

Welcome to Basic Finance and Recordkeeping

March 2-3, 2021 | Day 2

Sponsored by Office of Native American Programs (ONAP)

Provided by the National American Indian Housing Council (NAIHC)

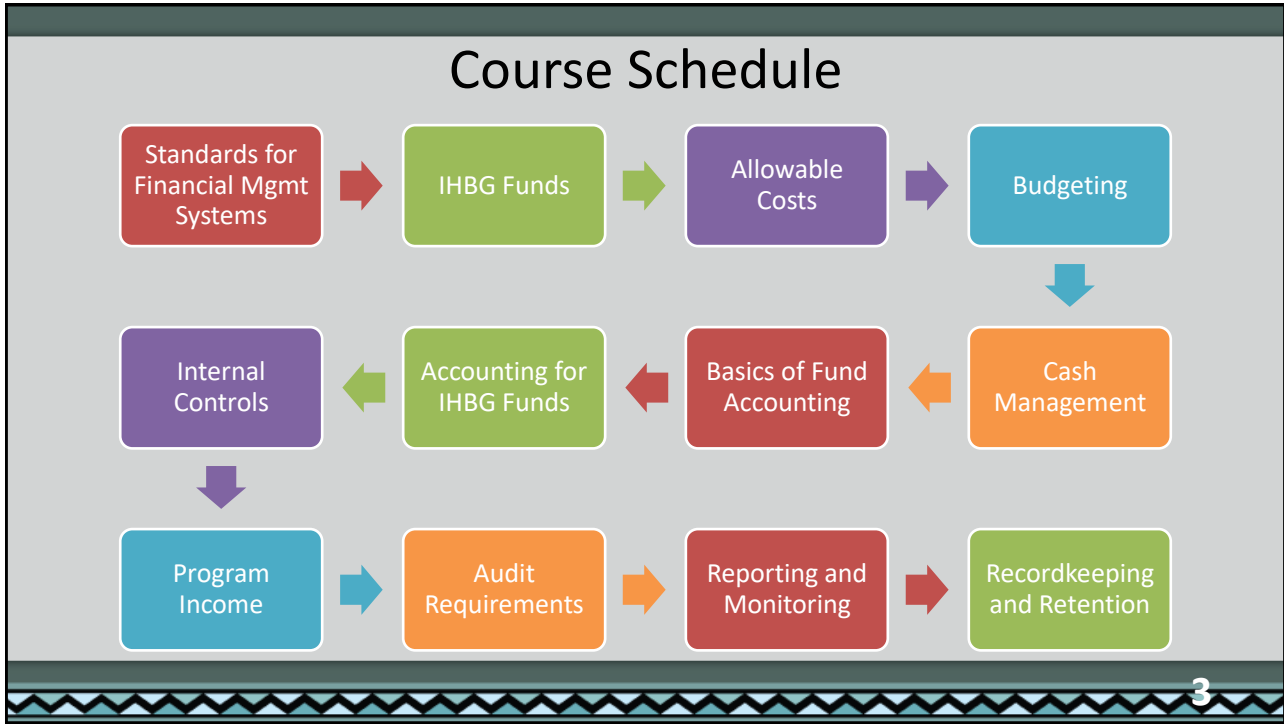
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Instructor

- Charles Anderson
- Owner/Manager, Northwest Housing Consultants, LLC



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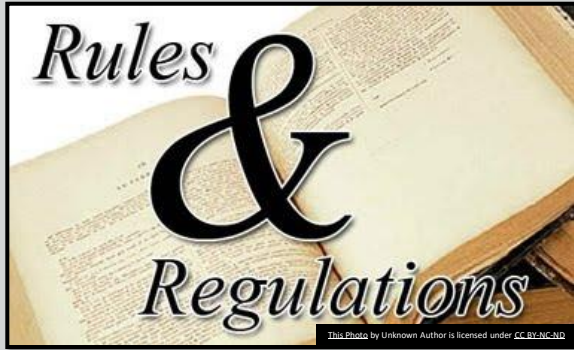


SECTION VIII:

Accounting for IHBG FUNDS

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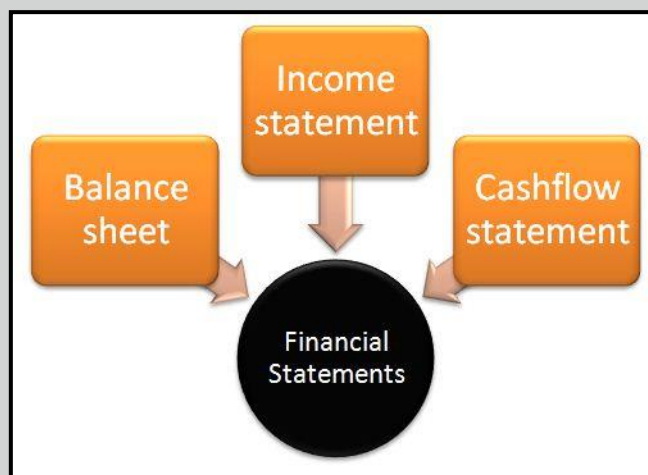
Uniform Guidance Requirement



- 200.302(b)(2): Provide accurate current, and complete disclosure of the financial results of the IHBG program in accordance with reporting requirements in 200.327.
- 200.302(b)(3): Maintain records that identify adequately the source and application of funds for IHBG funded activities..

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Financial Statements (Proprietary Funds)



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Accounting for IHBG Award

The Statement Of Net Position (AKA The Balance Sheet)

ASSETS
PLUS
DEFERRED OUTFLOW OF RESOURCES
MINUS
LIABILITIES
MINUS
DEFERRED INFLOWS OF RESOURCES
EQUALS
NET POSITION

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Accounting for IHBG Award

Statement of Revenues, Expenses, and Changes In Net Position
(AKA "The Income Statement")

OPERATING REVENUES
LESS
OPERATING EXPENSES
PLUS
NET NON-OPERATING REVENUES & EXPENSES
EQUALS
CHANGE IN NET POSITION

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Accounting for IHBG Award

Statement of Cash Flows:

- Required for Proprietary Fund financial statement.
- Shows cash sources and uses; inflow and outflow of cash.
- The cash flow is presented on the direct method, with inclusion of a reconciliation of operating cash flows to operating income.



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Accounting for IHBG Award

Class Tracking – QuickBooks Feature

- To track grant and program transactions – revenue and expenses.
- Assigning a class to each grant allows you to easily determine total expenses charged to each grant and makes it easy to recognize revenue earned on the grant.

Class Example Setup:

- Class 600 - NAHASDA
- Class 660 - (ICDBG)
- Class 500 – BIA Contract Funds (TPA)
- Class 700 – Indian Reservations Roads
- Class 800 - Rasmussen Foundation



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Accounting for IHBG Award

Sub-classes – QuickBooks Feature

- Allows for ease in reporting by the required activities in your IHP.
- Apply Sub-Classes to organize IHP activities:

Examples

- Sub-class 100 – Planning and Administration
- Sub-class 110 – Rehab Program
- Sub-class 120 – Development Construction
- Sub-class 130 – Emergency Program
- Sub-class 140 – Youth Activity
- Sub-class 150 – Homebuyer Assistant Program

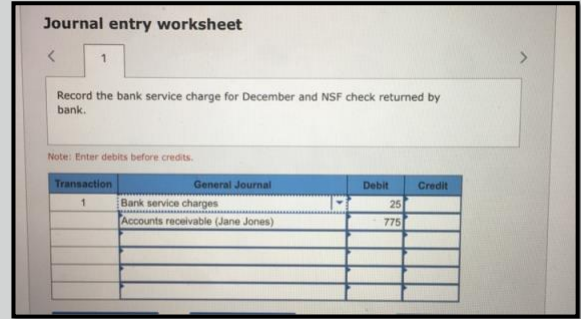
Upnorth Village Tribal Housing
IHP/NAHASDA PROGRAM ACTIVITIES
January 1 through December 31, 2014

Class	600	600	600	600	600	600	600	600	650	700	
Sub-Class	200	210	220	300	305	400	100	220		220	
	REHAB PROGRAM	Development Construction	Tribal Office	Emergency	Youth Activity	Homebuyer Assist	Planning & Admin	Total NAHASDA	Tribal Office Total ICDBG	Tribal Office Total Rasmuson	GRAND TOTAL
	NAHASDA	NAHASDA	NAHASDA	NAHASDA	NAHASDA	NAHASDA	NAHASDA	NAHASDA			
Income											
4230 - Rasmuson Foundation	-	-	-	-	-	-	-	-	-	25,000.00	25,000.00
4520 - Federal grants - NAHASDA	50,000.00	-	70,000.00	20,000.00	15,000.00	25,000.00	120,000.00	300,000.00	-	-	300,000.00
4520 - Federal grants - ICDBG	-	-	-	-	-	-	-	-	50,000.00	-	50,000.00
Total Income	50,000.00	-	70,000.00	20,000.00	15,000.00	25,000.00	120,000.00	300,000.00	50,000.00	25,000.00	375,000.00
Expense											
7220 - Salaries & wages - other	25,000.00	-	-	-	5,000.00	-	53,515.00	83,515.00	-	-	83,515.00
7240 - Employee benefits	5,500.00	-	-	-	1,250.00	-	12,500.00	19,250.00	-	-	19,250.00
7250 - Payroll taxes	3,185.00	-	-	-	455.00	-	4,550.00	8,190.00	-	-	8,190.00
7520 - Accounting fees	-	-	-	-	-	-	7,500.00	7,500.00	-	-	7,500.00
7540 - Professional fees - other	-	-	-	-	3,000.00	-	15,000.00	18,000.00	-	-	18,000.00
7550 - Homebuyer Assistance	-	-	-	-	-	25,000.00	-	25,000.00	-	-	25,000.00
8110 - Supplies	8,250.00	-	-	3,500.00	2,295.00	-	2,500.15	16,545.15	-	-	16,545.15
8130 - Telephone & telecommunications	500.00	-	-	-	-	-	1,500.00	2,000.00	-	-	2,000.00
8140 - Postage, shipping, delivery	-	-	-	-	-	-	750.00	750.00	-	-	750.00
8170 - Printing & copying	-	-	-	-	3,000.00	-	3,500.00	6,500.00	-	-	6,500.00
8210 - Rent, parking, other occupancy	-	-	-	-	-	-	579.85	579.85	-	-	579.85
8260 - Equip rental & maintenance	5,815.00	-	-	15,000.00	-	-	7,500.00	28,315.00	-	-	28,315.00
8310 - Travel	1,000.00	-	-	1,500.00	-	-	2,000.00	4,500.00	-	-	4,500.00
8320 - Conference, convention, meeting	-	-	-	-	-	-	3,000.00	3,000.00	-	-	3,000.00
8450 - Deprec & amort - allowable	-	-	-	-	-	-	2,000.00	2,000.00	-	-	2,000.00
8520 - Insurance - non-employee	750.00	-	-	-	-	-	1,500.00	2,250.00	-	-	2,250.00
8570 - Advertising expenses	-	-	-	-	-	-	2,000.00	2,000.00	-	-	2,000.00
8591 - Bank charges & credit card disc	-	-	-	-	-	-	105.00	105.00	-	-	105.00
9000 - Office Building	-	-	70,000.00	-	-	-	-	70,000.00	50,000.00	25,000.00	145,000.00
Total Expense	50,000.00	-	70,000.00	20,000.00	15,000.00	25,000.00	120,000.00	300,000.00	50,000.00	25,000.00	375,000.00
Net Income	-	-	-	-	-	-	-	-	-	-	-

Accounting for IHBG Award

Journal entries :

- Reconciling items from the bank statement, such as posting interest earned or a monthly bank charge;
- Reclassify previous posting and correct errors; and
- Record depreciation expense.



