



**RESOLUTION OF THE GOVERNING BODY OF THE  
THREE AFFILIATED TRIBES OF THE  
FORT BERTHOLD INDIAN RESERVATION**

**A Resolution Entitled, “*Fiscal Management and Internal Controls for Tribally Funded Entities*”**

**WHEREAS,** The Three Affiliated Tribes, also known as the Mandan Hidatsa and Arikara (MHA) Nation, having accepted the Indian Reorganization Act of June 18, 1934, and the authority under said Act and having adopted a Constitution and By-laws pursuant to said Act; and

**WHEREAS,** Article III of the Constitution of the MHA Nation provides that the Tribal Business Council is the governing body of the MHA Nation; and

**WHEREAS,** The Constitution of the MHA Nation authorizes and empowers the Tribal Business Council to engage in activities on behalf of and in the interest of the welfare and benefit of the MHA Nation and of the enrolled members thereof; and

**WHEREAS,** Article VI, Section 5(c) of the Constitution of the MHA Nation specifically authorizes and empowers the Tribal Business Council to administer funds within the exclusive control of the Nation and to make expenditures from available Tribal funds for public purposes for the Nation; and

**WHEREAS,** Three Affiliated Tribes has a significant interest in adopting policies to ensure that Tribal funds are subject to appropriate oversight and control, and expenditures are consistent with and in the interest of the welfare and benefit of the Tribe and of the enrolled members thereof.

**NOW, THEREFORE, BE IT RESOLVED,** that the Tribal Business Council of the Three Affiliated Tribes hereby establishes the following FISCAL MANAGEMENT AND INTERNAL CONTROLS FOR TRIBALLY FUNDED ENTITIES which shall be effective for all expenditures occurring on or after the later of October 1, 2019 or the approval of this policy.

**THREE AFFILIATED TRIBES**

**FISCAL MANAGEMENT AND INTERNAL CONTROLS FOR TRIBALLY FUNDED ENTITIES POLICY**

Section I. Definition of Significant Expenditure. For purposes of this Fiscal Management and Internal Controls for Tribally Funded Entities Policy (hereinafter the “Policy”), a Significant Expenditure is defined as any payment or payments to any one vendor, supplier, recipient, or project in an amount greater than \$100,000 annually in Tribal funds to, from or on behalf of a Covered Tribal Entity (defined below) in any one fiscal year of the Tribe.



Section II. Covered Entities. This Policy shall apply to the following entities:

- A. All Tribal sponsored entities receiving a Significant Expenditure of Tribal funds including, but not limited to, any corporations, partnerships, and LLCs chartered under the Sovereignty of the Three Affiliated Tribes of the Mandan, Hidatsa, and Arikara, including its Segments, not subject to existing fiscal controls of the Tribe's Finance Department, regardless of where they were formed, chartered or established (hereinafter referred to as a "Covered Tribal Entity" or "Covered Tribal Entities").
- B. All vendors, suppliers, recipients or projects receiving a Significant Expenditure by a Covered Tribal Entity (hereinafter referred to as a "Covered Recipient").
- C. Any exceptions to these policies must be petitioned by the Covered Tribal Entity or Covered Recipient to the Tribal Business Council or its designee in advance of the exception to this Policy. Exceptions to this policy that were not pre-approved by the Tribal Business Council or its designee must be approved by the Tribal Business Council after the fact and could result in delays to processing payments to vendors and suspension of eligibility to receive additional Tribal funding.

Section III. Competitive Bidding. Except as provided by Subsection F below:

- A. Any purchase of goods and services from a single vendor in excess of \$100,000 within the Tribe's fiscal year must be subjected to a competitive bidding process and approval by Tribal Business Council. This process will be initiated and overseen by the requesting Covered Tribal Entity. This process requires that at least three written bids be provided in a sealed format. Solicitations for these bids must be advertised in a public forum such as a newspaper of general circulation in the area where the contract is to be performed.
- B. Any purchase of goods or services from a single vendor in excess of \$25,000 but not more than \$100,000 within the Tribe's fiscal year shall require at least three written quotes directly from vendors, but no public advertisement is required.
- C. Any purchase of goods or services from a single vendor in excess of \$10,000 but not more than \$25,000 within the Tribe's fiscal year shall require at least three quotes from vendors, but these quotes may be received in any format, including verbal quotes. Quotes are to be processed by the Covered Tribal Entity, and documentation of the quote, including documentation of any verbal quote (i.e. written notations by the Covered Tribal Entity of the verbal quote), must be recorded and maintained in accordance with the Tribe's record keeping requirements in Section XII.
- D. Purchases of goods or services from a single vendor up to \$10,000 within the Tribe's fiscal year may be made directly by the Covered Tribal Entity without receiving quotes from vendors prior to purchase.



