

TITLE II - GOVERNMENT ORGANIZATION AND OPERATION

ARTICLE 1 - TRIBAL COUNCIL *[Reserved]*

ARTICLE 2 - EXECUTIVE BRANCH *[Reserved]*

ARTICLE 3 – ELECTIONS *[Reserved]*

ARTICLE 4 - TRIBAL RECORDS *[Reserved]*

ARTICLE 5 - TRIBAL BUDGETING AND FINANCE

- Sec. 2-5-1 General
- Sec. 2-5-2 Purpose
- Sec. 2-5-3 Scope
- Sec. 2-5-4 Definitions
- Sec. 2-5-5 Establishment of Budget, Finance and Investment Committee
- Sec. 2-5-6 Development of Financial and Investment Policies
- Sec. 2-5-7 Pueblo Entity Financial Forecasts
- Sec. 2-5-8 Budget Development
- Sec. 2-5-9 Budget Submission
- Sec. 2-5-10 Budget Implementation
- Sec. 2-5-11 Evaluation of Financial Proposals
- Sec. 2-5-12 Reports

ARTICLE 6 - TRIBAL PROCUREMENT *[Reserved]*

ARTICLE 7 - ADMINISTRATIVE PROCEDURE *[Reserved]*

TITLE II - GOVERNMENT ORGANIZATION AND OPERATION

ARTICLE 1 - TRIBAL COUNCIL [Reserved]

ARTICLE 2 - EXECUTIVE BRANCH [Reserved]

ARTICLE 3 – ELECTIONS [Reserved]

ARTICLE 4 - TRIBAL RECORDS [Reserved]

ARTICLE 5 - TRIBAL BUDGETING AND FINANCE

Sec. 2-5-1 General

Background

A. The Pueblo of Santa Ana is a federally recognized Indian tribe, governed by a Tribal Council responsible for promoting and protecting the health, safety, land, and general welfare of the Pueblo's members. The Tribal Council oversees the Pueblo's governmental departments and economic enterprises. The Tribal Council establishes spending levels for tribal governmental departments and agencies in accordance with budgets approved annually and appropriates the necessary tribal funds.

B. Consistent with these responsibilities, the Tribal Council intends this Budget and Finance Code to ensure effective planning for the development and use of the Pueblo's financial resources. It provides for effective processes for financial decisions, budgets, and appropriations, consistent with generally accepted practices regarding accounting cycles and general budgeting standards used by other governments.

C. To support the continuity of ongoing operations, this Code adopts a rolling two-year budget cycle to ensure that each succession of Pueblo leadership has appropriate time and processes to examine Pueblo needs, plans, priorities and resources prior to developing budgets and spending priorities.

D. The Tribal Council has sought to balance the use of available resources between current needs (ongoing programs and services that require annual spending) and conservation of resources for the future. This Code requires that conscious attention be given to addressing the balance between these two priorities. The Tribal Council also recognizes that governmental services are ongoing in nature and that effective planning requires the consideration of future years when making financial decisions and commitments. This Code therefore ensures that budget planning, development, and all other financial decisions take into consideration all available information regarding future year needs and resources, and established plans, priorities, and commitments.

Sec. 2-5-2 Purpose

The purposes of this Code are:

A. To establish a clear institutional process and delegate responsibilities to ensure that decisions regarding the development and use of Pueblo resources are well-informed and consistent with established plans, goals, and priorities established by the Tribal Council.

B. To ensure appropriate analysis and review of all financial proposals, including projects, financings, and investments in preparation for consideration by the Tribal Council.

C. To ensure continuity of governmental operations and services.

D. To ensure that the principle of conservation of resources in the planning and use of Pueblo resources is consistently applied.

E. To establish standard procedures, timeframes, responsibilities, and authorities to ensure integration of financial planning and strategies, fiscal policies, budgets, and all related financial decisions.