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Apply Internal Controls to Journal Entry Transactions

SAMPLE GENERAL JOURNAL ENTRY FORM					
UPNORTH VILLAGE			AJE NUMBER		
DATE	ACCOUNT	CLASS	DESCRIPTION	Debit	Credit
XX-XX-XXXX	XXXX	XXX	enter description (shows in General Ledger)	\$\$\$	
	XXXX	XXX	enter description (shows in General Ledger)		\$\$\$
posting date/date of transaction					
short description of why you are creating the journal entry.					
TOTAL					
Name and signature of preparer					Date
Prepared by:					Date
Name and signature of reviewer/approver					Date
Approved by:					Date
Note: The reviewer/approver looks over the journal entry and supporting documentation before posting. Each journal entry should have complete documentation to support the transaction. There should always be two signatures for every entry					

must be different from the Preparer, such as the Administrator or Council Member

Common Accruals & Treatment

1	ACCRUAL CONCEPT	PREPAID EXPENSE		
	DESCRIPTION	Insurance practice is to pay upfront for insurance		
	EXAMPLE	Tribe pays \$12,000 up front for GL insurance to cover the program year.		
	ACCOUNTING ENTRIES		DEBIT	CREDIT
		PREPAID EXPENSE - INS	\$12,000	
		CASH		\$12,000
		To record prepayment of insurance at the beginning of the fiscal year.		
			DEBIT	CREDIT
		INSURANCE EXPENSE	\$1,000	
		PREPAID EXPENSE - INS		\$1,000
		To record monthly insurance expense (1/12th of \$12,000)		

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Common Accruals & Treatment

2	ACCRUAL CONCEPT	RECEIVABLE - TENANT		
	DESCRIPTION	Tribe has rental properties rented to eligible tribal families.		
	EXAMPLE	Tenant's monthly rent is \$300.		
	ACCOUNTING ENTRIES		DEBIT	CREDIT
		Tenant Accounts Receivable	\$300	
		Rent Revenue		\$300
		To record monthly rent charge to Tenant.		
			DEBIT	CREDIT
		Cash	\$300	
		Tenant Accounts Receivable		\$300
		To record Tenant's payment of the month's rent.		

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Common Accruals & Treatment

3	ACCRUAL CONCEPT	RECEIVABLE - GRANTS		
	DESCRIPTION	Grant from the Rasmuson Foundation for construction of the Tribal Building. Tribe has incurred the cost.		
	EXAMPLE	Tribe is awarded a Rasmuson Foundation grant of \$25,000 for a Tribal Building, and will receive the funds within 60 days.		
	ACCOUNTING ENTRIES		DEBIT	CREDIT
		Grants Receivable-Rasmuson Foundation	\$25,000	
		Grant Revenue		\$25,000
		To record grants receivable from the Rasmuson Foundation		
			DEBIT	CREDIT
		Cash	\$25,000	
		Grants Receivable-Rasmuson Foundation		\$25,000

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Common Accruals & Treatment

4	ACCRUAL CONCEPT	PAYABLES		
	DESCRIPTION	Vendor payables and employer payroll tax liabilities, and accrued expenses (estimated amounts, such as vacation payables).		
	EXAMPLE	Housing Program staff received approval with a purchase order to buy supplies from Spenard Builders Supply on credit for the Rehab Program.		
	ACCOUNTING ENTRIES		DEBIT	CREDIT
		Supplies Expenses	\$2,000	
		Accounts Payable		\$2,000
		To record invoices received from Spenard Builders Supply.		
			DEBIT	CREDIT
		Accounts Payable	\$1,000	
		Cash		\$1,000
		To record payment to Spenard Builders Supply for invoices that are due for payment.		

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Common Accruals & Treatment

5	ACCRUAL CONCEPT	CAPITAL ASSETS		
	DESCRIPTION	Long lived investments in equipment, furniture, fixtures and building improvements		
	EXAMPLE	Purchased a vehicle and shipping for total cost of \$42,000		
	ACCOUNTING ENTRIES		DEBIT	CREDIT
		Capital Asset-Vehicle	\$42,000	
		Cash		\$42,000
		Record purchase of capital Asset - Vehicle		
	The cost of the asset is spread out (depreciated) over the 5-years useful life of the asset at \$700/month (\$42,000 divided by 60 months)		DEBIT	CREDIT
		Depreciation Expense	\$700	
		Accumulated Depreciation		\$700
		Record the monthly depreciation on the Vehicle.		

Common Accruals & Treatment

6	DEFERRED REVENUE/REFUNDABLE ADVANCES	NAHASDA GRANT AWARD THE TRIBE IS APPROVED TO INVEST.		
	EXAMPLE	The Tribe's NAHASDA grant award for the program year is \$400,000, and HUD has approved the Tribe to draw down the entire award amount and invest the funds.		
	ACCOUNTING ENTRIES		DEBIT	CREDIT
		Cash	\$400,000	
		Refundable Advances		\$400,000
		To record receipt of \$400,000 of NAHASDA grant funds		
			DEBIT	CREDIT
		Refundable Advances	\$20,000	
		NAHASDA Grant Revenue		\$20,000
		Recognize NAHASDA grant revenues for NAHASDA eligible expenses incurred.		

Accounting for Capital Assets Purchased With IHBG Funds

- Step 1: Record the capital asset purchase as an EXPENSE.

Account No	Class	Subclass	Account Description	DEBIT	CREDIT
9000	NAHASDA	Modernization	Equipment: Vehicle	42,000	
2000	none	none	Accounts Payable		42,000
To record purchase of vehicle using NAHASDA funds					

Accounting for Capital Assets Purchased With IHBG Funds

- Step 2: Record the purchase as a CAPITAL ASSET (GAAP)

Account No	Class	Subclass	Account Description	DEBIT	CREDIT
1600	none	none	Asset: Equipment	42,000	
9999	NAHASDA	Mondernization	Equipment Contra-Account		42,000
To move equipment to the balance sheet					

Accounting for Capital Assets Purchased With IHBG Funds

- Step 3: To recognize the item will be paid with IHBG funds, record the NAHASDA revenue to offset the purchase.

Account No	Class	Subclass	Account Description	DEBIT	CREDIT
2700	none	none	Refundable Advances	42,000	
4500	NAHASDA	Modernization	NAHASDA Revenue		42,000
To record revenue earned for the purchase of capital assets					

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Accounting for Capital Assets Purchased With IHBG Funds

- Step 4: For grant management reporting, run the revenue and expense report for NAHASDA and exclude the 9999 contra-account.

Account No	Class	Subclass	Account Description	DEBIT	CREDIT
9000	NAHASDA	Mondernization	Equipment - Vehicle	42,000	
4500	NAHASDA	Mondernization	NAHASDA Revenue		42,000

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Accounting for Capital Assets Purchased With IHBG Funds

- Step 5: Review the Trial Balance for:
- The NAHASDA revenue has been recorded for the amount of the capital expenditure
- The “capital expense” accounts 9000 and 9999 nets to zero.

Account No	Account Description	DEBIT	CREDIT
1600	Asset - Equipment	42,000	
2000	Accounts Payable		42,000
2700	Refunable Advances	42000	
4500	NAHASDA Revenue		42000
9000	Equipment - Vehicle	42000	
9999	Equipment Contra-Account		42000
	Total	126,000	126,000

Upnorth Village Tribal Housing
 Fixed Assets Schedule
 December 31, 2016

Date	Item	Source	Beginning			Ending
			Balance	Additions	Deletions	Balance
Land						
6/1/1998	Land/Office Bldg: 1.5 acres	Donated Village Corp	30,000			30,000
12/31/2013	Land/Triplex 1.5: acres	Donated Village Corp	30,000			30,000
	Total Land		60,000	0	0	60,000
Buildings						
10/1/2000	Office Building	BIA/NAHASDA	346,999			346,999
4/1/2015	Triplex	NAHASDA	424,075			424,075
	Total Buildings		771,074	0	0	771,074
Equipment						
7/1/2010	Allweld Boat 18' w/Murcury 115 HP	EPA/IGAP	21,500			21,500
12/1/2015	Honda 4 wheeler VIN 1234	EPA/IGAP	7,689			7,689
3/31/2015	Ford single cap VIN 6698	BIA TPA	26,750			26,750
7/15/2016	Honda 4 wheeler VIN 9988	BIA TPA		7,700		7,700
	Total Equipment		55,939	7,700	0	63,639
	Total All Assets		887,013	7,700	0	894,713

Construction in Progress

enter if you have construction in progress during a specific year. You move items out of CWIP Buildings when complete