- E. All documentation relating to competitive bids, written quotes, or records of verbal quotes shall be maintained in accordance with the recordkeeping requirements of this Policy.
- F. The provision of Subsections A-C above shall not apply to the purchase of professional services including, but not necessarily limited to, architectural, engineering, legal, and accounting services.

Section IV. Receiving Documents. Receipt of all purchases of goods or services by a Covered Tribal Entity must be documented and recorded by the Covered Tribal Entity. It is the responsibility of the Covered Tribal Entity to match the items received to the receiving document (i.e. shipping document, packing slip, bill of lading, etc. provided by the vendor) or a separate receiving form (as developed by the Contracts Officers Supervisor) to log the item(s) received. An employee of the Covered Tribal Entity should indicate the description, quantity, date and location of goods or services received on behalf of the Covered Tribal Entity with a signature on the receiving document. A copy of the signed receiving document, with the individual's name legibly printed, should be forwarded to the appropriate department for payment, or if it relates to a service, then the receiving document should be forwarded, with any invoice or contract if applicable, to the appropriate department.

Section V. Three-Way Match for all Expenditures. The Covered Tribal Entity shall require a "three-way match" of documents prior to the processing of any request for payment to a vendor for goods or services. The three-way match requires that a signed receiving document, as defined above, an Invoice and/or Contract from the vendor, and a properly authorized Purchase Order be reviewed by the Covered Tribal Entity prior to payment being made. The Covered Tribal Entity will be responsible to review all applicable information on the three documents. It will verify that the purchase was approved (dollar amount and items) in the appropriate time-frame, the items were received, and the correct amount is being charged by the vendor. In addition, if the amount of purchase(s) in the fiscal year are such that Competitive Bidding is required as described above, such evidence of competitive bids should be attached to the Purchase Order. Once this cross-check has occurred, the Covered Tribal Entity can process a payment to the vendor. It is the responsibility of the Covered Tribal Entity requesting the payment to obtain any missing documentation described herein prior to processing the payment. Any exceptions to this procedure may delay the payment of Tribal Funds until the required documentation is received by the Covered Tribal Entity unless separately approved by the Tribal Business Council or its designee. This will provide enhanced protection of Tribal assets and enhanced accountability and transparency by providing evidence that Three Affiliated Tribes has received goods or services prior to authorization of payment of Tribal funds.



**Section VI. Financial Accounts of Covered Tribal Entities.** All Covered Tribal Entities should appoint either a member of the Tribal Business Council or the Chief Financial Officer as an authorized signer on all financial institution accounts maintained by the entity. This will allow the Tribal Business Council to always have access to those records of the Covered Tribal Entity regardless of staffing changes. In addition, all Covered Tribal Entities should, no later than the earlier of the first day of October of each year, or within 30 days of establishing an account with a financial institution, notify the Tribe's Chief Financial Officer of all such accounts maintained by the Covered Tribal Entity.

**Section VII. Business Ethics.** All employees of Covered Tribal Entities are required to observe high standards of business and personal ethics in the conduct of their duties and responsibilities, and to comply with all applicable laws and regulatory requirements, including the Manda Hidatsa & Arikara Nation Ethics in Government Ordinance, as amended. Unethical actions, or the appearance of unethical actions, are unacceptable under any condition.

Each employee of a Covered Tribal Entity must apply their own sense of personal ethics, which should extend beyond compliance with applicable laws and regulations in business situations, to govern behavior where no existing regulation provides a guideline. Each Covered Tribal Entity employee is responsible for applying common sense in business decisions where specific rules do not provide specific answers. See the Mandan Hidatsa & Arikara Nation Ethics in Government Ordinance for further guidance on Business Ethics.

**Section VIII. Conflicts of Interest.** Conflicts of Interest by employees of Covered Tribal Entities in the performance of their job duties is strictly prohibited. All Covered Tribal Entity employees must promptly report any relationships which may present a Conflict of Interest, either in fact or appearance, to the Tribal Legal Department. For purposes of this policy, Conflict of Interest shall have the same meaning as found in the Mandan Hidatsa & Arikara Nation Ethics in Government Ordinance, as amended. A Conflict of Interest can also be defined as a situation in which a Covered Tribal Entity employee may become, or has the appearance of becoming, unreliable in their capacity as an employee of the Covered Tribal Entity due to an incompatibility between their personal interests and their professional duties or responsibilities to the Covered Tribal Entity. An actual or potential Conflict of Interest may arise when a Covered Tribal Entity employee is in a position to influence a decision that may result in personal gain for the Covered Tribal Entity employee, or a member of their family, as a result of business dealings of a Covered Tribal Entity with another entity with which the Covered Tribal Entity employee or a family member has a financial interest. Each Covered Tribal Entity employee must promptly report to the Three Affiliated Tribes' Ethics Commission or Legal Department any such relationship resulting in a potential conflict or the appearance of a potential conflict. Once reported, the third-party so identified as creating a potential conflict of interest shall be prohibited from conducting any business on behalf of or with the Covered



