tribal members, provided that expenditures are allowable costs as provided by OMB Circular A-87.
b. Expenditures for any construction or renovation of facilities may not be an allowable use of Compact funds and, if planned, any such expenditure must be specifically pre-approved by BBNA.
c. Expenditures for goods, equipment or services in excess of $25,000 must be budgeted and pre-approved by BBNA.

Sections 5.2. Office Support Funding. Office Support funding is specifically to support the office space and operating costs associated with BBNA OSG-funded employees (Village Administrator and TCSW) stationed in the Tribe's building, and similar expenses related to the Tribe's administration of the Consolidated Tribal Government Services Fund. It is provided on a cost reimbursable basis. Allowable expenses include rent, utilities (heat, electric, water/waste, telephone), postage, and supplies, and on a limited basis governance training for Tribal officials, audits, insurance and other similar costs of the Tribal administration provided that such costs are allocated across the Tribe's operations and are not disproportionately charged to BBNA.

Section 5.3. Other Funds. If other funds are provided to the Tribe pursuant to this Policy, the purpose of the award and applicable restrictions on the use of funds will be specified in the Notice of Availability for such funds.

Section 5.4 . Tribal Reprogramming of Funds. Except for funds restricted to particular uses by the BIA or by BBNA's Board of Directors, the Tribe may reprogram and reallocate funds received under this Policy. All expenditures must be allowable costs under federal accounting principles and within the general scope of services that the Bureau of Indian Affairs is authorized to provide; i.e. the funds must be spent for the benefit of the Tribe, its members, or other Native Americans.

The Tribe shall give BBNA prior notice and provide a revised budget and scope of work if the change involves more than 20% of the Tribe's annual funding in any one fund category.

Section 5.5. Carryover.

(a) Carryover Allowed. Subject to subpart (b) of this section, any funds not expended during the fiscal year in which they were provided to the Tribe may be carried over to the next fiscal year, without diminishing the amount of funds the Tribe is entitled to receive in the succeeding fiscal year. This applies both to funds received by the Tribe but not expended and to funds that were not drawn down from BBNA.

(b) Limitation. The BBNA Board of Directors may redirect, at its discretion, 50% of any carryover amount exceeding $10,000 which a Tribe has not drawn down from BBNA. (This policy directive was adopted by the BBNA Board of Directors in October of 1998 to encourage Tribes to access and expend available funds.)

Section 7.1. Accounting Standards and Audits. The recipient-subrecipient relationship created by any grant to a Tribe under this Policy is controlled in part by the Single Audit Act and by applicable OMB Circulars regarding the administration of federal funds. Accordingly,

a. The Tribe will comply with the Single Audit Act, which requires a complete organization-wide financial audit if the Tribe expends more than $500,000 in federal assistance in a year. If an audit is required, the Tribe will submit a copy of the audit to BBNA the earlier of thirty days after receipt of the auditor's report, or nine month's after the end of the audit period.

b. The Tribe will adhere to generally accepted audit, accounting, and cost principles as identified in OMB Circulars A-87 and A-133. Where questions arise as to accounting practices or allowable costs, the Tribe will obtain professional advice prior to making such expenditures.

c. The Tribe will maintain financial records adequate to meet audit requirements and shall provide quarterly financial reports to BBNA as specified in Section 4.3 of this Policy, unless BBNA and the Tribe agree upon some other reporting schedule. If BBNA or BBNA's auditors request information about specific expenditures made by the Tribe, the Tribe will provide its records related to the questioned transactions. The Tribe will maintain financial records required by this Policy for a minimum of three years.

d. The Tribe will take action to correct any accounting deficiencies identified by BBNA, its auditors, or by independent tribal audits. Such action may include reimbursing BBNA or the federal government for unauthorized expenditures.

e. If the Tribe does not expend federal funds in an amount that would require an organizational audit under the Single Audit Act, BBNA may require limited scope audits as allowed by that Act.

f. If the Tribe obtains an organization-wide financial audit not required by the Single Audit Act, whether for its own purposes or because such an audit is required by a non-federal funding source, the Tribe will provide BBNA a copy of the audit within the time frame stated in subparagraph a. of this section.

g. Costs of any required audits or outside professional assistance regarding financial management are the responsibility of the Tribe. The Single Audit Act does not allow the use of federal funds to purchase audits not required by the Single Audit Act; however, BBNA may be able to make alternative arrangements for tribal audits. Questions concerning the use of BBNA pass-through funds for audits should be directed to BBNA or an outside professional before such expenditures are made.