F. To ensure the foregoing objectives by requiring that all budget, finance, appropriation, audit, and investment decisions be considered by the Governor, the chief operating officer and the Committee (defined below), working together, prior to presentation to the Tribal Council.

Enacted by Resolution No. 2018-R-42, adopted November 20, 2018.

Sec. 2-5-3 Scope

This Code shall govern the budgeting and appropriation of all Pueblo discretionary funds, including tax revenues, compensation for rights-of-way, lease and royalty revenues, and distributions from Pueblo Entities, but it shall not apply to federal or state grant funds or loans. Those funds are also administered by the Finance Director, but strictly according to specific protocols and spending and reporting guidelines established by the funding agency, which shall be strictly followed by the Finance Director and the Director of the Department to which the funds have been allocated.

Enacted by Resolution No. 2018-R-42, adopted November 20, 2018.

Sec. 2-5-4 Definitions

A. “Chief operating officer” or “COO” means the chief operating officer of the Pueblo.

B. “Code” means this Budget and Finance Code.

C. “Committee” means the Budget, Finance and Investment Committee, established by this Code.

D. “Department Director” means an individual who is responsible for supervision of employees of the Pueblo within his or her Department.

E. “Finance Director” means the individual in charge of the Pueblo’s Department of Financial Operations and who is responsible for the day-to-day management of the tribal government’s financial management activities.

F. “Governmental Operations” means all operations and activities of the Pueblo under the jurisdiction of the Tribal Council, but not including subordinate Pueblo Entities that are governed under their own Charters or other organizational documents.

G. “Governor” means the Governor of the Pueblo.

H. “Investment Advisor” means that person or entity retained by the Pueblo on the recommendation of the Committee from time to time to manage the investment of the Pueblo’s funds, as set forth in this Code and in consultation with the Committee.

I. “Pueblo” or “Pueblo of Santa Ana” means the Tribal Government of the Pueblo of Santa Ana.

J. “Pueblo Entities” means subordinate business entities that are wholly owned by the Pueblo, including both for-profit and not-for-profit entities.

K. “Tribal Council” means the governing body of the Pueblo of Santa Ana.

Enacted by Resolution No. 2018-R-42, adopted November 20, 2018.

Sec. 2-5-5 Establishment of Budget, Finance and Investment Committee

A. Establishment

There is hereby created a Budget, Finance and Investment Committee, which shall carry out the functions set forth in this Code as well as any others specified by the Tribal Council. This Committee shall assume all of the functions of and shall replace the Permanent Investment Committee, formerly established by the Tribal Council.

B. Purposes and Powers

The Committee shall have the following purposes and powers, in addition to any others conferred on it by the Tribal Council:

1. To advise and assist the Governor and the COO regarding financial matters that need to be presented to the Tribal Council for approval and to participate with the Tribal Council in the consideration of such matters; such financial matters include but are not limited to recommending annual spending levels, budget recommendations, and recommendations regarding financial proposals and investments.

2. To monitor tribal financial management, accounting, audit, and financial reporting.

3. To oversee and direct the investment of all sums held in both the governmental and non-governmental 401(k) retirement plans created by the Pueblo for its employees and the employees of Pueblo entities, in conjunction with the Investment Advisor, and in accordance with the provisions of applicable federal laws and regulations.

4. To oversee and direct the investment of funds deposited into the self-insured health insurance bank accounts maintained by the Pueblo's commercial entities, in conjunction with the Investment Advisor and the Pueblo's Health Committee, and in a prudent manner consistent with the goals of the self-insured health insurance program.

5. To oversee and direct the investment of any other funds set aside by any of the Pueblo entities for specialized purposes, where such funds are to be held in a fiduciary capacity, in conjunction with the Investment Advisor, upon the written request of such Pueblo entity's board, communicated to the Committee.

6. To establish, and regularly review and update, policies to guide the prudent investment of the 401(k) funds, and to review those policies with the boards of the Pueblo entities and the Tribal Council.