Upnorth Village Tribal Housing
Fixed Assets Schedule
December 31, 2016

Date	Item	Ending		Beginning	2016	2016	Ending	Net
		Balance	Life	Accumulated Depreciation	Additions	Deletions	Accumulated Depreciation	
Land								
6/1/1998	Land/Office Bldg: 1.5 acres	30,000						30,000
12/31/2013	Land/Triplex 1.5: acres	30,000						30,000
		60,000		0	0	0	0	60,000
Buildings								
10/1/2000	Office Building	346,999	360	176,391	11,567	0	187,958	159,041
4/1/2015	Triplex	424,075	360	10,602	14,136	0	24,738	399,337
		771,074		186,993	25,702	0	212,696	558,379
Equipment								
7/1/2010	Allweld Boat 18' w/Murcury 115 HP	21,500	120	11,825	2,150	0	13,975	7,525
12/1/2015	Honda 4 wheeler VIN 1234	7,689	84	92	1,098	0	1,190	6,499
3/31/2015	Ford single cap VIN 6698	26,750	120	2,006	2,675	0	4,681	22,069
7/15/2016	Honda 4 wheeler VIN 9988	7,700	84	0	458	0	458	7,242
		63,639		13,923	6,382	0	20,305	43,334
		894,713		200,916	32,084	0	233,000	661,713
Construction in Progress								
enter if you have construction in progress during a specific year. You move items out of CWIP Buildings when complete								

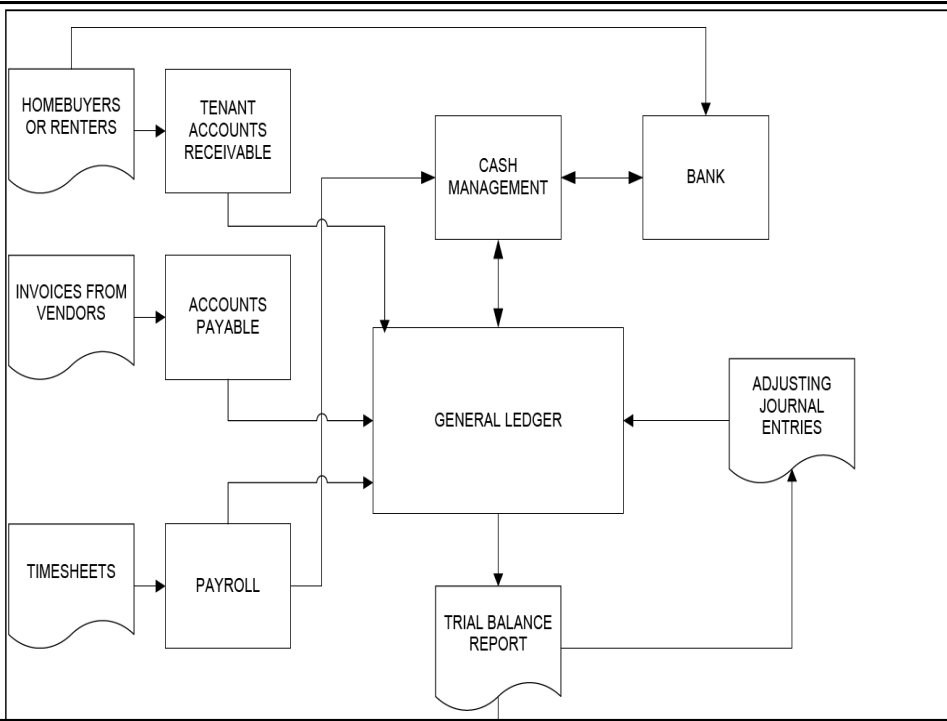
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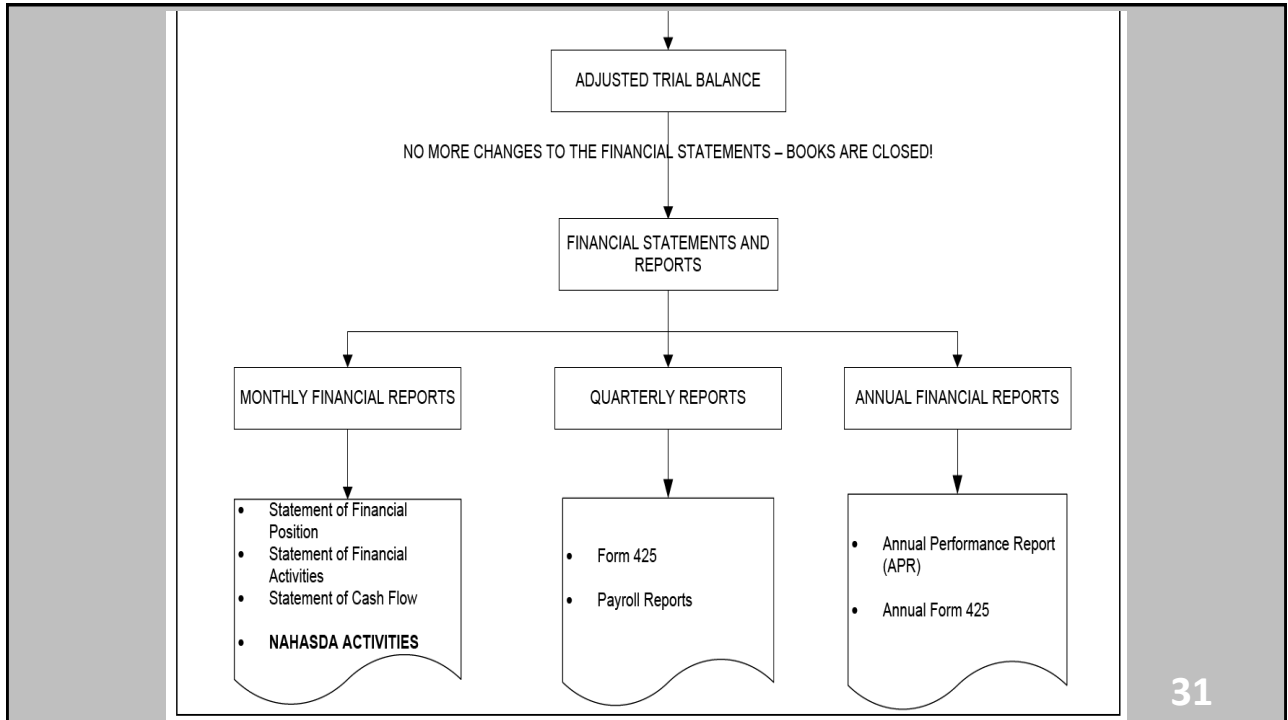
Accounting Systems and Internal Controls

Uniform Guidance Requirement



- 200.302(4): The Tribe/TDHE must have effective control over, and accountability for, all funds, property, and other assets. The Tribe/TDHE must adequately safeguard all assets and assure that they are used solely for authorized purposes.





§ 200.303 Internal Controls

A non-Federal entity **MUST**:

- a) Establish and maintain effective internal controls that provides reasonable assurance of management compliance;
- b) Comply with U.S. Constitution, Federal statutes, regulations, and the terms and conditions of the award;
- c) Evaluate and monitor compliance;

§ 200.303 Internal Controls cont'd

- d) Take prompt action when instances of non-compliance are identified, including non-compliance identified in audit findings;
- e) Take reasonable measures to safeguard protected personally identifiable information (PII) and other sensitive information (consistent with law).

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Internal Controls Objectives



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Example: Applying COSO Framework to determine adequacy of internal controls over activities for allowable and unallowable costs

Control Environment

- Management sets reasonable budgets; identifies allowable expenditures.

Risk Assessment

- Managers and staff are required to use the written policies and procedures as guidance to identify allowable or unallowable costs.

Information and Communication System

- Department managers compare monthly budget and actual expenditures to review for accuracy and initiate corrections, if needed.

Control Activities

- Managers follow established written procedures for authorization and approval of purchases based on approved budget, prior to purchase.

Monitoring

- Accounting provides financial reports to managers for monthly review; includes the reports to the Board.

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The Control Environment

- The Control Environment
 - Establishes the tone of the organization
 - Influences the control awareness of the employees
- Factors included within the Control Environment are:
 - Integrity, ethical values, and competence of employees
 - Management philosophy and operating style
 - Assignment of authority and responsibility
 - The attention and direction provided by the Board/Council

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Internal Controls

Create A Control Environment: How?

- With Policies And Procedures That Everyone Has To Follow.
- Example: Procurement policy - require EVERYONE to follow the same rules. Policies and procedures hold everyone accountable.



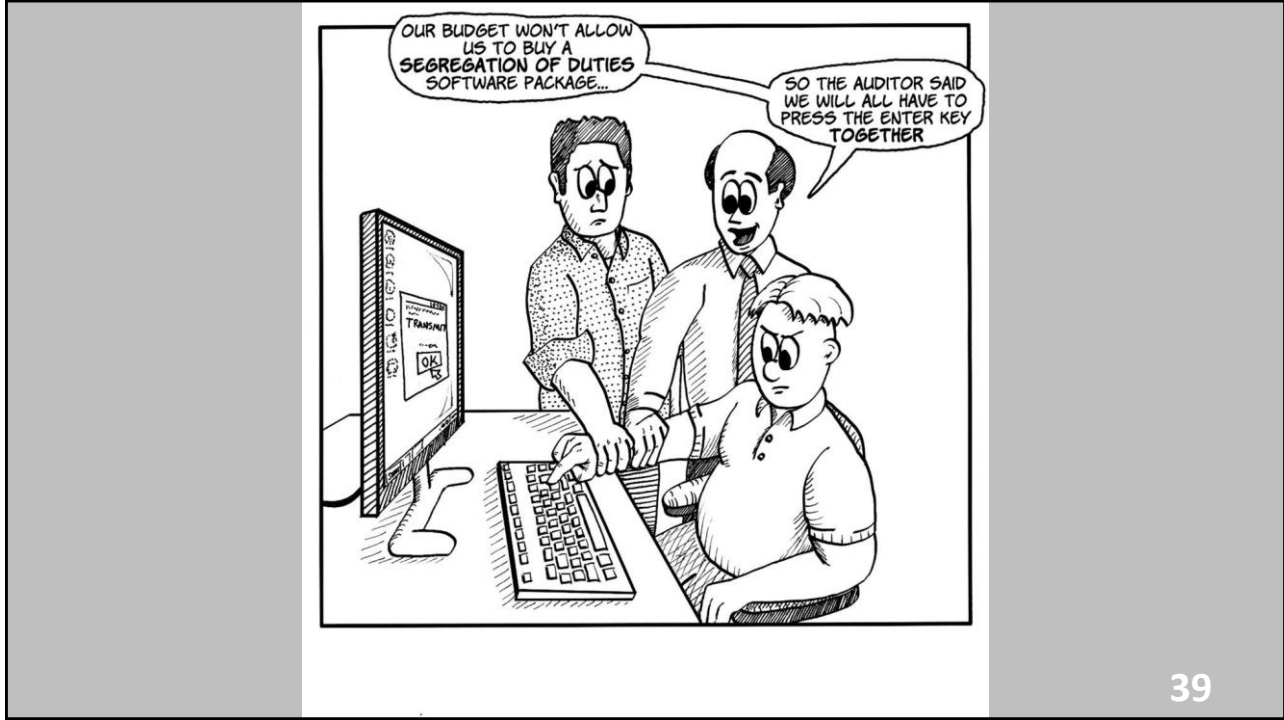
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Types of Internal Controls

