

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

- WHEREAS,** This Nation having accepted the Indian Reorganization Act of June 18, 1934, and the authority under said Act; and
- WHEREAS,** The Constitution of the Three Affiliated Tribes generally 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 Tribes and Tribal members; and
- WHEREAS,** The Tribal Business Council has reviewed the Policy used for Contracts and Grants with specific restrictions pertaining to Administration costs allowed on the award via the CFR or the specific Terms and Conditions; and
- WHEREAS,** The Tribal Business Council recognizes that the statements made to the Tribal Controller by the staff of the Inspector General were strongly considered prior to the preparation of the FY 1987 Indirect Cost Proposal as submitted to the Inspector General on 1 October 1986; and
- WHEREAS,** The Tribal Business Council has reviewed the recommendations made by the Department of Interior - Office of Inspector General's Office's field auditor as a result of the FY 1985 on-site audit performed in March of 1987; and
- WHEREAS,** The Tribal Business Council has reviewed the language within the Indirect regulations (DASC-10, FMC 74-4, A-87) and finds no requirements for a centralized management system for all contracts, grants and awards administered by the Three Affiliated Tribes; and
- WHEREAS,** The Tribal Business Council recognizes that the format used for the schedule of Federal awards within the FY 1985 A-128 audit has caused the on-site auditor for the Inspector General to assume that the administration of all awards was performed by the centralized management;
- NOW, THEREFORE, BE IT RESOLVED,** That the Three Affiliated Tribes Tribal Business Council hereby approves of and accepts the use of the Policy delegating full administrative controls to the specific program management when contracting regulations force such action (Copy attached).
- BE IT FURTHER RESOLVED,** That the use of this Policy exempting these Direct Costs from the recovery of Indirect was justified based upon the verification of regulatory interpretation as told to the Tribal Controller by the Asst. Audit Supervisor of the Inspector General's office prior to the preparation of the FY 1987 Indirect Cost Proposal and is in concurrence with the position of the Tribal Chairman and Treasurer as stated in the letter to the Office of Inspector General - Audit Supervisor, the original of which is hereby enclosed with this resolution.

THREE AFFILIATED TRIBES • FORT BERTHOLD RESERVATION

Mandan, Hidatsa, and Arikara Tribes

TRIBAL BUSINESS COUNCIL

P.O. Box 220 • New Town, North Dakota 58763 • (701) 627-4781



Statement of Policy - Statutory Restrictions

Because of Contract and/or CFR restrictions within a specified cost group - i.e. Administration - for contracts such as Headstart, JTPA, CDBG, Weatherization, the administration of the award shall be as follows:

Alyce Spotted Bear
Tribal Chairman

Gordon Blake
Vice-Chairman
West Segment

John Charging
Secretary
North Segment

Aul Good Iron
Treasurer
West Segment

Pete Coffey
East Segment

Donald Malnourie
East Segment

Tillie Walker
West Segment

Ernest Stone
South Segment

Edmund White Bear
East Segment

Marie D. Wells
Northeast Segment

Dennis Huber
South Segment

1. The maximum level of the award allowed shall be retained and administered by the Tribal Centralized System and shall contribute 100% of the required Indirect.

2. The funding level not allowed by #1 shall be delegated to the Department Administrator and/or the Program Director subject to:

a. all checks and deposits must be processed by the Finance Office

b. all requests for checks shall have full compliance verified at the Program's Office

c. all reports for this funding shall be prepared and verified by the Program and then submitted to Finance for inclusion with the required reports as stipulated by each award

d. because these funds cannot pay for Indirect, full administration, compliance and audit resolutions rest with the Department Administrator and/or Program Director

This policy is effective 1 October 1984.

THREE AFFILIATED TRIBES • FORT BERTHOLD RESERVATION

Mandan, Hidatsa and Arikara Tribes

TRIBAL FINANCE

P.O. Box 579 • New Town, North Dakota 58763 • (701) 627-4785/4786



Robert Fickas, Audit Supervisor
U.S. Department of Interior
Office of Inspector General
134 Union Boulevard, Suite 510
Lakewood, Colorado 80228

Dear Mr. Fickas:

As a result of the completed on-site audit for the Three Affiliated Tribes, a recommendation is being made by Mr. Dave Brenholtz to include costs in the FY1985 Base that were exempted by this Tribe.

Because of the severe conflict between Contract Regulations and Indirect Regulations, this Tribe adopted a Policy (copy attached) to comply with both sets of regulations and eliminate the conflict of Direct Cost Base for indirect recovery. Because there are no Regulations requiring a "Centralized Administration System", we determined that this Policy was allowable prior to its adoption.

Because OASC-10 and A-87 (FMC 74-4) stipulate that administration of the funds and a benefit be received by the Pool to qualify the costs into the direct base (this was stated to our Controller by Mr. Chris Krasowski during a telephone conversation prior to the preparation of our FY1987 Indirect Cost Proposal), and because several awards issued to this Tribal Government carry regulatory restrictions pertaining to Administrative costs, and because these awards had the administration delegated as per the abovementioned Policy, we take exception to the preliminary position of your Department in its reclassification of these "Direct Costs".

Because the A-128 audit schedule of Federal awards does not properly identify the Direct Costs based upon the source of Administration, we have requested an amended schedule for our FY1985 Audit. This is also being requested for all subsequent audits. Should the audit firm - Eide, Helmeke & Co. - determine that this request can be accommodated, then the amended schedule will be forwarded to your attention immediately upon receipt by the Tribe.

Edward Lone Fight

Mr. Edward Lone Fight,
Tribal Chairman

Sincerely,

LHB

Lawrin Hugh Baker,
Tribal Treasurer

BE IT FURTHER RESOLVED, That the Tribal Business Council hereby states that the costs exempted from the FY 1985 Direct Cost base because of the use of this Policy is not required to pay nor should they be included in the Direct Base to calculate "Theoretical Recovery" when determining the FY 1987 Indirect Cost Rate by the Audit Supervisor, Department of Interior - Office of Inspector General.

BE IT FURTHER RESOLVED, That the Tribal Business Council hereby directs the CPA firm of Eide, Helmeke & Company to prepare an amended schedule of Federal awards to reflect the direct costs under the proper headings of "Administered by Centralized Mgmt." and "Administered by Program Mgmt." to more accurately reflect the delegation of administration used by this Tribal Government.

BE IT FURTHER RESOLVED, That the Tribal Business Council hereby strongly requests that the Audit Supervisor for the Office of Inspector General accept this amended Federal Awards schedule as a proper and necessary report within the A-128 Single Audit for FY 1985 and all future years.

C E R T I F I C A T I O N

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 constitutes a quorum, 5 were present at a Special meeting thereof duly called, noticed, convened, and held on the 22nd day of April, 1987; that the foregoing Resolution was duly adopted at such meeting by the affirmative vote of 5 members, 0 members opposed, 0 members abstained, 0 members not voting, and that said Resolution has not been rescinded or amended in any way.

Chairman _____ Voting X Not Voting

Dated this 22nd day of April, 1987.

Acting: Elgie Crow-Breast Jr.
Secretary, Tribal Business Council

ATTEST:

Edmund White Bear
Chairman, Tribal Business Council