7. To direct the investment of all funds placed in the Pueblo's permanent fund, the operating reserve fund and all other foundations and funds created by the Tribal Council, other than the Pueblo's general fund or federal funds accounts, in consultation with the Pueblo's Investment Adviser; to advise the Tribal Council on strategies for rebuilding and maintaining funding levels in such funds; and to provide to the Tribal Council at least annually, and at such other times as the Council may request, detailed financial statements on the funds under its supervision, and the Committee's projections for next three years.

8. To select and negotiate the terms of a contract with a person or firm to serve as the Investment Advisor, and to work with such person or firm as set forth in this Code.

9. To review candidates for the position of COO, and to choose the most qualified candidate. The Committee shall nominate the person selected for the position to the Tribal Council for final approval.

10. To maintain complete and up-to-date records of correspondence, meeting minutes, and decisions of the Committee, and financial reports received from the Investment Advisor.

C. Appointment and Composition of the Committee

1. The Committee shall consist of the Governor, the Lieutenant Governor, a representative of each of the boards of the Pueblo business entities (to be selected by the entities' boards, respectively), the Finance Director, the COO, and four members of the Pueblo, nominated by the Committee and appointed by the Tribal Council for three-year terms. The Pueblo representatives should be persons with some prior experience or training in business or financial management or related matters. The Investment Advisor and the chief financial officers of the Pueblo business entities (if not already appointed as those entities' representatives on the Committee) shall meet with the Committee but shall not be voting members.

2. The Committee may from time to time as it deems necessary call upon outside financial experts to advise and assist it.

3. The Committee shall annually select from among its members a chairman, who shall call and give notice of meetings, preside at meetings, oversee the implementation of Committee actions, and make arrangements for maintenance of Committee records, including minutes of Committee meetings. The Committee may select such other officers or staff as it deems necessary to its proper functioning and shall adopt bylaws governing its internal operations.

Enacted by Resolution No. 2018-R-42, adopted November 20, 2018.

Sec. 2-5-6 Development of Financial and Investment Policies

The Committee may, from time to time, recommend for approval by the Tribal Council policies relative to tribal investments, the budget process, financial planning, audits, and related matters, and it shall also, as it sees fit, recommend to the Tribal Council amendments to this Code, providing its reasoning for any such proposed amendments.

Enacted by Resolution No. 2018-R-42, adopted November 20, 2018.

Sec. 2-5-7 Pueblo Entity Financial Forecasts

A. For-Profit Entities

For-profit Pueblo entities shall submit financial forecast information to the COO by April 30 of each year for the purpose of supporting the preparation of Pueblo budgets. Forecast information shall consist of summary level estimates for the following year and four subsequent years, representing a five-year cycle. The format shall include projected balance sheet, income statements, and statements of cash flow, and shall include:

1. Discussion of plans, priorities and assumptions that bear on financial projections;
2. Borrowing and debt levels;

3. Debt service payments;
4. Depreciation and amortization (non-cash expenses);
5. Capital budget for each year;
6. Increases or decreases in reserves;
7. Estimates of annual dividend distributions to the Pueblo;
8. Estimates of capital contributions (if any) towards Pueblo financial proposals;
9. Estimates of annual taxes, fees, and other payments to the Pueblo; and
10. Other information requested by the COO.

B. Not-for-Profit Entities

Not-for-profit Pueblo entities that generate or receive revenues from sources other than the Pueblo budget, including the Tax Administrator, the Utility Authority, the Housing Authority, the Gaming Commission, the Farm Project and any others, shall submit financial forecast information to the COO by April 30 of each year, which information shall include:

1. Discussion of plans, priorities and assumptions that bear on financial projections;
2. Estimated operating expenses for next five years;
3. Estimated revenues (by source) for next five years;
4. Projected capital requirements for next five years;
5. Estimated taxes, fees or other payments to the Pueblo annually for next five years;
6. Other information requested by the COO.

Enacted by Resolution No. 2018-R-42, adopted November 20, 2018.