Part VIII. Miscellaneous Provisions

Section 8.1. Effect of the BBNA Compact and Funding Agreement. The provision of funds and services under this Policy is controlled by the Compact of Self-Governance between BBNA and the United States of America which went into effect on October 1, 1995 and by BBNA's current year Funding Agreement (FA) with OSG. In the event of any inconsistency or contradiction between this Policy and the Compact and FA documents, the Compact and FA shall control.

Section 8.2. Retrocession from Compact. By federal regulation, notice of tribal retrocessions from consortium compacts have to be provided 180 days prior to the start of the fiscal year in which the retrocession is to take effect. To accommodate this schedule, if the Tribe intends to withdraw from BBNA's Compact, in whole or in part, it will give written notice to BBNA no later than March 31 of the preceding year. The notice shall be in the form of a tribal resolution stating the Tribe's intent to withdraw from the compact and identifying the affected programs. BBNA may waive this due date in appropriate situations if the Tribe, the BIA and the Office of Self-Governance agree.

Section 8.3. Training and Technical Assistance. Subject to the availability of resources, BBNA will provide the Tribe training and technical assistance to enable it to maintain accounting and office management systems adequate for the administration of federal funds. Technical assistance will include the development of a corrective action plan should the Tribe encounter difficulty in accounting.

Section 8.4. Disputes. Any dispute between the Tribe and BBNA staff arising from this Policy will be decided by the BBNA CEO. If the dispute cannot be resolved by the BBNA CEO, it may be brought to the BBNA Board of Directors at the request of either the Tribe or the BBNA CEO. Either the Executive Committee or the Full Board may decide such disputes, and either party may request the President of the BBNA Board of Directors to call a special meeting of the Executive Committee to hear the dispute. (This section does not apply to personnel matters involving BBNA employees, which are governed by BBNA's personnel policies.)

Section 8.5. Prior MOAs rescinded. The prior Memorandum of Agreements between BBNA and the Tribes regarding pass-through funding are rescinded and replaced by this Policy.

Approved:

Ralph Andersen

Ralph Andersen, CEO

Date: 9-19-11

BBNA POLICY
REGARDING PASS-THROUGH OF COMPACT FUNDS TO TRIBAL GOVERNMENTS

Part I. General Provisions

Section 1.1. Purpose and Effect.

(a) The purpose of this Policy document ("Policy") is to establish the policies and procedures by which BBNA will provide funds to tribes participating in the BBNA Compact of Self-Governance ("Compact") with the Department of the Interior, Office of Self-Governance (OSG), so that the tribes can provide OSG-funded services locally. This Policy replaces the standing Memorandum of Agreements BBNA previously maintained with each tribe to govern pass-through funds.

(b) BBNA will award Compact funds via grants. Each award of funds under this Policy creates a recipient (BBNA) and subrecipient (the Tribe) relationship between the parties as these terms are defined in OMB Circular A-133, Subpart B, section 210b. Acceptance of this Policy is a condition of the award of funds to the tribes.

Section 1.2. Available Fund Categories. This Policy applies to Compact funds that have been identified by the BBNA Board of Directors as available for pass-through grants to the Tribes.

a. Consolidated Tribal Government Services Fund. Each year the BBNA Board reprograms budget lines within its Compact funding agreement with OSG into an internal "Consolidated Tribal Government Services" fund, and makes this fund available for transfer to the tribes. These are direct program funds designated by the Board for the operation of tribally designed programs, in accordance with BBNA's funding agreement with OSG. This fund is distributed on a tribal share basis, in the same amount per tribe as the tribal shares coming into the Compact from OSG.

b. Office Support. BBNA makes administrative funding available to reimburse the tribes for specific costs, as provided in more detail in Parts IV and V of this Policy.

c. Other. The BBNA Board or management may from time to time make other program funds from the Compact available for pass-through to a Tribe for particular projects or activities. The purposes and restrictions on such funds will be identified at the time the Tribe is given notice of availability of the funds.

