

**RESOLUTION OF THE  
WHITE MOUNTAIN APACHE TRIBE OF THE  
FORT APACHE INDIAN RESERVATION**

**WHEREAS,** the Tribal Budget Committee has the responsibility to review all proposed budgets for the fiscal year and to make recommendations to the Tribal Council for its consideration and adoption permitting tribal organizations to operate on a budget for the year; and

**WHEREAS,** the Tribal Budget Committee has prepared its Report and Recommendations for the Central Tribe Budget for FY 96/97 for consideration by the Tribal Council, a copy of which is attached to this resolution and incorporated by reference herein; and


**WHEREAS,** the Tribal Council has reviewed the Report and the seven recommendations outlined therein and concludes that it would be in the best interest of the Tribe to adopt the Report and Recommendations of the Tribal Budget Committee.


**BE IT RESOLVED** by the Tribal Council of the White Mountain Apache Tribe that it hereby approves and adopts the Report and Recommendations for a Central Tribe Budget FY 96/97 prepared by the Tribal Budget Committee in the form and content attached to this resolution and incorporated by reference herein.

**BE IT FURTHER RESOLVED** by the Tribal Council of the White Mountain Apache Tribe that any and all previously adopted resolutions referenced in the Budget Committee's Report and Recommendations for the Central Tribe Budget FY 96/97 which are in conflict with this resolution or the Report and Recommendations of the Budget Committee are superseded by this resolution.

The foregoing resolution was on July 16, 1996 duly adopted by a vote of ten for and zero against by the Tribal Council of the White Mountain Apache Tribe, pursuant to authority vested in it by Article IV, Section I (a), (i), (k), (s), (t) and (u) of the Constitution of the Tribe, ratified by the Tribe September 30, 1993, and approved by the Secretary of the Interior on November 12, 1993, pursuant to Section 16 of the Act of June 18, 1934 (48 Stat. 984).

ACTING

  
Chairman of the Tribal Council

  
Secretary of the Tribal Council



07-96-102

**REPORT AND RECOMMENDATIONS**

**CENTRAL TRIBE BUDGET FY 96/97**

by

**TRIBAL BUDGET COMMITTEE**

**JUNE, 1996**

**Judy DeHose, Chairman**

**Romeo Dazen**

**Herbert Tate**

**Lynn Cody**

**Charles O'Hara**

**REPORT AND RECOMMENDATIONS  
TRIBAL BUDGET COMMITTEE  
CENTRAL TRIBE BUDGET FY 96\97**

The Budget Committee has conducted an exhaustive review and analysis of the financial position of the White Mountain Apache Tribe, expenditures and practices of central tribe budget organizations, their requests for FY 96\97 funds, and the funds available. The Committee finds that the degree to which managers responded to the budget instructions ranged from adherence to completely ignoring the public statements concerning the need to curb expenditures and written budget instructions. The Committee notes that the expenditure controls originally implemented by Executive Order and ratified by Council Resolution in the last two quarters of FY 95\96 were effective in slowing the rate of expenditures. The Committee also finds that some program managers apparently chose to ignore these directives to the maximum extent possible. This Report and the financial pages that accompany it are recommended to the Tribal Council for adoption to not only set the spending plan for Central Tribe for FY 96\97 but also to implement the controls and setting the proper level of authority for enacting each part of the spending plan.

**RECOMMENDATION 1 :**

**Maintain the curtailment of expenditures started in December, 1995 and hold managers strictly accountable for spending by their organizations.**

The Budget Committee strongly recommends that the tighter controls over expenditures be continued. If the controls are relaxed, the Committee finds that spending will exceed budgets and result in deficient spending by Central Tribe. The number of managers who chose to ignore the budget instructions to cut to an 80% of FY 95\96 appropriations clearly indicate that managers must be held accountable for their spending. The former practice of allowing expenditures that exceed budgeted amounts for any line item must cease. Therefore, the Committee recommends that managers who seek to overspend be warned in writing that overspending is just cause for dismissal. Managers must accomplish their missions within budget; they must become more efficient and effective in their operations and seek other funding sources to supplement tribal appropriations if additional funds are necessary.