Sec. 2-5-8 Budget Development

A. Two-Year Budget Cycle

The Pueblo shall operate on a two-year budget cycle. The two-year budget cycle consists of the year-one budget, which shall be the approved and final operating budget for the fiscal year beginning October 1 of each year. The year-two budget shall be a draft budget developed

in conjunction with the year-one budget, for the next consecutive year. Both years' budgets are subject to amendment by the Tribal Council.

B. Uniform Budget System

1. The Pueblo shall use a uniform automated budget planning system for all government operations. This system shall include uniform budget categories and account codes to interface with accounting and cost allocation systems to ensure that informative reporting and analysis occurs at various reporting levels with efficiency and reliability.

2. The COO shall coordinate with the Finance Director to ensure use of as many accounts as appropriate to properly segregate, identify and budget costs by program, function, or service.

3. Each Department Director shall account for all costs and revenues by source and purpose, within each Department, in at least the following detail:

(a) Personnel costs:

i. individual budgeting for each personnel position, provided that this information is for internal use only and shall not be made public;

ii. payroll taxes, workers compensation insurance, and employee fringe benefits, in aggregate for the Department;

(b) Operating and other expenditures at the level defined within cost allocation policies.

C. Budget Development Responsibilities and Schedule

1. The Pueblo's annual budget shall be developed according to the following schedule:

(a) By May 31 of each year, utilizing the financial projections supplied by the Pueblo entities pursuant to Section 2-5-7, and the current year's budget, the COO, in consultation with the Finance Director, shall develop and present to the Committee detailed initial revenue estimates, including revenues from all sources, and showing a comparison of coming year estimates with actual revenues for the current year, together with initial budget estimates based on maintaining ongoing programs, services and personnel at their existing levels, including estimated inflationary adjustments.

(b) By July 1 of each year, using the initial revenue and cost estimates provided by the COO, the Committee shall adopt a preliminary budget.

(c) By July 31 of each year, the COO shall provide budget instructions and target allowances to Department Directors as follows:

i. Budget Instructions: Instructions that include information required for budget planning and development shall be furnished to each Department Director responsible for preparing a budget. These instructions shall include detailed schedule information, cost information, forms, and materials needed by the Department Director to complete preparation of budgets.

ii. Target Allowances: Based on instructions from the Committee, target allowances shall be the upper limit of the budget proposals to be submitted by each Department Director. Target allowances shall consider the Budget Base Funding Amount, defined herein, and such other adjustments (increases or decreases) as the Governor or COO, in consultation with the Committee, may recommend. Budget Base Funding Amount shall be the calculated costs of continuing ongoing services for the coming year, consistent with current services, reduced or increased as appropriate for any nonrecurring costs, inflationary adjustments, or other adjustments as directed by the Governor, in consultation with the COO and the Committee. These Budget Base Funding Amounts shall be prepared in consultation with each Department Director to ensure all ongoing costs are considered.

2. Program budgets shall be developed by the Department Directors in collaboration with the COO, and shall incorporate the following requirements:

(a) By June 30 of each year, a Department Director shall bring to the attention of the COO and the Finance Director any identified discrepancies in the calculation of target allowances. The COO and the Finance Director shall consider the information and recommend adjustments to target allowances, if appropriate. Absent an approved change in the target allowance, budget proposals shall be prepared consistent with previously issued target allowances.

(b) Each Department Director responsible for a specific budget shall determine the financial requirements to carry out the services to be provided. Each Department Director shall develop and submit his or her Department's proposed budget to the COO, in a format consistent with the budget instructions, by August 20, and the COO shall promptly transmit the proposed Department budgets to the Committee.

3. Based on the submissions by the Department Directors and other information available to them, the COO and the Finance Director shall develop an overall Tribal budget in consultation with the Committee, which shall be presented to the Governor and the Tribal Council by September 15. The COO shall advise any Department Director of any variance in that Department's budget as submitted in the overall budget that exceeds 5% of the Department budget as submitted by the Director and explain the basis for the proposed variance.

