



THE NAVAJO NATION

RUSSELL BEGAYE PRESIDENT
JONATHAN NEZ VICE PRESIDENT

MEMORANDUM

TO: Navajo Nation Chapters

FROM: *Robert Willie*
Robert Willie, Acting Controller
OFFICE OF THE CONTROLLER

DATE: July 28, 2015

SUBJECT: **Chapter Gaming Fund Distribution Policies and Allocations**

The Budget and Finance Committee approved ways to allocate funds from the Gaming Revenues received from the Navajo Nation Gaming Enterprise. In accordance with 5 NNC § 2008, and the Indian Gaming Regulatory Act, the revenues must be used for specified purposes. To ensure this, the Navajo Nation Gaming Net Revenue Distribution Policies have been developed and approved by the Budget and Finance Committee in BFMY-15-15. In accordance with BFF-05-13, the chapters have been appropriated \$20,241.50 per non-host chapter, and \$75,000 per host chapter.

This memorandum is issued on the Navajo Nation Gaming Net Revenue Distribution Policies, to provide guidance to the chapters and to reinforce the restrictions of this special revenue fund. The following are summarized guidelines for the Gaming Revenue Special Fund:

- The allocation from the gaming revenue cannot be transferred to another account or business unit.
- Sanctioned Chapters must have sanctions lifted before submitting a Funding Request Plan.
- The allocations for LGA Certified Chapters will remain in the Financial Management Information System (FMIS) business units because the funds are restricted by tribal and federal law and must be audited.
- The chapters will submit a Funding Request Plan and have a budget detailing the sub-codes and the uses which are allowed by the Gaming Net Revenue Distribution Policies.
- The Chapters may budget the gaming revenue distribution for (1) Utilities which may be budgeted under 5710 (Energy) or 5750 (Services) or (2) approved Capital Improvement Projects, or both.
- For approved Capital Improvement Projects, the projects must benefit the general public or community (i.e., personal or private projects such as bathroom additions, housing rehabilitation or house wiring benefitting individuals only are not eligible).
- The expenditure of funds will be managed by the respective Administrative Service Center; therefore, the request for payment will be submitted through the ASC's. Expenditure Signature Authorization Forms will also be managed by the ASC.

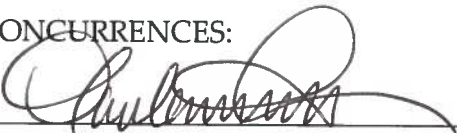
Subject: Gaming Distribution Policies and Allocations

Date: July 28, 2015

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These summarized Policies will be posted on the following websites: www.rnocc.org and www.nncio.org for public information purposes.


CONCURRENCES:



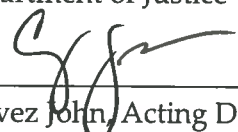
Paulene T Thomas, Interim Executive Director
Navajo Gaming Regulatory Office



Dominic Beyer, Executive Director
Office of Management and Budget



Karis Begaye, Attorney
Department of Justice



Chavez John, Acting Division Director
Division of Community Development

ATTACHMENT – BFMV-15-15

cc: President Russell Begaye
Vice-President Jonathan Nez
Speaker Lorenzo Bates
23rd Navajo Nation Council
Robert Joe, Acting Chief of Staff, OPVP
Arbin Mitchell, Chief of Staff, Office of the Speaker
Robert Begay, Department Manager II, ASC

RESOLUTION OF THE
BUDGET AND FINANCE COMMITTEE
OF THE NAVAJO NATION COUNCIL

23RD NAVAJO NATION COUNCIL - First Year, 2015

AN ACTION

RELATING TO BUDGET AND FINANCE COMMITTEE; APPROVING THE NAVAJO NATION GAMING NET REVENUE DISTRIBUTION HOST CHAPTER RECIPIENT POLICY, NON HOST CHAPTER RECIPIENT POLICY, NON-CHAPTER RECIPIENT POLICY, NAVAJO GAMING REGULATORY OFFICE POLICY AND THE FUNDING REQUEST PLANS

BE IT ENACTED:

Section One. Findings.