The Budget Committee specifically recommends the following cost containment procedures be continued:

1. Tribal vehicles are to be used for official tribal business only. They are to be parked except during business hours.
2. Travel is for essential tribal purposes only. Travel must be authorized by the Business Office testifying to the availability of funds and by the Chairman as to essential purpose prior to start of travel. Any travel not authorized in advance must be paid for by the person traveling.
3. All purchases are by Purchase Order authorized by the Business Office prior to purchase. The Comptroller is responsible for notifying all vendors that invoices must be accompanied with a copy of the purchase order. Any purchase not authorized and approved in advance will be the

personal responsibility of the person placing the order. The Business Office is to notify all budget organizations as to General Service Administration prices for any item to be procured. Only written bids or offers at a price less than GSA prices will result in procurement from other than GSA vendors.

4. No personnel actions are authorized until the Form E has been approved by the Business Office for funds available and by the Chairman for essential purpose.

The Budget Committee recommends that any expense resulting from deviation from these procedures be the personal responsibility of the manager.

**IMPLEMENTING RESPONSIBILITY: Comptroller**

**RECOMMENDATION 2 : Adopt the FY 96\97 Central Tribe Budget presented on the attached financial pages.**

The Budget Committee presents a balanced budget for consideration and adoption. Balance was achieved by applying uniform criteria to all budget requests and decisions:

- a) Recommended budgets are at or near the 80% of FY 95\96 levels for all budgets.
- b) The recommended budget contains no capital expenditures except for a prior commitment by Council for Data Processing and a small expenditure for the Fort Apache Scout that was paid for with budgeted increased revenues.
- c) No new positions are budgeted except for Tribal Gaming due to the Casino expansion.
- d) No temporary positions are budgeted except as paid by JOM, Higher Education or JTPA.
- e) No pay raises are budgeted.

The Budget Committee brings to Council's attention that the balanced budget requires that any authorized expenditure in addition to that recommended requires that the source of the funds be identified. If dollars are to be added to Program A, then the program and the line items to be reduced must also be identified to keep the budget in balance.

**HIGHLIGHTS OF RECOMMENDED CENTRAL TRIBE BUDGET**

The balanced budget recommended for approval contains a number of features that require specific attention by the Tribal Council. These features were instrumental in the decisions of the Committee as they reviewed the budget requests and are basic to the balance contained in the proposed budget.

- 1) Balance is achieved by reductions to the 80% of FY 95\96 approved budget levels. Total budgeted expenditures are approximately \$6 million below FY 95\96 expenditures and \$3 million below FY 96\97 requests.
- 2) An additional 1% of gross revenues tax is imposed on the Casino to offset the costs incurred in operating the Tribal Gaming Office. This additional tax generates approximately \$300,000 per year.
- 3) A scholarship fund of \$1,000, 000 funded by Casino income resulted in a cut in appropriations from other tribal revenues for scholarships to Tribal Education to \$75,000. This recommendation

is in keeping with established policy to utilize casino revenues for one-time expenditures and is in line with the mandated purposes contain in the Compact and IGRA.

4) Vehicle operations or maintenance line items included in the individual budgets are for a transition period. All funds are to be appropriated to a new Motor Pool to operate and maintain all tribal vehicles. The Committee is convinced that the Motor Pool will facilitate control over use of tribal vehicles, cut long range maintenance costs, and provide for longer useful life for tribal vehicles. **IMPLEMENTING RESPONSIBILITY: TREASURER**

5) Day Care subsidy is reduced to \$128,000 for the transition year FY 96\97. Day Care did not respond to requests for full disclosure of revenues and expenditures from the Committee. As the Committee has no basis for a review of the financial needs of Day Care and as Day Care is not a tribal entity but a separate corporation, any appropriations are gifts. The Committee recommends that Day Care either become a tribal operation linked with Head Start or that future appropriations requests be denied.

6) Appropriations for the Skill Center are reduced to \$50,000 for transition from Tribal Education to a training facility funded by JTPA and the Whiteriver School District.

7) Fort Apache Materials is presented as part of the Central Tribe Budget only for comparison purposes. Fort Apache Materials will be separated from Central Tribe and its budget reviewed, analyzed, and recommendations make when the Budget Committee presents Enterprise Budgets. Fort Apache Materials is recommended to be consider an Enterprise from this time forward.