Section 1.3. All Funding Subject to Availability. All pass-through grants provided for by this Policy are subject to the availability of funding. The availability of BBNA Compact funds for any purpose is dependent upon annual appropriations by Congress. Additionally, i Maintain financial and administrative management systems sufficient to responsibly administer federal funds. Tribal fiscal and administrative management systems must meet the minimum standards required of Tribes that contract with the Bureau of Indian Affairs, as provided in 25 CFR Subpart F. (§§ 900.35-900.68).

ii Maintain sufficient internal financial controls including requiring two (2) check signers on bank accounts, the separation of accounting functions so that only non-check signers perform bank reconciliations, and the timely examination of financial records.

iii Have no delinquent and unresolved obligations to the Internal Revenue Service or the Alaska Department of Labor. A delinquent and unresolved obligation means a delinquent obligation for which the Tribe has reached no payment agreement or other resolution with the IRS or Alaska DOL.

b. Certification of Financial Management. Demonstration of compliance with this Section may be by certification of the Tribe's financial and administrative systems by an independent CPA or, at the Tribe's option, by an on-site CFM review of the Tribe's management systems by BBNA staff.

Section 3.2. Annual Requirements. Each year, in order to access BBNA pass-through funds, the Tribe must:

a. Be current on reporting and otherwise be in compliance in regard to prior year funding under this Policy and any other funding agreements with BBNA.

b. Provide BBNA a budget and brief narrative scope of work for the Tribe's use of the pass-through funds.

c. Demonstrate compliance with the federal Single Audit Act, if applicable. See Section 7.1.

IV. Grant Procedures

Section 4.1 Procedures for the Award of Funds.

a. As soon as practical after funds in pass-through categories are available to BBNA, BBNA will issue the Tribe a Notice of Availability of Funds showing the Tribe's funding amount, a description of the funding source, and any restrictions imposed by the government or BBNA on the use of the funds. BBNA will also provide a copy of this Policy. See sample, Attachment 1.

Section 4.4. Special Advance Payment Provision for Office Support. Office Support expenses are ordinarily compensated on a cost-reimbursable basis. However, subject to the availability of funds BBNA will advance 25% of the annual Office Support amount in the first quarter of the fiscal year.

Part V. Allowable Use of Funds

Section 5.1. Consolidated Tribal Government Services Fund.

a. Generally, grants from the Consolidated Government Services Fund may be used for any purpose for the benefit of the Tribe or tribal members, provided that expenditures are allowable costs as provided by OMB Circular A-87.
b. Expenditures for any construction or renovation of facilities may not be an allowable use of Compact funds and, if planned, any such expenditure must be specifically pre-approved by BBNA.
c. Expenditures for goods, equipment or services in excess of $25,000 must be budgeted and pre-approved by BBNA.

Sections 5.2. Office Support Funding. Office Support funding is specifically to support the office space and operating costs associated with BBNA OSG-funded employees (Village Administrator and TCSW) stationed in the Tribe's building, and similar expenses related to the Tribe's administration of the Consolidated Tribal Government Services Fund. It is provided on a cost reimbursable basis. Allowable expenses include rent, utilities (heat, electric, water/waste, telephone), postage, and supplies, and on a limited basis governance training for Tribal officials, audits, insurance and other similar costs of the Tribal administration provided that such costs are allocated across the Tribe's operations and are not disproportionately charged to BBNA.

Section 5.3. Other Funds. If other funds are provided to the Tribe pursuant to this Policy, the purpose of the award and applicable restrictions on the use of funds will be specified in the Notice of Availability for such funds.

Section 5.4 . Tribal Reprogramming of Funds. Except for funds restricted to particular uses by the BIA or by BBNA's Board of Directors, the Tribe may reprogram and reallocate funds received under this Policy. All expenditures must be allowable costs under federal accounting principles and within the general scope of services that the Bureau of Indian Affairs is authorized to provide; i.e. the funds must be spent for the benefit of the Tribe, its members, or other Native Americans.

The Tribe shall give BBNA prior notice and provide a revised budget and scope of work if the change involves more than 20% of the Tribe's annual funding in any one fund category.

Section 5.5. Carryover.