- A. The Navajo Nation Council established the Gaming Revenue Fund Management Plan in which Class II and III net gaming revenues received by the Navajo Nation government from the Navajo Nation Gaming Enterprise shall be received and distributed. 12 N.N.C. § 2201, see also CJY-30-08.
- B. Pursuant to 12 N.N.C. § 2205 the Budget and Finance Committee of the Navajo Nation Council shall provide oversight for the Gaming Revenues Fund Management Plan, see also Navajo Nation Gaming Revenues Fund Management Plan, 3.B.
- C. Pursuant to BFF-03-10, as amended by BFF-05-13, the Budget and Finance Committee approved the Navajo Nation Gaming Revenues Fund Management Plan.

RESOLUTION OF THE
BUDGET AND FINANCE COMMITTEE
OF THE NAVAJO NATION COUNCIL

23RD NAVAJO NATION COUNCIL - First Year, 2015

AN ACTION

RELATING TO BUDGET AND FINANCE COMMITTEE; APPROVING THE NAVAJO NATION GAMING NET REVENUE DISTRIBUTION HOST CHAPTER RECIPIENT POLICY, NON HOST CHAPTER RECIPIENT POLICY, NON-CHAPTER RECIPIENT POLICY, NAVAJO GAMING REGULATORY OFFICE POLICY AND THE FUNDING REQUEST PLANS

BE IT ENACTED:

Section One. Findings.

- A. The Navajo Nation Council established the Gaming Revenue Fund Management Plan in which Class II and III net gaming revenues received by the Navajo Nation government from the Navajo Nation Gaming Enterprise shall be received and distributed. 12 N.N.C. § 2201, see also CJY-30-08.
- B. Pursuant to 12 N.N.C. § 2205 the Budget and Finance Committee of the Navajo Nation Council shall provide oversight for the Gaming Revenues Fund Management Plan, see also Navajo Nation Gaming Revenues Fund Management Plan, 3.B.
- C. Pursuant to BFF-03-10, as amended by BFF-05-13, the Budget and Finance Committee approved the Navajo Nation Gaming Revenues Fund Management Plan.

- D. The purpose of the Gaming Revenues Fund Management Plan is to establish procedures for the Navajo Nation to allocate gaming revenues in a manner which recognizes both the immediate and long-term needs of the Navajo Nation and its members, and meets the requirements of the Indian Gaming Regulatory Act, see 12 N.N.C. § 2202(B) and Navajo Nation Revenues Fund Management Plan, 2. A.
- E. Pursuant to BFF-03-10, as amended by BFF-05-13, the Budget and Finance Committee approved an amount equal to five percent (5%) of net revenues deposited from all gaming facilities shall be divided equally and distributed to the host gaming Chapters through the budget process.
- F. Host Chapters are not eligible to receive additional revenues beyond the five percent (5%) of net revenues deposited from all gaming facilities.
- G. Host Chapters who are designated as "sanctioned" by the Office of the Auditor General will not be eligible until the sanction is officially lifted by the Office of the Auditor General.
- H. The Navajo Nation Gaming Regulatory Office recommends the approval of the Navajo Nation Gaming Net Revenue Distribution Host Chapter Recipient Policy, Non-Host Chapter Recipient Policy, Non-Chapter Recipient Policy, Navajo Gaming Regulatory Office Policy and the Funding Request Plans. Respective policies attached as Exhibit A, B, C, D, and E.

Section Two. Approval

- A. The Budget and Finance Committee, pursuant to 12 N.N.C. § 2205 hereby approves the Navajo Nation Gaming Net Revenue Distribution Host Chapter Recipient Policy, Non-Host Chapter Recipient Policy, Non-Chapter Recipient Policy, Navajo Gaming Regulatory Office Policy and the Funding Request Plans.

B. The Budget and Finance Committee may amend the Navajo Nation Gaming Net Revenue Distribution Policies upon recommendation of the Controller of the Navajo Nation, the Navajo Gaming Regulatory Office and the Navajo Department of Justice.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Budget and Finance Committee of the Navajo Nation Council at a duly called meeting held at Leupp, Navajo Nation (Arizona), at which a quorum was present and that the same was passed by a vote of 3 in favor, 0 opposed, this 11th day of May, 2015.