4. The Tribal Council shall approve the budget by no later than September 30; but provided that if the Tribal Council is unable to approve a budget by that date, all Pueblo Departments shall continue to operate based on funding levels in the previous fiscal year's budget until the new budget is approved.

5. Once the budget has been approved, the COO shall promptly notify each Department Director of the approved budget for that Department.

Enacted by Resolution No. 2018-R-42, adopted November 20, 2018.

Sec. 2-5-9 Budget Submission

The budget and financial plan for each two-year budget cycle submitted by the COO and the Committee to the Tribal Council shall incorporate:

- A. Budgets covering two fiscal years, the second year of which shall be a preliminary budget;
- B. Statement(s) regarding the overall financial health of the Pueblo;
- C. Highlights reflecting the intent of the Tribal Council as outlined in the Background and Purpose sections of this Code;
- D. A description of how the budget achieves balance between current services and the needs of future generations, and applies the principle of conservation of Pueblo resources;
- E. Identification of key initiatives and strategies and their relationship to stated goals and priorities established by the Tribal Council;
- F. Separate budget information and budget authority for each separate fund, including implementation instructions and administrative provisions deemed appropriate;
- G. Separately depicted budget amounts distinguishing the necessary costs of ongoing services from capital assets, investments, reserves, and other cyclical budget items;
- H. Revenue and budget estimates for the 2-year budget cycle and three subsequent years;
- I. By attachment, appropriate information and statistics related to pertinent goals, priorities, and budgets;
- J. Separately depicted budget categories to include operating, non-operating, and supplemental budgets in addition to a capital outlay budget.
- K. With respect to the draft year-two budget, explanation of any significant projected changes in revenues or costs, including proposed financial proposals, if any.

Enacted by Resolution No. 2018-R-42, adopted November 20, 2018.

Sec. 2-5-10 Budget Implementation

A. Authority to Expend Funds

1. Authority to obligate and expend funds is hereby delegated to the Governor and the Finance Director, for all amounts set forth in the budget as approved by the Tribal Council. Budget approval shall constitute appropriation of the approved budgeted amounts. Each Department Director may be delegated authority, as determined by the Governor, in consultation with the Committee, to authorize obligation and expenditure of funds from his or her Department's budget.

B. Budget Variances

1. Budgets for each Department are generalized plans and may be adjusted within each account. Requests for budget modifications that amount to moving amounts from one line-item to another, not to exceed 25% of the move-from line item, may be approved by the Finance Director, but any such modification shall be reported to the Committee.

2. The following budget modifications require Tribal Council approval:

- (a) Creation of new budget line items (including a new salaried position within a Department, or an increase in budgeted amounts for overtime);
- (b) Any increase in a total Department budget;
- (c) A transfer of more than 25% of a line item to another line item.

C. Availability of Appropriations

1. Amounts appropriated pursuant to the annual budget shall remain available only for the period covered by the annual budget. The Governor, in consultation with the Committee, shall consider all potential needs and uses of contingency funds in determining priorities and amounts to be authorized.

2. Tribal Council approval of specific contracts or grants shall constitute appropriation and authority for the Finance Director to modify the budget accordingly, when such award is available for expenditure. When submitted to the Tribal Council, all budgets included with such contracts or grants must clearly identify all special financial considerations, including:

- (a) match requirements and funding source(s) of match;
- (b) cash flow considerations; and
- (c) reserve fund and guarantee requirements.

3. Budget authority associated with the appropriation of projected revenues

from outside sources, including grants, contracts, user fees, etc., shall be limited to the amounts of revenue actually recognized.

4. The Tribal Council shall not appropriate expenditure amounts in excess of identified revenues available for the calendar year budget.

5. The Tribal Council may from time to time designate unrestricted accumulated balances within the General Fund for transfer to another fund or entity for investment or financial proposals.