(a) Carryover Allowed. Subject to subpart (b) of this section, any funds not expended during the fiscal year in which they were provided to the Tribe may be carried over to the next fiscal

d. Notice. In all instances where it withholds funds, BBNA will give the Tribe written notice of the reasons for the withholding and of appropriate corrective action to bring the Tribe into compliance with this Policy.

Section 6.2. Authority to Withhold Funds. Although BBNA CSD staff will not disburse funds until the Tribe submits the necessary documents for a pass-through award, any decision to withhold funds for reasons of fiscal mismanagement or other non-compliance with this Policy will be made by the BBNA CEO. In circumstances where the CSD Director concludes funds should be withheld, he or she will make recommendations on a suggested course of action to the BBNA CEO.

Part VII. Other Assurances and Conditions

Section 7.1. Accounting Standards and Audits. The recipient-subrecipient relationship created by any grant to a Tribe under this Policy is controlled in part by the Single Audit Act and by applicable OMB Circulars regarding the administration of federal funds. Accordingly,

a. The Tribe will comply with the Single Audit Act, which requires a complete organization-wide financial audit if the Tribe expends more than $500,000 in federal assistance in a year. If an audit is required, the Tribe will submit a copy of the audit to BBNA the earlier of thirty days after receipt of the auditor's report, or nine month's after the end of the audit period.

b. The Tribe will adhere to generally accepted audit, accounting, and cost principles as identified in OMB Circulars A-87 and A-133. Where questions arise as to accounting practices or allowable costs, the Tribe will obtain professional advice prior to making such expenditures.

c. The Tribe will maintain financial records adequate to meet audit requirements and shall provide quarterly financial reports to BBNA as specified in Section 4.3 of this Policy, unless BBNA and the Tribe agree upon some other reporting schedule. If BBNA or BBNA's auditors request information about specific expenditures made by the Tribe, the Tribe will provide its records related to the questioned transactions. The Tribe will maintain financial records required by this Policy for a minimum of three years.

d. The Tribe will take action to correct any accounting deficiencies identified by BBNA, its auditors, or by independent tribal audits. Such action may include reimbursing BBNA or the federal government for unauthorized expenditures.

e. If the Tribe does not expend federal funds in an amount that would require an organizational audit under the Single Audit Act, BBNA may require limited scope audits as allowed by that Act.

Part VIII. Miscellaneous Provisions

Section 8.1. Effect of the BBNA Compact and Funding Agreement. The provision of funds and services under this Policy is controlled by the Compact of Self-Governance between BBNA and the United States of America which went into effect on October 1, 1995 and by BBNA's current year Funding Agreement (FA) with OSG. In the event of any inconsistency or contradiction between this Policy and the Compact and FA documents, the Compact and FA shall control.

Section 8.2. Retrocession from Compact. By federal regulation, notice of tribal retrocessions from consortium compacts have to be provided 180 days prior to the start of the fiscal year in which the retrocession is to take effect. To accommodate this schedule, if the Tribe intends to withdraw from BBNA's Compact, in whole or in part, it will give written notice to BBNA no later than March 31 of the preceding year. The notice shall be in the form of a tribal resolution stating the Tribe's intent to withdraw from the compact and identifying the affected programs. BBNA may waive this due date in appropriate situations if the Tribe, the BIA and the Office of Self-Governance agree.

Section 8.3. Training and Technical Assistance. Subject to the availability of resources, BBNA will provide the Tribe training and technical assistance to enable it to maintain accounting and office management systems adequate for the administration of federal funds. Technical assistance will include the development of a corrective action plan should the Tribe encounter difficulty in accounting.

Section 8.4. Disputes. Any dispute between the Tribe and BBNA staff arising from this Policy will be decided by the BBNA CEO. If the dispute cannot be resolved by the BBNA CEO, it may be brought to the BBNA Board of Directors at the request of either the Tribe or the BBNA CEO. Either the Executive Committee or the Full Board may decide such disputes, and either party may request the President of the BBNA Board of Directors to call a special meeting of the Executive Committee to hear the dispute. (This section does not apply to personnel matters involving BBNA employees, which are governed by BBNA's personnel policies.)

Section 8.5. Prior MOAs rescinded. The prior Memorandum of Agreements between BBNA and the Tribes regarding pass-through funding are rescinded and replaced by this Policy.

Approved:

Ralph Andersen

Ralph Andersen, CEO

Date: 6-1-10