Dwight Witherspoon, Vice Chairperson
Budget and Finance Committee

Motion: Seth Damon

Second: Tom T. Chee

**Navajo Nation Gaming Net Revenue Distribution
Host Chapter Recipient Policy**

1. Introduction and Background

Pursuant to the Navajo Nation Council Resolution No. CJY-30-08 Relating to Economic Development, Community Development, and Finance; Approving the Navajo Nation Gaming Distribution Plan, and Amending 12 N.N.C §§2201-2210, the Navajo Nation Gaming Distribution Plan was established to provide an allocation plan for the use of Class II and III net gaming revenues received from the Navajo Nation Gaming Enterprise from its gaming activities and to provide procedures to use and to account for net gaming revenues in accordance with federal law.

Pursuant to 5 NNC §2005, the expenditure of funds shall be used for the purposes as outlined in the Indian Gaming Regulatory Act (IGRA) and 25 USC 2710(b)(2).

- a) To fund tribal government operations and/or programs
- b) To provide for the general welfare of the tribe and its members;
- c) To promote tribal economic development;
- d) To donate to charitable organizations; and/or
- e) To help fund operations of local government agencies

2. General

Pursuant to BFMA-03-10, and as amended by BFF-05-13, an Action Relating to Finance; Approving the Navajo Nation Gaming Revenues Fund Management Plan section 4(A), an amount equal to five percent (5%) of net revenues deposited from all gaming facilities shall be divided equally and distributed to the host gaming chapters through the budget process. Host Chapters are not eligible to receive additional revenues beyond the five percent (5%) of net revenues deposited from all gaming facilities. Net revenues as defined by 25 USC § 2703(9), "net revenues" means gross revenues of an Indian gaming activity less amounts paid out as, or paid for, prizes and total operating expenses, excluding management fees.

3. Eligibility

Host Chapters who are designated as "sanctioned" by the Office of the Auditor General will not be eligible until the sanction is officially lifted by the Office of the Auditor General.

4. Funding Request Plans

A. Capital Improvement Project

All eligible Host Chapters are required to submit their Capital Improvement Office (CIO) approved Capital Improvement Project proposal to the Office of the Controller to the attention of the Controller. The eligible Host Chapters must include a detailed budget and other funding source information. The Gaming Revenues Funding Proposals Review Team ("Review Team") will review proposals to determine if the detailed description, how the funding will be used and how it will benefit the eligible Host Chapter's community are sufficiently communicated.

B. Utilities

All eligible Host Chapters may use funds to pay for utilities expenses for the local Chapter House but are required to submit original invoices or bills to show what utilities (propane, electricity or water) will be paid for the local Chapter, and to submit to the Office of the Controller to the attention of the Controller, original receipts and copies of the check or payment receipt to document payment for propane, electricity or water for the local Chapter. Payments must be made directly to the vendor and must not be made to an individual.

Funding Request Plans deemed “incomplete” by the Review Team will be returned to the Host Chapter. See **Funding Request Plans, Tab E, for further instructions.**

5. Expenditure Guidelines

The following guidelines shall be adhered to:

- a) Direct monetary payments to individual tribal members are strictly prohibited
- b) Per Capita payments are strictly prohibited
- c) Expenditures must be within the scope of the Capital Outlay Project as documented in the Proposed Project approved by the Capital Improvement Office (CIO) and in compliance with the Capital Improvement Projects Guidelines Policies and Procedures (TCDCJY-77-99).
- d) Documentation is required for all financial transactions for audit purposes
 - a. Internal controls must be maintained to ensure expenditures are in compliance with IGRA and Navajo Nation Law
- e) Funds unexpended by the Host Chapters shall revert to the Host Chapter’s Business Unit at the Office of the Controller.

6. Accounting

Notification to the Host Chapter of Funds awarded and the amount awarded shall be made in writing with copies also sent to the Navajo Gaming Regulatory Office, Capital Improvement Office, Office of Management and Budget and the Department of Justice (Navajo Gaming Section). The Award Letter shall include an expiration date to expend the awarded funds.