- **Preventive.** Prevent undesirable activities from happening with policies and procedures.
- **Detective.** Identifies what happens after the something happens.
- **Corrective.** Put into place to correct any errors that were found by the detective internal controls



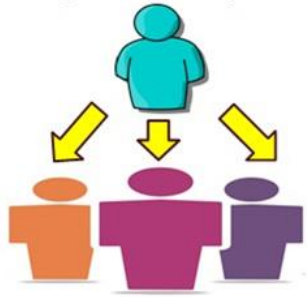
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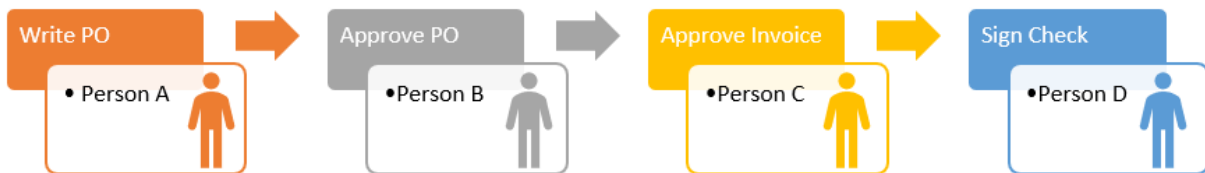
Segregation of Duties Definition



- Segregation of Duties(SOD) is a concept of separating "incompatible duties" so that 1 person doesn't have all 3 duties
 - Authorization = approving
 - Safekeeping = holding the asset or access to asset
 - Record keeping = keeping track of the asset/liability
- Having 2-3 person required to complete a process



Segregation of Duties - Example



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Internal Controls On **Cash Receipts**

- Cash is the first asset listed on the Statement of Net Position.
- Cash consists of currency, checks, money orders, money on hand, or on deposit in a bank.
- Safeguard Cash - most susceptible to improper use:
 - Store cash in safe, secure place
 - Limited access
 - Write cash receipts for all cash transactions
 - Make bank deposits daily
 - Reconcile bank statements to GL on regular and timely basis
 - Bond personnel
 - Require vacations

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Internal Controls On Cash Receipts

Responsibility and Segregation of duties: designate different staff to perform different functions:

1. Receptionist receives cash and writes cash receipts.
2. Bookkeeper reconciles cash to cash receipts and prepares the bank deposit. Bookkeeper also posts the cash receipts to the accounting system.
3. Tribal administrator reviews the bank deposit to the deposit ticket, and reviews and approves the bank reconciliation.

Address Line Here
Phone: 555-555-5555
Fax: 123-123-123456
Email: abc@example.com
Website: www.websiteaddress.com

Cash Receipt

Cash Receipt #: 123456788 Date: DD/MM/YYYY

Cash Received From _____ of \$ _____

For _____

Total Amount Due	
Amount Received	
Balance Due	

Payment Received in:

Cash

Cheque

Other

Cash Receipt Template Signed By _____

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Internal Controls On Cash Disbursements

- Cash is disbursed to pay expenses and liabilities or to purchase assets.
- Effective internal control over cash disbursements, utilize the accounts payable module in your accounting system.
- Benefits:
 - Record of invoices paid. Vendor history reports. Aging of invoices.
 - Cash management. Automated bank reconciliation functions.
 - Ease in creating 1099's at the end of the year.
 - Using pre-numbered checks adds another level of oversight, strengthening your internal controls.
 - The paid check provides proof of payment.

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Internal Controls On Cash Disbursements

Responsibility and segregate duties.

- Only designated personnel are authorized to sign checks.
- There must be a clear separation of duties in the accounts payable processes.
- Use pre-numbered checks and account for them in sequence.
- Each check must have an approved invoice that is correctly coded and proof of receipt.

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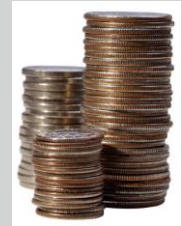
Internal Controls On Credit Cards

Responsibility and segregation of duties

- Card Administrator has access to on-line banking and on-line statements
- Card Administrator can control credit card usage and limits through on-line access to credit cards
- Procedures clearly outline responsibilities of cardholders
- Cardholders sign an “Agreement and Acknowledgement of Understanding.”
- Cardholder submits charges to Supervisor for review and approval
- Credit card charges are entered into the Accounts Payable module on a timely basis
- Charges are reconciled to the statement prior to payment

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Internal Controls Petty Cash



PETTY CASH FUND

- A cash fund used to pay relatively small amounts.
- The petty cash amount is formally established by the Tribe's governing board or tribal council.
- The balance of the petty cash in the general ledger does not change.

Responsibility and segregation of duties:

- One person should be designated the Custodian of the Petty Cash fund.
- Periodically, a surprise count of the Petty Cash fund should be conducted by the Administrator or someone else besides the custodian.

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Internal Controls For **Capital Assets**

- All procured capital assets should be approved through the budget process
- Adopt a Policy and Procedure that includes definition of asset groupings, asset life for depreciation.
- Include the process for disposing of assets.
- NAHASDA requires you to conduct a physical inventory fixed assets at least every two years (PIH 2006-39 Accounting for Fixed Asset Depreciation and Related Issues).

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Internal Controls For Capital Assets

- When constructing a building:
 - Charge cost to a temporary account – For e.g., construction work in progress (CWIP) account;
 - Move the asset from CWIP to an Asset account (Building) when construction is complete; and
 - Remember: when using grant funds first code to expense then use a contra expense account to move the asset to CWIP.

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Internal Controls For Capital Assets

- Maintain a Schedule of fixed asset category (Buildings, Land, and FFE):
 - Capital asset description (complete)
 - Date of purchase
 - Cost delivered
 - Funding source and any restrictions
 - Depreciable life of the asset
 - Depreciation amount – current and cumulative
- Depreciation is calculated beginning the first full month an asset is placed into service



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Internal Controls On Payroll

PAYROLL AND ALLOCATIONS

- Significant cost of tribal operations.
- Often staff time is allocated to various grants and programs.
- Requires significant planning and documentation to support the charges.
- Internal Controls:
 - Payroll Action Forms (PAF). PAFs are the authorizing document for employee set up in payroll.
 - W-4 – Employee’s withholding information.

SAMPLE PAYROLL ACTION FORM (PAF)

Name:		Employee Name
Job Title:		Housing Coordinator
DOH or effective date of change:		January 1, 2014
Regular/Temporary:		Regular
Exempt or Hourly:		Hourly
Pay rate:		\$14.00 per hour
Hours per day:		8
Benefits: Yes/No		Yes
Account code		7220
Class	600	NAHASDA
SubClass 1:	100	Administration
SubClass 2:	300	Youth Activity
Employee Signature	_____	
Authorizing Signature	_____	

Internal Controls On Payroll

TIMESHEETS: ALL EMPLOYEES (exempt and non-exempt)

- An accurate record of time worked is important. If an employee is working on multiple projects or is paid from multiple sources the timesheet should accurately reflect the time worked on each project.
- Record actual hours worked in a pay period.
- Must be signed by employee.
- Must be reviewed and approved by the supervisor.

UPNORTH VILLAGE TRIBE HOUSING
Non - Exempt Employee Time Sheet
 August 2nd Half

Employee: _____ Employee ID: _____
 Position: _____
 Department: _____
 Period - From: 08/16/14 To: 08/31/14
 Pay Day: Monday, September 15, 2014

Date	Sat 8/16	Sun 8/17	Mon 8/18	Tues 8/19	Wed 8/20	Thur 8/21	Fri 8/22	Sat 8/23	Sun 8/24	Mon 8/25	Tues 8/26	Wed 8/27	Thur 8/28	Fri 8/29	Sat 8/30	Sun 8/31	Total Hours
HOURLY																	
PTCH																	
LWOP																	
OT																	
HOL																	
HBDAY																	
HBRV																	
HJDTY																	
ONCALL																	
OTHER																	
Total Hours																	

Employee Certification: _____
 Supervisor Certification: _____

EXEMPT PERSONNEL LEAVE REPORT
Report due at end of pay period; mark "0" in "Total Days Taken- Personal" if leave was not used

Period from Period to

First Name Last Name Employee ID#

Position Title

Department

Type of Leave Taken	Dates Taken	Total Days
Personal		
Jury Duty		
Bereavement		
Administrative		
Holiday		
Leave without Pay		
Total Days Taken		<input type="text"/>

Comments

Employee Certification: Supervisor Certification:

After signatures, submit to Payroll Department Policies on Employee Leave are contained in Sections of Personnel Policies. Leave activity reports will be provided periodically to the President/CEO.

Internal Controls On Payroll

PAYROLL GUIDANCE AND REPORTING

- Deposit requirements and deposit schedule for Federal income tax withholding and Social Security and Medicare:
 - Quarterly filing tax liabilities electronically is required for all employers that have a tax liability over \$2,500.
 - Deposits are due either monthly or semi-weekly depending on your tax liability in the calendar look back period. (See page 25 of Circular E)



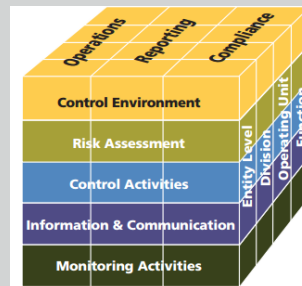
Internal Controls On Payroll

- Form 941: Employer's quarterly Federal Tax Return and Schedule B (Form 941) must be filed quarterly; and
- The employer is required to file Form W-2 which reports an employee's annual wages and taxes withheld from paychecks.
- The employer is required to give an employee an I-9 and W-4 to fill at their hire date.
- Employer payroll tax record retention is four (4) years.

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Internal Controls Exercise

- Name an internal control for each of the following:
 - Cash collections
 - Cash disbursements
 - Payroll disbursements
 - Assets
 - Petty cash
 - Self monitoring



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SECTION X:

Program Income

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What is Program Income [1000.62]?