Tribal Entity until such time as the Ethics Commission or Legal Department has granted a waiver for such a transaction, which shall not be unreasonably withheld. This would provide enhanced protection of the Covered Tribal Entity's assets, and therefore tribal funds, by identifying and addressing situations in which an individual's personal interest may conflict with the best interests of the Covered Tribal Entity. Any waivers sought but not granted by the Ethics Commission or Legal Department may be appealed, in writing, to the Tribal Business Council. Also, it is strictly prohibited for a Covered Tribal Entity Employee to accept kickbacks, bribes, substantial gifts, or other special consideration as a result of any transaction or business deal involving a Covered Tribal Entity. See the Mandan Hidatsa & Arikara Nation Ethics in Government Ordinance for further guidance on Conflicts of Interest.

**Section IX. Ongoing Reporting.**

- A. All Covered Tribal Entities shall provide a written report to a Committee designated by the Tribal Business Council no less than once every three (3) months. Such periodic report must include information summarizing the Covered Tribal Entity's general operations, contracts or agreements they have executed, Significant Expenditures, and accounts with any type of financial institution they have opened during the period since the last such report. At the end of each fiscal year of the Covered Tribal Entity, such reporting must also include annual information on the financial transactions of the Covered Tribal Entity, which shall be compiled, reviewed, or audited by an unrelated professional individual or organization.
- B. All Covered Recipients shall, upon request of Tribal Business Counsel or its designee, provide an accounting of funds received from or on behalf of a Covered Tribal Entity which, at a minimum, identifies the goods or services they provided for the funds, timing of the transactions related to the funds, and subrecipients of the funds, if any.

**Section X. Recordkeeping Provisions.** All Covered Tribal Entities shall, upon request of Tribal Business Council or its designee, promptly provide a copy of all formation documents and minutes of monthly and annual meetings to the Three Affiliated Tribes Legal Department. In addition, all Covered Tribal Entities and Covered Recipients shall retain all financial records relating to Significant Expenditures, and any records of its compliance with this Policy for a period of not less than seven (7) years after the end of the fiscal year in which the Tribal funds are expended or received.

**Section XI. Staff Training.** All Covered Tribal Entities shall have the responsibility to provide staff with initial training no later than December 31, 2019, and ongoing training at least once per fiscal year, as it relates to the topics covered in this Policy. The training should be conducted by the appropriate personnel of the Covered Tribal Entities with attendance and completion by staff documented and



retained by the Covered Tribal Entity in accordance with the Recordkeeping Provision of this Policy.

**Section XII. Ongoing Compliance Monitoring.** Tribal Business Council shall form a committee to implement a process to monitor ongoing compliance with this Policy. The committee will also develop and implement an internal audit program and periodically report to Tribal Business Council on the ongoing monitoring of compliance with this Policy.

**Section XIII. Applicability to Contractors and Subcontractors.** The provisions of this Policy shall apply to all contractors, including subcontractors, receiving a Significant Expenditure in any fiscal year, unless specifically waived by the Tribal Business Council or its designee. This policy provides appropriate Tribal Business Council oversight for Covered Recipients receiving Tribal funds. All Covered Tribal Entities should include relevant provisions of this Policy in all Requests for Proposal and contracts resulting in a Significant Expenditure, including an acknowledgment by the other party of their obligation to adhere to the provisions herein, including the right for the Three Affiliated Tribes to audit its compliance with this policy and the Recordkeeping Provisions of this Policy. Failure to receive such acknowledgment may result in any contractor or subcontractor being barred from receiving approval for a current Purchase Order or application for payment of funds, or result in a suspension of eligibility to receive future contracts with Covered Tribal Entities.

**Section XIV. Failure to Comply.** Failure to comply with any provision of this Policy may result in the delay or denial of approval for a current expenditure of Tribal funds or a suspension of eligibility to receive future contracts or Tribal funding.



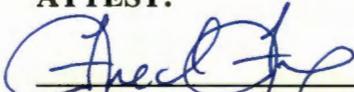
**CERTIFICATION**

I, the undersigned, as Secretary of the Tribal Business Council of the Three Affiliated Tribes of the Fort Berthold Reservation, hereby certify that the Tribal Business Council is composed of 7 members of whom 5 constitute a quorum, 6 were present at a Regular Meeting thereof duly called, noticed, convened, and held on the 10<sup>th</sup> day of October 2019; that the foregoing Resolution was duly adopted at such Meeting by the affirmative vote of 6 members, 0 members opposed, 0 members abstained, 1 members not voting, and that said Resolution has not been rescinded or amended in any way.

Chairman [ X ] voting. [ ] not voting.

Dated this 10<sup>th</sup> day of October, 2019.

**ATTEST:**

  
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Tribal Secretary, Fred W. Fox  
Tribal Business Council  
Three Affiliated Tribes

  
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Tribal Chairman, Mark N. Fox  
Tribal Business Council  
Three Affiliated Tribes