Documentation is required for all financial transactions for audit purposes.

An updated Signature Authorization form will be kept on file at the Office of Management and Budget, and the Office of the Controller.

Requests for payment from the Host Chapters will be reviewed and approved by the Office of the Controller, General Accounting or Chapter Accounting, whomever is assigned by the Controller.

Internal controls must be maintained to ensure expenditures are in compliance with IGRA, Navajo Gaming Ordinance and Navajo Tribal Gaming Regulations, Navajo Nation Law

including Navajo Preference in Employment and the Navajo Nation Business Opportunity Act (NNBOA).

Host Chapters shall submit budget and expenditure forms to the Office of the Controller no later than 30 calendar days following the end of each quarter. Failure to submit reports within the 30 calendar day time frame will result in discontinuation of fund distribution or expenditures until such reports are received. The expenditure of funds for each Host Chapter will be maintained at Office of the Controller for tracking and auditing purposes. The Navajo Gaming Regulatory Office may have access to such quarter reports for periodic audit of Gaming revenues.

7. Terms and Conditions

The Office of the Controller reserves the right to request access to any and all source documentation at any given time relating to the usage of funds the Host Chapter(s) receives from the Navajo Nation Gaming Distribution Plan. The Host Chapter(s) is subject to audits by The Office of the Controller, The Auditor General, and Navajo Gaming Regulatory Office at any given time regarding the usage of funds.

Disclaimer: Navajo Gaming Regulatory Office in consultation with The Navajo Nation Department of Justice reserve the right to determine if expenditures or proposed expenditures are in compliance with IGRA and Navajo Nation Law.

8. Amendments

The Navajo Nation Gaming Net Revenue Distribution Policy may be amended by the Budget and Finance Committee of the Navajo Nation upon recommendation of the Controller of the Navajo Nation, Navajo Gaming Regulatory Office and Navajo Department of Justice.

**Navajo Nation Gaming Net Revenue Distribution
Non-Host Chapter Recipient Policy**

1. Introduction and Background

Pursuant to the Navajo Nation Council Resolution No. CJY-30-08 Relating to Economic Development, Community Development, and Finance; Approving the Navajo Nation Gaming Distribution Plan, and Amending 12 N.N.C §§2201-2210, the Navajo Nation Gaming Distribution Plan was established to provide an allocation plan for the use of Class II and III net gaming revenues received from the Navajo Nation Gaming Enterprise from its gaming activities and to provide procedures to use and to account for net gaming revenues in accordance with federal law.

Pursuant to 5 NNC §2005, the expenditure of funds shall be used for the purposes as outlined in the Indian Gaming Regulatory Act (IGRA) and 25 USC 2710(b) (2).

- a) To fund tribal government operations and/or programs
- b) To provide for the general welfare of the tribe and its members;
- c) To promote tribal economic development;
- d) To donate to charitable organizations; and/or
- e) To help fund operations of local government agencies

2. General

Pursuant to BFMA-03-10, and as amended by BFF-05-13, an Action Relating to Finance; Approving the Navajo Nation Gaming Revenues Fund Management Plan section 4(A), an amount equal to five percent (5%) of net revenues deposited from all gaming facilities shall be divided equally and distributed to the host gaming chapters through the budget process. Additionally, the Navajo Nation Gaming Revenues Fund Management Plan section 4(B) states the remaining net gaming revenue shall be distributed as authorized by the Budget and Finance Committee through the budget process, in accord with Generally Accepted Accounting Principles. Net revenues as defined by 25 USC § 2703(9), "net revenues" means gross revenues of an Indian gaming activity less amounts paid out as, or paid for, prizes and total operating expenses, excluding management fees.

Non-Host Chapters may submit Funding Request Plan when the Budget and Finance Committee of the Navajo Nation Council announces that there funds available for Non-Host Chapters. See **Funding Request Plan, Tab E, for further instructions.**

3. Eligibility

The Budget and Finance Committee of the Navajo Nation has the authority to approve or modify award amounts for Non-Host Chapters who submit a Funding Request Plan.