- Program income is defined as “any income that is realized from the disbursement of grant amounts.” That is, it is income realized (generated) from the disbursement or use of IHBG funds; it is income to the IHBG Program of a recipient.
- Program income may be retained and not be spent first before using IHBG funds.
- However, must have a system for accounting for program income - required to be reported on FFR Form SF 425 and the APR, if the total net proceeds exceeds \$25,000.

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Eligible Activities

- If using IHBG funds
 - services and activities cannot be provided unless they are **affordable housing activities**
- If using Program Income
 - eligible activities expanded to include **housing-related activities**
- Program Income – income generated from the use of IHBG funds
 - Does not include interest earned on the investment of IHBG funds

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Affordable Housing Activities

- Affordable housing is housing that meets the requirements of NAHASDA:
 - Housing units developed under the 1937 Act Housing (Low Rent or LR, Mutual Help or MH & Turnkey, Section 8)
 - NAHASDA Units
 - Other units that meet requirements of Title II (LIHTC, RD, HOME etc.)
- All NAHASDA requirements apply

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Housing Related Activities

- *Housing related activities, for purposes of program income,* means any facility, community building, infrastructure, business, program, or activity, including any community development or economic development activity, that:
 - Is determined by the recipient to be beneficial to the provision of housing in an Indian area; and

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Housing Related Activities *cont.*

- Would meet at least one of the following conditions:
 - Would help an Indian tribe or its tribally designated housing entity to reduce the cost of construction of Indian housing;
 - Would make housing more affordable, energy efficient, accessible, or practicable in an Indian area;
 - Would otherwise advance the purposes of NAHASDA.
- NAHASDA requirements do not apply if not mixed with IHBG funds

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IHBG vs Program Income

(see PIH 2019-07)

IHBG Funds

- IHBG funding allocation
- Interest earned on invested IHBG funds
- Must be used for Affordable Housing Activities
- NAHASDA requirements apply

Program Income

- Income generated from the use of IHBG funds
- Excluding interest earned on invested IHBG funds
- Can be used for Affordable Housing Activities AND Housing-related Activities.
- NAHASDA requirements do not apply

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Non-Program Income

- Rental income from 1937 Act (FCAS) housing units is a combination of Program Income and Non-Program Income
- Non-Program income is the portion of rental income from 1937 Act Units that is attributed to 1937 Act (not NAHASDA)
- Equal to 46% of AEL for project per unit
- **There are NO restrictions on the use of non-program income.**

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Program Income vs Non-Program Income 1937 Housing Act Rentals

Total Annual Rental Income (Actual cash received and not on an accrual basis) from a 1937 Act Project	A	\$XXXX
No. of Units to use in calculation:		
Total Units in the Project	# Units	
Less: Units that exceed 40% of the 1997 DC&E	(# Units)	
No. of Units	# Units	
Times 46% of the Tribe/TDHE's AEL	\$XXXX	
Equals NON-PROGRAM INCOME	B	\$XXXX
PROGRAM INCOME (A minus B)		\$XXXX

Example

4 units; rent = \$200 per month; all rents received; AEL = \$400

Total Annual Receipts	4x\$200x12	\$9,600.00
Rent attributed to 37 Act	4x(46% of \$400)x12	(\$8,832.00)*
Program Income		\$768.00**

*Non Program Income – no restrictions

**Program Income – must be used for Housing Related Activities

§ 200.305(b) Payments

- (5) ... the non-Federal entity must disburse funds available from program income...before requesting additional cash payments.



IHBG

Per program specific requirement of 24 CFR 1000.26(a)(3), HUD shall **not** require a recipient to expend retained program income before drawing down or expending IHBG funds.



ICDBG

Applies as stated

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§ 200.313 Equipment

Program Exceptions for IHBG/ICDBG
 "...applies except in all cases in which the equipment is sold, the proceeds shall be program income."



IHBG – per 24 CFR 1000.26 (a) (8)
 ICDBG – per 24 CFR 1003.501 (a) (9)

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§ 200.314 Supplies

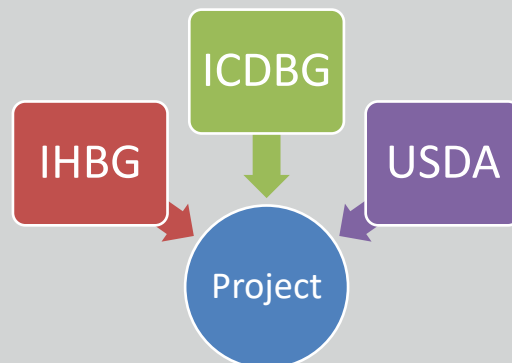
IHBG/ICDBG Program Specific Requirement:
Per § 1000.26(a)(9)/or §1003.501 (a)(7)
§200.314 applies, **except in all cases in which the supplies are sold, the proceeds shall be program income.**



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Program Income from Activities Funded With IHBG and Other Funds

If program income is realized from an eligible activity that was funded both with IHBG funds and with other funds, the amount of income to the IHBG program will be based on a percentage calculation that represents the proportional share of IHBG funds provided for the activity generating the program income.



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SECTION XI

Important Program Compliance Issues

73

- 2 CFR Part 200.317-326: OMB Uniform Administrative Requirements, Cost Principles & Audit Requirements for Federal Awards
- 24 CFR 1000.52 - Indian preference applies except for procurements under Micro-purchase threshold (PIH Notice 2010-17)



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Procurement Requirements

- Written policies and procedures regarding
 - Competition
 - Methods of procurement to be followed
 - Contract cost and price
 - Awarding agency review
 - Bonding (*2 CFR 200.325 and 24 CFR 1000.26(a)(11) provide acceptable methods when inconsistencies exist*)
 - Contract provisions
 - Conflict of interest

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Procurement "Claw" (Sections 200.317-326)



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Procurement Methods 2 CFR 200.320

Informal Procurement (less than SAT*)		Formal Procurement (above SAT*)		
Micro Purchases	Small Purchases	Sealed Bidding	Competitive Proposals	Non-competitive
<ul style="list-style-type: none"> • Up to \$10,000, or lesser amount in Policy • No quotes necessary • See next slide for options 	<ul style="list-style-type: none"> • \$10,000 to \$250,000, or lesser amount in Policy • Minimum 2 quotes 	<ul style="list-style-type: none"> • IFB • Lowest responsive and responsible bidder 	<ul style="list-style-type: none"> • RFP • Most advantageous proposal 	<ul style="list-style-type: none"> • Emergency • Sole Source • HUD approval • Lack of competition

*Current Simplified Acquisition Threshold (SAT) is \$250,000

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Micro Purchase Threshold: 200.320(a)(1)(iv)

Recent change:

A Tribe/TDHE may self-certify a threshold up to \$50,000 on an annual basis and must maintain documentation to be made available to the Federal awarding agency and auditors in accordance with § 200.334. The self-certification must include a justification, clear identification of the threshold, and supporting documentation of any of the following:

- A qualification as a low-risk auditee, in accordance with the criteria in § 200.520 for the most recent audit; or
- An annual internal institutional risk assessment to identify, mitigate, and manage financial risks.

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Indian Preference

- Recipients must satisfy either tribal preference **or** Indian preference with respect to IHBG activities, including administration and procurement in accordance with Program Guidance 2013-07
 - Indian preference not applicable to procurements under Micro-Purchase threshold
 - Section 3 (giving preference to low-income): Recipients satisfy requirements when they comply with employment and preference laws adopted by their tribe

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Conflict of Interest

24 CFR 1000.30

- No person who participates in the decision-making process or who gains inside information regarding NAHASDA assisted activities may obtain a personal or financial interest or benefit from such activities, except for the use of NAHASDA funds to pay salaries or other related administrative costs.
- Such persons include anyone with an interest in any contract, subcontract or agreement or proceeds thereunder, either for themselves or others with whom they have business or immediate family ties. Immediate family ties are determined by the Indian tribe or TDHE in its operating policies.

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Debarred Contractors

- 24 CFR 1000.44 – prohibitions on debarred, suspended, and ineligible contractors
- Check
 - Contractors
 - Subcontractors
 - Lower-tier contractors
 - Subrecipients

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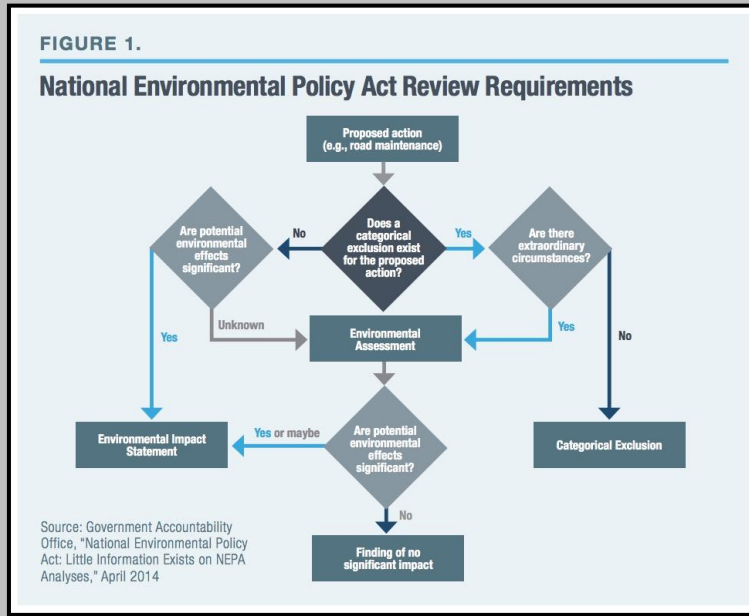
Environmental Review

- Applicable requirements include
 - National Environmental Policy Act of 1969 (NEPA)
 - Related authorities in 24 CFR parts 50 and 58
- Tribes may assume review responsibility or may request HUD to retain review responsibility
- If HUD retains responsibility, tribe must provide HUD with all relevant information



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Environmental Review Process



Environmental Review Categories

Exempt	Categorical Exclusions (not subject to 58.5)	Categorical Exclusions (subject to 58.5)	Environmental Assessments
Administrative • Engineering • Feasibility study	• Rental assistance • Operating costs • Down payment assistance	• Utility upgrades • Accessibility modifications • Rehab 1-4 unit structures (with restrictions) • Rehab larger structures	• All projects not exempt or categorically excluded

Flood Insurance

- If in FEMA, identified special flood hazard area requires either
 - Participation in National Flood Insurance Program or
 - Private flood insurance
- Many reservations have not been mapped by FEMA



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Useful Life and Binding Commitments

- When IHBG and/or Title VI funds are spent on a property, an investment is made for low-income families in the community.
- The return on that investment is the period of continued future use during which the property will be available for use by low-income families.
- That period of future use is the affordability period or use life/affordability period for that property.
- A useful life/affordability period must be established for housing units to ensure the property will remain available only to low-income families for a specified period of time.