The Committee recommends that adoption of the Central Tribe Budget also include explicit approval for the changes noted in these highlights.

### **RECOMMENDATION 3 : Appoint Acting Division Directors.**

The Committee discussions revealed a number of areas where greater efficiency could be achieved if the budget organizations within a Division were working more closely. Sharing of equipment is one example. Therefore, to assist the Committee in monitoring activities during the year and to make advance preparation for even further cuts during the year, if necessary, the Committee recommends that an Acting Division Director be appointed for each of the Tribe's Divisions. The Acting Director will have the responsibility to convene at least monthly meetings of all organization heads within the division and seek ways to cooperate and share resources. The Acting Division Directors shall prepare a written monthly progress report to the Chairman and Council, meet monthly with the Director of Planning and Coordination to extend cooperation and savings across divisional lines, and meet not less than quarterly with the Budget Committee.

**IMPLEMENTING RESPONSIBILITY : CHAIRMAN**

### **RECOMMENDATION 4 : Budget Committee Review and Analysis of Programs Funded by Contracts and Grants.**

The Budget Committee points out to Tribal Council that some tribal organizations and divisions are presently beyond the scope of the work of the Budget Committee. For example, Tribal Education is funded not only by tribal appropriations but also from BIA contracts. The Committee does not have the opportunity to review tribal appropriations within the full context

of the operation. Almost all social service and health organizations are beyond the authority of the Budget Committee as they are funded almost exclusively by grants and contracts. As grants end, the Tribe is often asked to continue the program. The Fitness Center is an excellent example. Healthy Nations, for example, will end in the foreseeable future. The Tribe likely will be asked to continue funding the program.

As an example of the ongoing problems presented by the less than full consideration of organizations funded in part by contracts and grants is the question of salary adjustments. These organizations even today are sending in Form "E"s with pay raises for their employees. They argue that no tribal money is involved and often incorrectly argue that "if we don't spend it, we will lose it." A uniform policy of treating all tribal employees fairly precludes special consideration based on funding source.

To enable the Committee to make the best informed recommendations to the Council and to assure that the broadest possible cooperation and coordination including sharing of scarce tribal resources is in place, the Budget Committee recommends that all grants and contracts funded organizations be fully reviewed and analyzed by the Committee with a recommended budget presented to Council for consideration and adoption.

**IMPLEMENTING RESPONSIBILITY: COMPTROLLER and TRIBAL SECRETARY**

#### **RECOMMENDATION 5 : Finalize the Personnel Classification and Compensation System**

The Budget Committee recommends that the personnel classification system whereby compensation is tied to job duties and all employees performing the same function are compensated alike with appropriate variances for time on the job, and that salary increases are directly linked to evaluation of employees be finalized and instituted prior to FY 97\98, The Budget Committee is aware that across- the- board raises has been the pattern in the past but considers a performance based raise system fairer to employees.

The Tribe applied for funds to conduct this study in 1994 to BIA. The Legal Department currently has had an appeal pending with Administrative Court of the Department of Interior that should result in funding for the project this year.

**IMPLEMENTING RESPONSIBILITY : PERSONNEL and TREASURER**

#### **RECOMMENDATION 6 : Central Tribe Performance Audits.**

The Budget Committee recommends that performance audits be performed on all Central Tribe budget organizations. The Internal Audit Department will develop a schedule for conducting the audits. The audits will focus on what the organization is to do, how it does it, and what benefits accrue to the Tribe. The audits will recommend to the Budget Committee whether the organization should continue to be funded and for what purposes. Preliminary audits should take an average of three days per audit. The preliminary audits will form the basis of determining which organizations are scheduled for in-depth audits.

**IMPLEMENTING RESPONSIBILITY: INTERNAL AUDIT**

**RECOMMENDATION 7 : Monthly Reviews by Budget Committee**

The Budget Committee recommends that monthly reviews be held to determine spending by all Central Tribe budget organizations. The Business Office will provide a monthly budget variance report to facilitate the Committee's work. The Committee will report to Council any abnormal variances or any persistent pattern of overspending by any organization.

**IMPLEMENTING RESPONSIBILITY : BUDGET COMMITTEE CHAIRMAN**