Non-Host Chapters who are designated as "sanctioned" by the Office of the Auditor General will not be eligible until the sanction is officially lifted by the Office of the Auditor General.

4. **Funding Request Plan**

A. Capital Improvement Project

All eligible Non-Host Chapters are required to submit their Capital Improvement Office (CIO) approved Capital Improvement Project proposal to the Office of the Controller to the attention of the Controller. The eligible Non-Host Chapters must include a detailed budget and other funding source information. The Gaming Revenues Funding Proposals Review Team ("Review Team") will review proposals to determine if the detailed description, how the funding will be used and how it will benefit the eligible Non-Host Chapter's community are sufficiently communicated.

B. Utilities

All eligible Non-Host Chapters may use funds to pay for utilities expenses for the local Chapter House but are required to submit original invoices or bills to show what utilities (propane, electricity or water) will be paid for the local Chapter, and to submit to the Office of the Controller to the attention of the Controller, original receipts and copies of the check or payment receipt to document payment for propane, electricity or water for the local Chapter. Payments must be made directly to the vendor and must not be made to an individual.

Funding Request Plan deemed "incomplete" by the Review Team will be returned to the Non-Host Chapter. **See Funding Request Plan, Tab E, for further instructions.**

5. **Expenditure Guidelines**

The following guidelines shall be adhered to:

- a) Direct monetary payments to individual tribal members are strictly prohibited
- b) Per Capita payments are strictly prohibited
- c) Expenditures must be within the scope of the Capital Outlay Project as documented in the Proposed Project approved by the Capital Improvement Office (CIO) and in compliance with the Capital Improvement Projects Guidelines Policies and Procedures (TCDCJY-77-99).
- d) Documentation is required for all financial transactions for audit purposes
 - a. Internal controls must be maintained to ensure expenditures are in compliance with IGRA and Navajo Nation Law
- e) Funds unexpended by the Non-Host Chapters shall revert to the Gaming Revenues Fund Management Plan Business Unit.

6. **Accounting**

7. Notification to the Host Chapter of Funds awarded and the amount awarded shall be made in writing with copies also sent to the Navajo Gaming Regulatory Office, Capital Improvement Office, Office of Management and Budget and the Department of Justice (Navajo Gaming Section). The Award Letter shall include an expiration date to expend the awarded funds.

Documentation is required for all financial transactions for audit purposes.

An updated Signature Authorization form will be kept on file at the Office of Management and Budget, and the Office of the Controller.

Requests for payment from the Non-Host Chapters will be reviewed and approved by the Office of the Controller, General Accounting or Chapter Accounting, whomever is assigned by the Controller.

Internal controls must be maintained to ensure expenditures are in compliance with IGRA, Navajo Gaming Ordinance and Navajo Tribal Gaming Regulations, Navajo Nation Law including Navajo Preference in Employment and the Navajo Nation Business Opportunity Act (NNBOA).

Non-Host chapters shall submit budget and expenditure forms to the Office of the Controller no later than 30 calendar days following the end of each quarter. Failure to submit reports within the 30 calendar day time frame will result in discontinuation of fund distribution or expenditures until such reports are received. The expenditure of funds for each Non-Host Chapter will be maintained at Office of the Controller for tracking and auditing purposes. The Navajo Gaming Regulatory Office may have access to such quarter reports for periodic audit of Gaming revenues.

8. Terms and Conditions

The Office of the Controller reserves the right to request access to any and all source documentation at any given time relating to the usage of funds the Non-Host Chapter(s) receives from the Navajo Nation Gaming Distribution Plan. The Non-Host Chapter(s) is subject to audits by The Office of the Controller, The Auditor General, and Navajo Gaming Regulatory Office at any given time regarding the usage of funds.

Disclaimer: Navajo Gaming Regulatory Office in consultation with The Navajo Nation Department of Justice reserve the right to determine if expenditures or proposed expenditures are in compliance with IGRA and Navajo Nation Law.

9. Amendments

The Navajo Nation Gaming Net Revenue Distribution Policy may be amended by the Budget and Finance Committee of the Navajo Nation upon recommendation of the Controller of the Navajo Nation, Navajo Gaming Regulatory Office and Navajo Department of Justice.