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SECTION XII

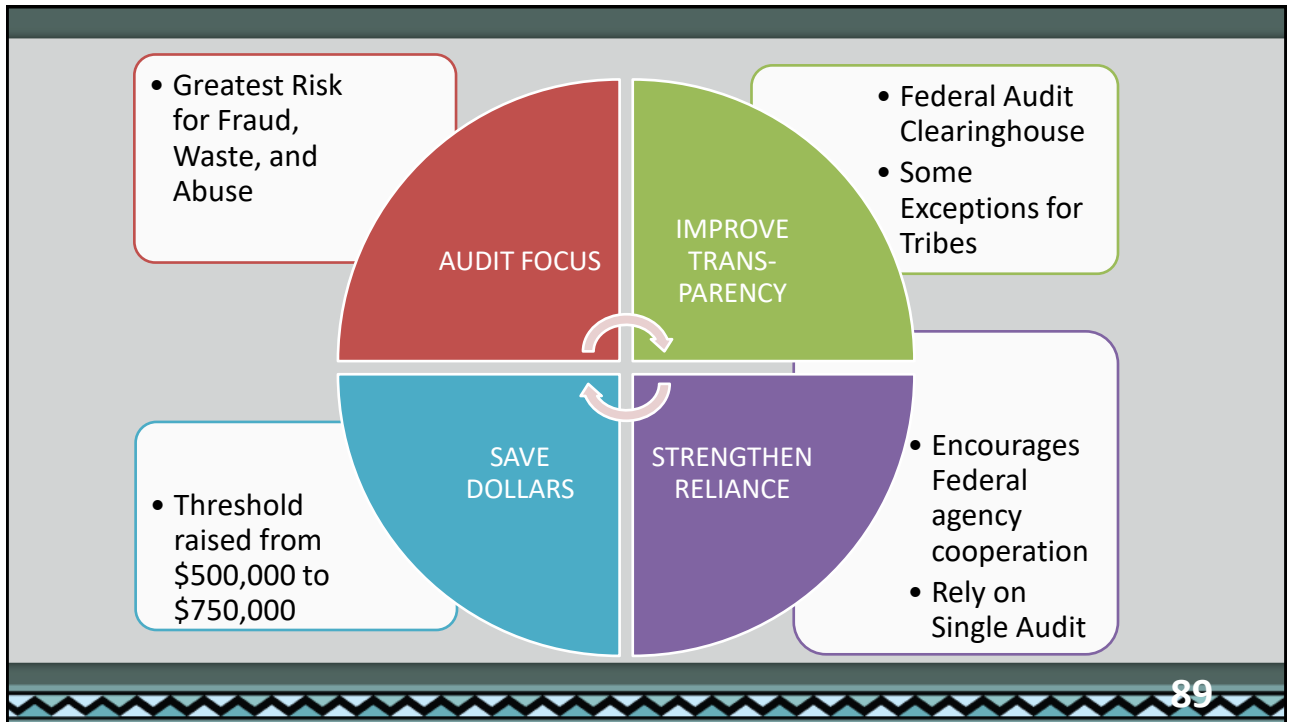
AUDITS

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The Single Audit-Uniform Guidance Subpart F Audit Requirements (200.500-200.520).

- The Single Audit Act consolidates and allows for one audit rather than multiple audits of each federal grant a Tribe receives.
- **\$750,000** or more in federal funds in the fiscal year must have a single audit or program-specific audit in accordance with the provisions of Subpart F of 2 CFR 200.
- Conduct in accordance with 200.514 Scope of audit.

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Allowable Audit Costs

Allowable audit costs specific to the NAHASDA program:

- The cost of a single audit.
- A proportionate share of the cost of a *financial statement audit* that is exempted from the requirements of Single Audit and Subpart F of the 2 CFR 200.
- *Periodic financial review* cost is allowable for a Tribe/TDHE that is exempted from a single audit but chooses to obtain a periodic financial review (because Federal expenditures are less than \$750,000 during the fiscal year) (1000.546).

Unallowable Audit Costs

The cost of an audit is not allowable if the Single Audit has not been conducted or has been conducted but not in accordance with 2 CFR 200 and the single audit.



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Prepare for the Audit

1. Procure an Auditor
 - Remember the new requirement: Peer Review must be requested from Auditor. Non-submission or submission of "fail" peer review may disqualify the auditor from consideration.
2. Be prepared to provide items to auditor and must give them access to your records
3. Know all your federal awards (CFDA, Award Number, etc)
4. Prepare the Financial Statements, schedules & Schedule of Expenditures of Federal Awards (SEFA)
5. Be timely:
 - Complete the Audit
 - Submit to Federal Audit Clearinghouse on time!
 - Whichever comes first:
 - 30 days after receipt of the auditor's report, or
 - 9 months after the end of the audit period.



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§ 200.509: Auditor Selection

Paragraph (a):

- “...the objective is to obtain high-quality audits.”
- “...the objectives and scope of the audit must be made clear, and the non-Federal entity must request a copy of the audit organization's peer review report which the auditor is required to provide under GAGAS.”



Example of a prepared SEFA report to the audit.

Schedule of Expenditures of Federal Financial Awards				
Year Ended December 31, 2014				
Federal Grant Title	Award Number	CDFA Number	Total Grant Award	Federal Expenditures
U.S. Department of Housing and Urban Development	79IHXXXXXX	14.867	\$ 400,000	\$ 300,000
U.S. Department of Housing and Urban Development	XXXXXXXXXX	14.862	\$ 625,000	\$ 350,000
U.S. Department of Health and Human Services	XXXXXXXXXX	93.602	\$ 120,000	\$ 53,000
			\$ 1,145,000	\$ 703,000

Audits: Test of Compliance

There are fourteen (14) areas that the auditor is required to test:

1. Activities Allowed or Unallowed Activities under NAHASDA
2. Allowable Costs/Cost Principles
3. Cash Management
4. Equipment and Real Property
5. Davis Bacon Act
6. Eligibility

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Audits: Test of Compliance

7. Earmarking:

- Up to 10% of an annual grant may be used to provide housing to families between 80% to 100% of AMI.
- Administrative costs:
 - Less than \$500,000: may use 30% of its annual expenditures or annual grant, whichever is greater.
 - More than \$500,000: may use up to 20% of its annual expenditures or its annual grant amount, whichever is greater.

8. Period of Availability of Federal Funds.

9. Procurement and Suspension and Debarment.

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Audits: Test of Compliance

10. Program Income.
11. Financial Reporting:
 - Quarterly Form 425
 - Annual Form 52737 (APR)
12. Real Property Relocation.
13. Subrecipient Monitoring.
14. Special Tests and Provisions:
 - Environmental Review
 - Investment of IHBG Funds – if applicable

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Auditor's Report

In the Independent Auditor's Report (located on the front of the audit report), the auditor issues an OPINION on:

- Whether the financial statements are presented fairly in all material respects in conformity with Generally Accepted Accounting Principles (GAAP); and
- On whether the SEFA is presented fairly in all material respects in relation to the financial statements taken as a whole.

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The Audit Opinion

- Unmodified (“clean”) or
- Modified (Qualified, adverse or disclaimer)

Examples Giving Rise to the Modification	Auditor’s Judgment About the Pervasiveness of the Effects or Possible Effects on the Financial Statements	
	Material but Not Pervasive	Material and Pervasive
Financial statements are materially misstated	<i>Qualified opinion</i>	<i>Adverse opinion</i>
Inability to obtain sufficient appropriate audit evidence	<i>Qualified opinion</i>	<i>Disclaimer of opinion</i>

“Pervasive” – condition exists throughout the organization

Auditor’s Report



- The audit also includes reports on:
- Internal Control over financial reporting and compliance with Federal statutes, regulations and the IHBG
 - Report on compliance for each major program and a report on internal control for those programs

Auditor Must Report Audit Findings:

- Significant deficiencies and material weaknesses in internal control over major programs and significant instances of abuse
- Material noncompliance with the provisions of Federal statutes, regulations, or the terms and conditions of Federal awards related to a major program
- Questioned costs greater than \$25,000
- Known or likely fraud affecting the federal award
- Report on prior audit findings and corrective action