Enacted by Resolution No. 2018-R-42, adopted November 20, 2018.

Sec. 2-5-11 Evaluation of Financial Proposals

A. For the purpose of this Section, financial proposals shall include proposals for expenditure of unrestricted tribal funds for a single purpose, to be expended in two years or less from the date of approval, in a total amount in excess of \$100,000, and shall include the following:

1. Capital projects, including those financed by grants, requiring Pueblo capital for construction, and/or those requiring ongoing annual appropriations for operational costs;

2. Investments in economic ventures, including contribution of additional capital to existing for-profit enterprises, for the purpose of creating employment, commerce, and/or net revenues for the Pueblo;

3. Transfers to long-term endowments or permanent funds for the purpose of financing future needs of the Pueblo;

4. Land acquisition by the Pueblo, but not including acquisitions made by a Pueblo entity pursuant to authority provided by its charter or organizational documents;

5. The establishment of significant new services, benefits, or operations that will require ongoing annual commitments in the future;

6. The creation of any new use of the Pueblo's taxing powers, or consideration of new fees in lieu thereof, and the potential uses of such revenues;

7. Any financings by the Pueblo or the pledge of Pueblo assets or revenues to secure financing for any Pueblo entity.

B. The Governor or COO, assisted by the Committee and other experts as deemed appropriate, shall prepare or have prepared a written analysis of every financial proposal. To ensure the accuracy, completeness, and reasonableness of proposals under consideration, such analysis shall be accompanied by an evaluation of:

1. The relationship of the proposal to established Pueblo goals, plans, and priorities, including the impact of implementation on the Pueblo's ability to consider other

established priorities;

2. The potential impacts, both positive and negative, of such proposal on future revenues;

3. The required annual budgetary requirements for the foreseeable future related to the proposal.

C. Prior to presentation of any financial proposal to the Tribal Council, the Governor shall review such proposal and analysis with the Committee, and if they consider the proposal to be consistent with and in furtherance of the Pueblo's goals and priorities the Governor and the Committee shall make a recommendation to the Tribal Council regarding each such proposal.

Enacted by Resolution No. 2018-R-42, adopted November 20, 2018.

Sec. 2-5-12 Reports

A. Quarterly Reports

1. The Finance Director shall provide a written quarterly report to the Committee on or before the 20th day after the end of each calendar quarter. Such report shall set forth in detail the amounts provided for in the approved budget, as adjusted by additions, carryovers, and other adjustments, and the amounts of expenditures made against such appropriations.

2. Quarterly budget reports shall also include any recommended budget modifications requiring Tribal Council action and reports of other budget actions.

B. Reports of Variances

1. Anticipated Overruns. If a Department Director has reason to believe that the total amount to be expended in any fiscal year will exceed the total amount appropriated for any account, including due to under-collection of projected revenues, such Department Director shall immediately bring the matter to the attention of the Finance Director, in writing, and propose strategies for alleviating such overruns. The Finance Director shall notify the Committee of any such occurrence and any corrective action taken or required. The situation may be remedied as follows:

(a) The Committee may approve additional budget authority or may, in its discretion, recommend to the Tribal Council that it authorize additional appropriations.

(b) Absent additional budget authority from the Governor, in consultation with the Committee, or additional appropriation by the Tribal Council, the Department Director shall take appropriate action to reduce expenditures to the amounts authorized.

2. Any Pueblo Entity finding it necessary to change a fiscal estimate shall report such change to the Governor and the Committee when it is expected to have a negative impact on the Pueblo's revenues.

C. Other Reports

The Finance Director shall provide other reports as needed by the COO, the Committee or any Department Director to administer budgets.

Enacted by Resolution No. 2018-R-42, adopted November 20, 2018.

ARTICLE 6 - TRIBAL PROCUREMENT [*Reserved*]

ARTICLE 7- ADMINISTRATIVE PROCEDURE [*Reserved*]