**Navajo Nation Gaming Net Revenue Distribution
Non-Chapter Recipient Policy**

1. Introduction and Background

Pursuant to the Navajo Nation Council Resolution No. CJY-30-08 Relating to Economic Development, Community Development, and Finance; Approving the Navajo Nation Gaming Distribution Plan, and Amending 12 N.N.C §§2201-2210, the Navajo Nation Gaming Distribution Plan was established to provide an allocation plan for the use of Class II and III net gaming revenues received from the Navajo Nation Gaming Enterprise from its gaming activities and to provide procedures to use and to account for net gaming revenues in accordance with federal law.

Pursuant to 5 NNC §2005, the expenditure of funds shall be used for the purposes as outlined in the Indian Gaming Regulatory Act (IGRA) and 25 USC 2710(b)(2).

- a) To fund tribal government operations and/or programs
- b) To provide for the general welfare of the tribe and its members;
- c) To promote tribal economic development;
- d) To donate to charitable organizations; and/or
- e) To help fund operations of local government agencies

2. General

Pursuant to BFMA-03-10, and as amended by BFF-05-13, an Action Relating to Finance; Approving the Navajo Nation Gaming Revenues Fund Management Plan section 4(A), an amount equal to five percent (5%) of net revenues deposited from all gaming facilities shall be divided equally and distributed to the host gaming chapters through the budget process. Additionally, the Navajo Nation Gaming Revenues Fund Management Plan section 4(B) states the remaining net gaming revenue shall be distributed as authorized by the Budget and Finance Committee through the budget process, in accord with Generally Accepted Accounting Principles. Net revenues as defined by 25 USC § 2703(9), "net revenues" means gross revenues of an Indian gaming activity less amounts paid out as, or paid for, prizes and total operating expenses, excluding management fees.

Non-Host Chapters may submit Funding Request Plan when the Budget and Finance Committee of the Navajo Nation Council announces that there funds available for Non-Host Chapters. **See Funding Request Plan, Tab E, for further instructions.**

3. Eligibility

The Budget and Finance Committee of the Navajo Nation has the authority to approve or modify award amounts for Non-Chapters who submit a Funding Request Plan.

Non-Chapters who are designated as "sanctioned" by the Office of the Auditor General will not be eligible until the sanction is officially lifted by the Office of the Auditor General.

4. Funding Request Plans

A. Capital Improvement Project

All eligible Non-Chapters are required to submit their Capital Improvement Office (CIO) approved Capital Improvement Project proposal to the Office of the Controller to the attention of the Controller. The eligible Non-Chapters must include a detailed budget and other funding source information. The Gaming Revenues Funding Proposals Review Team ("Review Team") will review proposals to determine if the detailed description, how the funding will be used and how it will benefit the eligible Non-Chapter's community are sufficiently communicated.

B. Utilities

All eligible Non-Host Chapters may use funds to pay for utilities expenses for the local Chapter House but are required to submit original invoices or bills to show what utilities (propane, electricity or water) will be paid for the local Chapter, and to submit to the Office of the Controller to the attention of the Controller, original receipts and copies of the check or payment receipt to document payment for propane, electricity or water for the local Chapter. Payments must be made directly to the vendor and must not be made to an individual.

Funding Request Plans deemed "incomplete" by the Review Team will be returned to the Non-Chapter. **See Funding Request Plans, Tab E, for further instructions.**

5. Expenditure Guidelines

The following guidelines shall be adhered to:

- a) Direct monetary payments to individual tribal members are strictly prohibited
- b) Per Capita payments are strictly prohibited
- c) Expenditures must be within the scope of the Capital Outlay Project as documented in the Proposed Project approved by the Capital Improvement Office (CIO) and in compliance with the Capital Improvement Projects Guidelines Policies and Procedures (TCDCJY-77-99).
- d) Documentation is required for all financial transactions for audit purposes
 - a. Internal controls must be maintained to ensure expenditures are in compliance with IGRA and Navajo Nation Law
- e) Funds unexpended by the Non-Host Chapters shall revert to the Gaming Revenues Fund Management Plan Business Unit.