<p style="text-align: center;">INDEPENDENT AUDITOR'S REPORT</p> <p>To the Board of Commissioners Anywhere Town</p> <p>We have audited the accompanying basic financial statements of the Tribe/TDCE (the Authority), a component unit of the Indian Tribe, as of and for the year ended December 31, 2015 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.</p> <p>Management's Responsibility for the Financial Statements</p> <p>Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.</p> <p>Auditor's Responsibility</p> <p>Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.</p> <p>An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.</p> <p>We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.</p> <p>Opinions</p> <p>In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Tribe/TDCE Housing as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.</p> <p>Emphasis of Matter</p> <p>The Tribe/TDCE Housing adopted the provisions of the GASB Statement No. 60, <i>Accounting and Financial Reporting for Service Concession Arrangements</i>, and GASB Statement No. 63, <i>Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position</i>, for the year ended December 31, 2015. Our opinion is not modified with respect to these matters.</p> <p style="text-align: center;">Attachment Page 45</p>	<p style="text-align: center;">2</p> <p>Other Matters</p> <p>Required Supplementary Information</p> <p>Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Management's Discussion and Analysis as listed in the table of contents, in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on Management's Discussion and Analysis, as listed in the table of contents, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.</p> <p>Supplementary and Other Information</p> <p>Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Indian Housing Authority's basic financial statements. The supplementary and other information, as listed in the table of contents, is presented for the purpose of additional analysis and is not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements.</p> <p>The supplementary and other information, as listed in the table of contents, and the schedule of expenditures of federal awards, are the responsibility of the management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary and other information, as listed in the table of contents, and the schedule of expenditures of federal awards, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.</p> <p>The introductory and other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, accordingly, we do not express an opinion or provide any assurance on them.</p> <p>Other Reporting Required by Government Auditing Standards</p> <p>In accordance with Government Auditing Standards we have also issued our report dated March 20, 2016, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authority's internal control over financial reporting and compliance.</p> <p>Signature Name, Firm Location March 20, 2016</p> <p style="text-align: center;">Attachment Page 46</p>
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<p>AUDITOR NAME AUDITOR ADDRESS</p> <p><u>Report on Compliance for Each Major Program and on Report on Internal Control over Compliance in Accordance with OMB Circular A-133</u></p> <p><u>Independent Auditor's Report</u></p> <p>Board of Commissioners Ladies and Gentlemen:</p> <p><u>Compliance</u> We have audited the compliance of Tribe/TDHE with the types of compliance requirements described in the U.S. Office of Management and Budget Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015. Cook Inlet Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.</p> <p><u>Management's Responsibility</u> Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the entity's management.</p> <p><u>Auditor's Responsibility</u> Our responsibility is to express an Opinion on the Tribe/TDHE's compliance with the applicable compliance requirements based on our compliance audit.</p> <p>We conducted our compliance audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and U.S. Office of Management and Budget Circular A-133, <i>Audits of States, Local Governments and Non-Profit Organizations</i> Those standards and Circular A-133 require that we plan and perform the compliance audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. A compliance audit includes examining, on a test basis, evidence about the Tribe/TDHE's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.</p> <p>We believe that our compliance audit provides a reasonable basis for our opinion. Our compliance audit does not provide a legal determination on Tribe/TDHE's compliance with those requirements.</p> <p style="text-align: center;">Attachment Page 47</p>	<p>Board of Commissioners</p> <p><u>Opinion</u> In our opinion, Tribe/TDHE complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.</p> <p><u>Internal Control over Compliance</u> The management of Tribe/TDHE is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our compliance audit, we considered Tribe/TDHE's internal control over compliance with requirements that could have a direct and material effect on a major federal program as a basis for designing our compliance auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cook Inlet Housing Authority's internal control over compliance.</p> <p>A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.</p> <p>Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.</p> <p><u>Restricted Use</u> This report is intended solely for the information and use of the Board of Commissioners, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.</p> <p>Town, State Date</p> <p style="text-align: center;">Attachment Page 48</p>
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<p style="text-align: center;">TRIBE/TDHE HOUSING (A Component Unit of the Indian Tribe) Schedule of Findings and Questioned Costs For the Year Ended December 31, 2015</p> <p><u>SECTION I - Summary of Auditor's Results</u></p> <p><u>Financial Statements</u></p> <p>Type of auditor's report issued: <u>Unmodified</u></p> <p>Internal control over financial reporting:</p> <ul style="list-style-type: none"> - Material weakness(es) identified? <u>Yes</u> <u>No</u> - Significant deficiency(ies) identified? <u>Yes</u> <u>None reported</u> <p>Noncompliance material to financial statements noted? <u>Yes</u> <u>No</u></p> <p><u>Federal Awards</u></p> <p>Internal control over major programs:</p> <ul style="list-style-type: none"> - Material weakness(es) identified? <u>Yes</u> <u>No</u> - Significant deficiency(ies) identified? <u>Yes</u> <u>None reported</u> <p>Type of auditor's report issued on compliance for major programs: <u>Unmodified</u></p> <p>Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? <u>Yes</u> <u>None reported</u></p> <p>Identification of major programs:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>CFDA Numbers</u></th> <th style="text-align: left;"><u>Name of Federal Program or Cluster</u></th> </tr> </thead> <tbody> <tr> <td>14.867</td> <td>Indian Housing Block Grant</td> </tr> </tbody> </table> <p>Dollar threshold used to distinguish between Type A and type B programs: \$750,000</p> <p>Auditee qualified as low-risk auditee? <u>Yes</u> <u>No</u></p> <p><u>SECTION II - Financial Statement Findings</u></p> <p>No matters were reported.</p> <p><u>SECTION III - Federal Award Findings and Questioned Costs</u></p> <p>No matters were reported.</p> <p style="text-align: center;">Attachment Page 49</p>	<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>	14.867	Indian Housing Block Grant	<p style="text-align: center;">TRIBE/TDHE HOUSING (A Component Unit of the Indian Tribe) Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2015</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Federal Grantor/Pass-through Program Title or Cluster</u></th> <th style="text-align: center;"><u>Federal CFDA Number</u></th> <th style="text-align: center;"><u>Grant or Program Number</u></th> <th style="text-align: right;"><u>Program or Award Amount</u></th> <th style="text-align: right;"><u>Federal Expenditures</u></th> </tr> </thead> <tbody> <tr> <td>U.S. Department of Housing & Urban Development Office of Native American Programs Indian Housing Block Grants Cluster Indian Housing Block Grant</td> <td style="text-align: center;">14.867</td> <td style="text-align: center;">551H0201230</td> <td style="text-align: right;">\$ 1,254,000</td> <td style="text-align: right;">\$ 1,026,100</td> </tr> <tr> <td>Indian CDBG Program Cluster Indian Community Development Block Grant Program</td> <td style="text-align: center;">14.862</td> <td style="text-align: center;">61199999999</td> <td style="text-align: right;">500,000</td> <td style="text-align: right;">8,000</td> </tr> <tr> <td>Total Awards</td> <td></td> <td></td> <td style="text-align: right;">\$ 1,754,000</td> <td style="text-align: right;">\$ 1,037,100</td> </tr> </tbody> </table> <p style="text-align: center;">See notes to Schedule of Expenditures of Federal Awards</p> <p style="text-align: center;">Attachment Page 51</p>	<u>Federal Grantor/Pass-through Program Title or Cluster</u>	<u>Federal CFDA Number</u>	<u>Grant or Program Number</u>	<u>Program or Award Amount</u>	<u>Federal Expenditures</u>	U.S. Department of Housing & Urban Development Office of Native American Programs Indian Housing Block Grants Cluster Indian Housing Block Grant	14.867	551H0201230	\$ 1,254,000	\$ 1,026,100	Indian CDBG Program Cluster Indian Community Development Block Grant Program	14.862	61199999999	500,000	8,000	Total Awards			\$ 1,754,000	\$ 1,037,100
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REQUEST FOR PROPOSALS FOR AUDIT SERVICES

Pursuant to the procurement requirements of the U.S. Department of Housing and Urban Development, the Southwest Tribal Housing Authority is soliciting proposals from qualified firms and individuals for the provision of audit services. Interested parties must submit written proposals to:

Mr. John Smith, Finance Director
Southwest Tribal Housing Authority PO
Box 999
Westhaven, AZ 91234

Proposals must be received, in person or by mail, on or before 4:00 PM, Monday, July 16, 2017. Proposal received after this deadline will only be considered if insufficient qualified proposals are received prior to the deadline.

Any questions regarding this solicitation must be submitted in writing to Mr. John Smith at the above address prior on or before Monday, July 2, 2017. Responses to these questions will be issued to all firms on the mailing list of this solicitation.

BACKGROUND

The Southwest Tribal Housing Authority is a public entity charged with the task of administering federal housing programs for the Southwest Tribe. A five-member Board of Commissioners governs the Authority, under the overall oversight of the Southwest Tribal Council.

Primary income sources are the administrative fees and rents earned through the management of approximately 625 housing units, and the grant monies received through the Indian Housing Block Grant Program administered by the HUD Office of Native American Programs. Total estimated annual grants and revenues are approximately \$900,000. Cash and investments as of the publication of this RFP were approximately \$1.6 million.

SCOPE OF SERVICES

The audit services to be provided are for the year ending December 31, 2017, with an option for up to two additional years. Services to be provided are according to the sample Agreement that is attached and is a part of this Request for Proposals. All audit services are to be completed no later than 90 days following acceptance of the proposal, with a final report presented by the auditor to the Board of Commissioners at the following month's Board meeting.

The Scope of Services of the audit shall be in conformity with the "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" Section 2 CFR 200.314. It is anticipated that the auditor will need to recommend adjusting entries to present financial information according to GAAP.

It is expected that the report to the BOC shall be in a manner that will enable the Commissioners to fully understand the financial condition of the STHA as represented in the financial statements, and shall fully understand the reasons for all audit findings, if

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any, and the actions to be taken by STHA to resolve them.

CONTENT OF THE PROPOSALS

To adequately select the firm or individual who will best serve the needs of the Housing Authority, it will be necessary to review the experience of the respondents as it closely relates to those needs, and to review the expertise and qualifications of the individual(s) who will be providing the services. To meet these objectives, the quotation must contain a resume of all individuals who would be providing the services, with special attention to the experience related to Public or Indian Housing Authorities, Indian Tribes, or similar organizations. A sample list of these firms must be provided.

The firm must be represented by a Certified Public Accountant, licensed in the State of Arizona. A copy of such license and credentials must be submitted with the proposal. The proposal must also include the proposed price of the audit, including all travel and related cost. The cost of the audit may be a factor when reviewing the firms under final consideration. A copy of the most recent Peer Review Report must also be provided.

SELECTION PROCESS

According to Federal regulations and Authority policies, Indian Preference in the selection of firms shall apply. An Indian firm (ownership of 51% or more by a member of a federally-recognized Tribe) will be granted fifteen points of a total possible one hundred points. The following is a summary of the ranking criteria to be used:

Points	Criteria
25 points	Firm's general overall experience with housing authorities that administer Federal Native American programs, including, but not limited to, the Indian Housing Block Grant program.
25 points	Specific qualifications, availability and experience of key personnel who will be performing the audit, specifically with respect to performing similar work.
25 points	Results of peer and external quality control reviews.
10 points	Overall quality and responsiveness of the proposal.
15 points	Indian preference

The Housing Authority reserves the right to interview the candidates prior to the final selection. A recommendation by the Finance Director will be made to the Board of Commissioners, who will then make the final selection. The successful firm or individual will be notified shortly thereafter so that the audit process can begin as soon as possible.

SPECIAL REQUIREMENTS

Firms submitting proposals should be aware that the Southwest Tribal Housing Authority is subject to all requirements associated with the Indian Housing Block Grant Program as administered by the U.S. Department of Housing and Urban Development. These include the requirements specified in 2 CFR 200 Subpart F related to fiscal audits, and other requirements specified in 24 CFR 1000.

