



The Navajo Nation Office of the Controller

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Office of the Controller presents three scenarios to add funds to CARES Act Hardship Assistance Program

WINDOW ROCK, Ariz. — The Navajo Nation Office of the Controller realizes there is public confusion about the Hardship Assistance Program and the Chapter Distribution Program, which are two separate programs with allocated CARES Act funds. The Hardship Assistance Program is currently funded for \$49,454,416 and the Chapter Distribution Program is funded for \$90 million.

There is an opportunity for the Hardship Assistance Program fund to grow but additional funds would need to be reverted from other CARES Act distributions first. Resolution No. CJY-67-20 included a provision that provides a review of all expenditure plan-funded projects by October 2020 by the Budget and Finance and the Naabik'íyáti' Committees of the Navajo Nation Council.

As of Oct. 19, there are only 72 days left until Dec. 30 when the Navajo Nation CARES Act funds need to be spent and time is running out quickly.

“There are many projects funded by CARES Act funds but there is no time to complete them and the compliance reporting is extensive,” said Pearline Kirk, Controller of the Navajo Nation. “We need to spend the funds quickly and we need to sweep our efforts into expending Hardship Assistance Project funds and provide much-needed funds to the Navajo people.”

There is widespread support from enrolled members of the Navajo Nation, the Office of the Controller created three funding scenarios to add additional funds to the Hardship Assistance Program based on actions of the Navajo Nation Council.

The Hardship Assistance Program currently has \$49,454,416. The three scenarios are based on the assumption of total membership of 327,726, which includes 232,674 or 71% members being 18-years and over and 95,052 or 29% minors.

Scenario 1 includes a budget of \$49,454,416, the current balance, with an assumption of a 75% application rate with adults receiving \$249 and minors \$83 each.

Scenario 2 includes a budget of \$297,500,000, with some fund reversion and with an assumption of a 75% application rate with adults receiving \$1,500 and minors \$500 each.

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Scenario 3 includes a budget of \$396,500,000, with more fund reversion and with an assumption that 100% of members apply for Hardship Assistance, adults would receive \$1,500 and minors \$500 each.

Another possible source is funds in the amount of \$90 million allocated to Navajo Nation Chapters, both LGA-certified and non-certified, through Resolution No. CS-73-20, termed the Chapter Distribution Program. This fund was allocated to chapters using a 50/50 formula which means 50% equal distribution and 50% based on chapter votership. If these funds are not expended by Nov. 30, the funds will be reverted to the Hardship Assistance Program as well.

It is also important to note that the Office of the Controller is ultimately responsible for ensuring compliance of all these funds. Since the funds are received from the U.S. Treasury, they are considered federal financial assistance and are subject to the requirements outlined by the Treasury, Uniform Guidance and applicable Navajo Nation laws.

The Office of the Controller must ensure expenditures meet the three broad requirements outlined in the CARES Act: 1. Necessary expenditures incurred due to COVID-19; 2. Not accounted for in the Navajo Nation's most recently approved budget as of March 27, 2020; and 3. Must have been incurred between March 1 and Dec. 30.

These funds will be subject to audit by the Department of the Treasury's Office of Inspector General, it will also be part of the Navajo Nation's annual financial statement and compliance audit that is performed by an independent accounting firm.

Hardcopy applications for the Hardship Assistance Program will be available to members 65-years and older and members with special needs beginning Oct. 26. An online portal for online applications will be available to everyone beginning Nov. 2.

The Office of the Controller urges family members, chapters and senior citizens center staff to help the elders apply for the Hardship Assistance Program.

For more information about the Hardship Assistance Program or the Chapter Distribution Program, visit www.nnooc.org/CARESHelp.html or email NNCaresHelp@nnooc.org.

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