6. Accounting

Notification to the Non-Chapter of Funds awarded and the amount awarded shall be made in writing with copies also sent to the Navajo Gaming Regulatory Office, Capital Improvement Office, Office of Management and Budget and the Department of Justice

(Navajo Gaming Section). The Award Letter shall include an expiration date to expend the awarded funds.

Documentation is required for all financial transactions for audit purposes.

An updated Signature Authorization form will be kept on file at the Office of Management and Budget, and the Office of the Controller.

Requests for payment from the Non-Chapters will be reviewed and approved by the Office of the Controller, General Accounting or Chapter Accounting, whomever is assigned by the Controller.

Internal controls must be maintained to ensure expenditures are in compliance with IGRA, Navajo Gaming Ordinance and Navajo Tribal Gaming Regulations, Navajo Nation Law including Navajo Preference in Employment and the Navajo Nation Business Opportunity Act (NNBOA).

Non-Chapters shall submit budget and expenditure forms to the Office of the Controller no later than 30 calendar days following the end of each quarter. Failure to submit reports within the 30 calendar day time frame will result in discontinuation of fund distribution or expenditures until such reports are received. The expenditure of funds for each Non-Chapter will be maintained at Office of the Controller for tracking and auditing purposes. The Navajo Gaming Regulatory Office may have access to such quarter reports for periodic audit of Gaming revenues.

7. Terms and Conditions

The Office of the Controller reserves the right to request access to any and all source documentation at any given time relating to the usage of funds the Non-Chapter(s) receives from the Navajo Nation Gaming Distribution Plan. The Non-Chapter(s) is subject to audits by The Office of the Controller, The Auditor General, and Navajo Gaming Regulatory Office at any given time regarding the usage of funds.

Disclaimer: Navajo Gaming Regulatory Office in consultation with The Navajo Nation Department of Justice reserve the right to determine if expenditures or proposed expenditures are in compliance with IGRA and Navajo Nation Law.

8. Amendments

The Navajo Nation Gaming Net Revenue Distribution Policy may be amended by the Budget and Finance Committee of the Navajo Nation upon recommendation of the Controller of the Navajo Nation, Navajo Gaming Regulatory Office and Navajo Department of Justice.

**Navajo Nation Gaming Net Revenue Distribution
Navajo Gaming Regulatory Office Policy**

1. Introduction and Background

Pursuant to the Navajo Nation Council Resolution No. CJY-30-08 Relating to Economic Development, Community Development, and Finance; Approving the Navajo Nation Gaming Distribution Plan, and Amending 12 N.N.C §§2201-2210, the Navajo Nation Gaming Distribution Plan was established to provide an allocation plan for the use of Class II and III net gaming revenues received from the Navajo Nation Gaming Enterprise from its gaming activities and to provide procedures to use and to account for net gaming revenues in accordance with federal law.

Pursuant to CJY-30-08 §2205 the net gaming revenues received by the Navajo Nation government from gaming activities shall be used to fund the operations of the Navajo Nation Gaming Regulatory Office, a tribal government operation.

2. General

Pursuant to CJY-30-08 §2205 the net gaming revenues received by the Navajo Nation government from gaming activities shall be used to fund the operations of the Navajo Nation Gaming Regulatory Office, a tribal government operation.

Pursuant to BFMA-03-10, and as amended by BFF-05-13, an Action Relating to Finance; Approving the Navajo Nation Gaming Revenues Fund Management Plan section 4(A), an amount equal to five percent (5%) of net revenues deposited from all gaming facilities shall be divided equally and distributed to the host gaming chapters through the budget process. Host Chapters are not eligible to receive additional revenues beyond the five percent (5%) of net revenues deposited from all gaming facilities. Net revenues as defined by 25 USC § 2703(9), "net revenues" means gross revenues of an Indian gaming activity less amounts paid out as, or paid for, prizes and total operating expenses, excluding management fees.