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SECTION XIII:

Reporting and Monitoring

Uniform Guidance Requirement

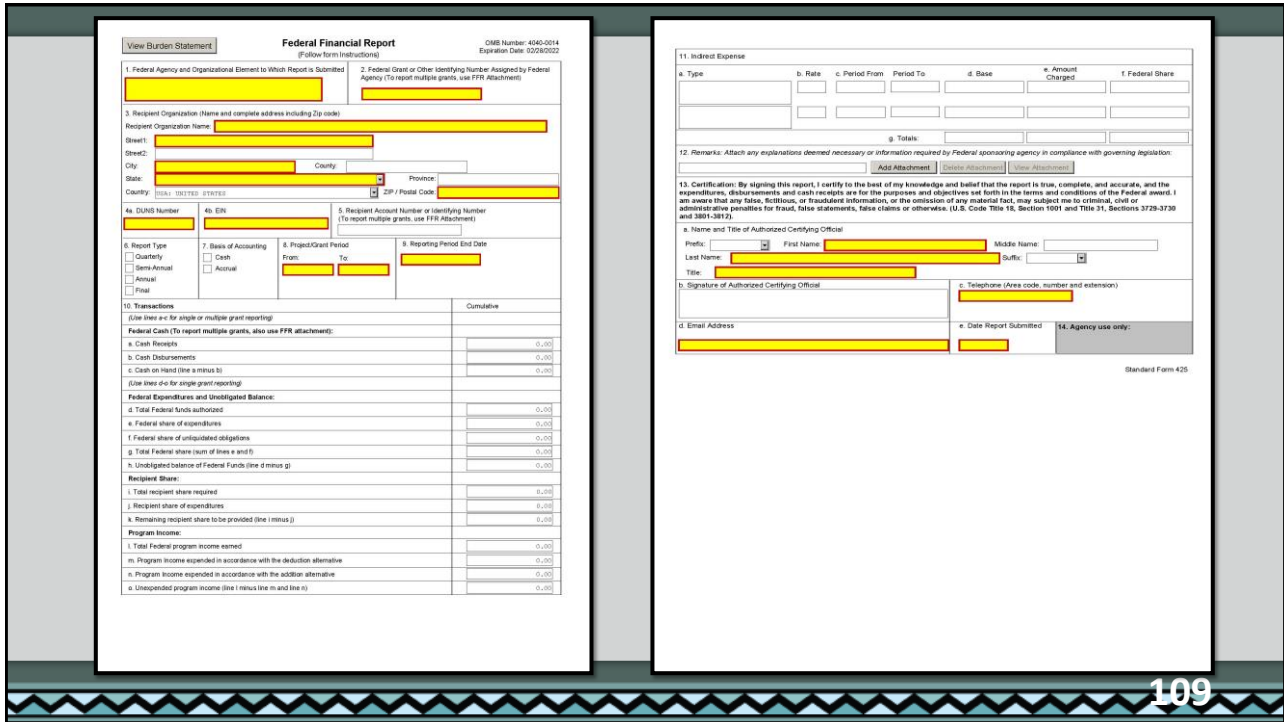
200.302(b)(2): The financial management systems must provide...accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§200.327 (Financial Reporting) and 200.328 (Monitoring and Reporting Program Performance).

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Reporting and Monitoring: Federal Financial Report SF-425

- Submittals are required according to 24 CFR §1000.26 and the Uniform Guidance
- Reports are filed quarterly
- Reference PIH Notice 2014-07
- Report grant cash receipts and grant expenditures – cumulative basis
- Report program income

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Reporting and Monitoring: Annual Performance Report

Statutorily required under Section 404 of NAHASDA, §1000.238 and §1000.302.

- It is a progress report to track the Tribe’s progress on the IHP.
- The IHP and the APR are reported on the same Form 52737.
- Public comment on the progress of its IHP activities.
- It is a good assessment and planning tool for improving your Tribe’s IHP.

Reporting and Monitoring: Annual Performance Report cont'd

- Source Document for the Financial Section of the APR report - The financial statements!
- Engage everyone in the data gathering and reporting process!
- Reporting Due Date: Ninety (90) days after the Tribe's fiscal year end. The Tribe may seek an extension of an additional 30 days.
- Required to be submitted through the EPIC System (online) unless HUD approves other method due to lack of internet

APR Sources of Funding Report

Sources of Funding							
Funding Source	Estimated(IHP) Actual(APR)	Amount on hand at beginning of program year (F)	Amount to be received during 12- month program year (G)	Total sources of funds (H=F+G)	Funds to be expended during 12- month program year (I)	Unexpended funds remaining at end of program year (J=H-I)	Unexpended funds obligated but not expended at end of 12- month program year (K)
	Estimated	\$701,578.00	\$75,569.00	\$777,147.00	\$680,750.00	\$96,397.00	
IHBG Funds:	Actual	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Estimated	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
IHBG Program Income:	Actual	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Estimated	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Title VI:	Actual	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Estimated	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Title VI Program Income:	Actual	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Estimated	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
1937 Act Operating Reserves:	Actual	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Estimated	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Carry Over 1937 Act Funds:	Actual	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Estimated	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
LEVERAGED FUNDS							
ICDBG Funds:	Actual	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Estimated	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Other Federal Funds:	Actual	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Estimated	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
LIHTC:	Actual	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Estimated	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Non-Federal Funds:	Actual	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

APR Uses of Funding Report

	Estimated	\$701,578.00	\$75,569.00	\$777,147.00	\$680,750.00	\$96,397.00	\$0.00
Total:	Actual	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Uses of Funding							
Program Name	Unique Identifier	Prior and current year IHBG (only) funds to be expended in 12-month program year (L)	Total all other funds to be expended in 12-month program year (M)	Total funds to be expended in 12-month program year (N=L+M)	Total IHBG (only) funds expended in 12-month program year (O)	Total all other funds expended in 12-month program year (P)	Total funds expended in 12-month program year (Q=O+P)
Construction of Rental Housing	2019-04	\$380,000.00	\$0.00	\$380,000.00	\$0.00	\$0.00	\$0.00
Administration of Existing Mutual Help Program (FCAS)	2019-01	\$10,750.00	\$0.00	\$10,750.00	\$0.00	\$0.00	\$0.00
Rental Assistance Program	2019-02	\$15,000.00	\$0.00	\$15,000.00	\$0.00	\$0.00	\$0.00
Rental Housing Acquisition and Rehab Program	2019-03	\$250,000.00	\$0.00	\$250,000.00	\$0.00	\$0.00	\$0.00
Planning and Administration		\$25,000.00	\$0.00	\$25,000.00	\$0.00	\$0.00	\$0.00
Loan Repayment (describe in 3 & 4 below)		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total		\$680,750.00	\$0.00	\$680,750.00	\$0.00	\$0.00	\$0.00
APR							

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Reporting and Monitoring: Self-Monitoring

- Required under §403(b), 1000.502 and the Uniform Guidance 200.328.
- HUD provides a guidebook for Self Monitoring:
https://www.hud.gov/sites/documents/DOC_8747.PDF
- Reporting Due Date:
 - No due date imposed
 - Complete at least annually
 - Report the Self-Monitoring results in the APR



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Reporting and Monitoring: HUD Monitoring

HUD monitors to determine whether the Tribes:

- Have carried out their eligible activities in a timely manner;
- Have eligible activities and certifications in accordance with the individual program requirements and with other applicable laws; and
- Have a continuing capacity to carry out those activities in a timely manner.

BE AUDIT READY AT ALL TIMES!

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SECTION XIV:

Record Keeping and Retention

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Uniform Guidance Requirements

- 200.302(3): Maintain records that identify adequately the source and application of funds for IHBG funded activities. Records must contain information pertaining to the IHBG award, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.
- NAHASDA Part 1000.552 requires **financial and programmatic records to be retained for 3 years** from the end of the grantees program year or settlement date of any litigation, claim, or audit that was started before the expiration of the three-year period.

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Record Keeping and Retention: Policy Requirements

Adopt a Policy and Include:

- Retention requirements for records (200.333) - How long should you keep the records (1000.552)
- Method to transfer certain records to the federal agency, if required (200.334);
- Methods for collection, transmission and storage of information (200.336);
- Access to records; (200.337) – for the federal agency, the Inspector General's, the Comptroller General of the United States;
- Restrictions on public access to records (200.337) – for example, Personnel files.

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Record Keeping and Retention

Reference NAHASDA regulations 1000.552 - Three (3) year records retention:

- All financial and programmatic records, supporting documents, and statistical records of the recipient which are required to be maintained by the statute, regulation, or grant agreement.
- Records must be retained **for three years from the date the recipient submits to HUD the annual performance report** that covers the last expenditure of grant funds under a particular grant.
- If any litigation, claim, negotiation, audit or other action involving the records, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular 3-year period, whichever is later.

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Record Keeping and Retention

Specific accounting related records that should be maintained:

- Bank Reconciliation Files
- Journal Entry Files
- Financial Statement Files
- Other General NAHASDA Grant Files
- Vendor Files
- Tenant Files
- Personnel Files – Important – Maintain 3 separate files for each employee
 - File 1 – Application and other general information
 - File 2 - For example - health related information
 - File 3 – Payroll information

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<p style="text-align: center;">SAMPLE FINANCIAL MANAGEMENT POLICY AND PROCEDURES</p> <p style="text-align: center;">(TRIBES/TDHE'S ADMINISTERING THE INDIAN HOUSING BLOCK GRANT)</p> <p style="text-align: center; color: red;">See Course Manual at www.naihc.net</p> <p style="text-align: center; font-size: small;">Attachment Page 65</p>	<p style="text-align: center;">Table of Contents</p> <ol style="list-style-type: none"> 1. GENERAL PURPOSE 3 2. FINANCIAL RESPONSIBILITIES 3 3. ACCOUNTING METHODS & STANDARDS 3 4. REVENUE RECOGNITION 4 5. EXPENSE RECOGNITION 4 6. ACCOUNT RECORDS, IDENTIFICATION, AND SOURCE DOCUMENTS 4 7. RECORDS AND INFORMATION MANAGEMENT 5 8. FINANCIAL REPORTS 6 9. CASH MANAGEMENT POLICY 6 10. BUDGET ADMINISTRATION 7 11. PURCHASE OF GOODS AND SERVICES 8 12. ALLOWABLE COSTS 8 13. CAPITAL ASSETS 9 14. AUDIT 11 15. PETTY CASH 12 16. BANKING AND INVESTING SERVICES 12 APPENDIX 1: EFFECTIVE INTERNAL CONTROLS AND ACCOUNTABILITY 14 APPENDIX 2: PROCEDURES TO IMPLEMENT THE REQUIREMENTS OF 200.305 PAYMENT 21 APPENDIX 3: ALLOWABLE COSTS POLICY AND PROCEDURES TO IMPLEMENT THE REQUIREMENTS OF 200.302(B)(7) 25 <p style="text-align: center; font-size: small;">Attachment Page 67</p>
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Questions?