3. Funding Request Proposals

The Navajo Gaming Regulatory Office is required to submit a Funding Request Proposal to the Office of the Controller to the attention of the Controller. The Navajo Gaming Regulatory Office must submit a detailed budget utilizing the Budget Instructions Manual prepared by the Office of Management and Budget. The Funding Request Proposal shall be submitted in accordance with the Navajo Nation Gaming Development Fund Policies and Procedures, as adopted by BFCMA-05-07.

4. Expenditure Guidelines

Expenditure Guidelines contained in the Navajo Nation Budget Instructions Manual and Budget Policies shall be adhered to.

The expenditure of funds shall be used for the effective regulation of Navajo Nation gaming and its activities, notwithstanding the Gaming Ordinance.

5. Accounting

Documentation is required for all financial transactions for audit purposes.

An updated Signature Authorization form will be kept on file at the Office of Management and Budget, and the Office of the Controller.

Internal controls must be maintained to ensure expenditures are in compliance with IGRA, Navajo Gaming Ordinance and Navajo Tribal Gaming Regulations, Navajo Nation Law including Navajo Preference in Employment and the Navajo Nation Business Opportunity Act (NNBOA).

6. Terms and Conditions

The Office of the Controller reserves the right to request access to any and all source documentation at any given time relating to the usage of funds.

7. Amendments

The Navajo Nation Gaming Net Revenue Distribution Policy may be amended by the Budget and Finance Committee of the Navajo Nation upon recommendation of the Controller of the Navajo Nation, Navajo Gaming Regulatory Office and Navajo Department of Justice.

Navajo Nation Gaming Net Revenue Distribution Tab E - Funding Request Plans

The purpose of these policies and procedures is to set forth the Funding Request Plan requirements and format for eligible entities (hereafter, referred to as "Applicant") seeking funds from the Navajo Nation Gaming Net Revenue Distribution. Net revenues is defined by 25 USC § 2703(9), "net revenues" means gross revenues of an Indian gaming activity less amounts paid out as, or paid for, prizes and total operating expenses, excluding management fees.

All eligible Host Chapters are required to submit to the Office of the Controller to the attention of the Controller:

1. Their Capital Improvement Office (CIO) approved Capital Improvement Project proposal, or
2. Invoices or bills to show what utilities (propane, electricity or water) will be paid for the local Chapter. Payments must be made directly to the vendor and must not be made to an individual.

The Controller and Review Team will award available net gaming revenue funds based upon a detailed description on how the funding will be used and how it will benefit the applicant's Chapter community.

1. General Requirements

The review of all proposals will be done in accordance with the following:

1. Acceptance of Conditions Governing the Proposal

Applicants must formally accept the conditions governing the proposal in their cover letter.

2. Incurring Costs

Any costs incurred by the applicant in preparing, transmitting, presenting, or modifying the proposal or material for this request shall be the responsibility of the applicant, and shall not use gaming revenue to cover such costs.

3. Questions

Any inquiries regarding this policy, the review process and funding awards should be submitted in writing to the Office of the Controller to the attention of the Controller for official response. Only written responses to questions will be official. The applicant may contact the Controller or his designee for questions regarding the Fund Request Proposal and its process.

4. Proprietary Information

Restrictions on any information included in the proposals must be clearly stated in the proposal itself. Proprietary information submitted in response to this policy will be

handled in accordance with applicable law. Each and every page of the proprietary material must be labeled or identified with the word "proprietary" or "confidential."

5. Disclosure of Proposals Contents

All proposals will be kept confidential until a decision is made by the Review Team and a written Notification of Award is issued by the Controller. At that time, all proposals and documents pertaining to the proposals will be open to the public, except for the material which is proprietary or confidential.

6. No Obligation

This policy, in no manner, obligates the Navajo Nation or any of its agencies to the eventual rental, lease, purchase, etc., of any equipment, software or services offered until a written notice to the applicant from the Office of Management and Budget that the funds are ready for expenditure (i.e., Business Unit has been set up and budgets are entered).

7. Sufficient Appropriation

Any award made is contingent upon the appropriation of funds. An award may be terminated or reduce if sufficient appropriations or authorization do not exist. Such terminations will be effected with written notice to the applicant. The Controller's decision as to whether sufficient appropriations and authorizations are available will be accepted by the applicant as final.

8. Governing Law

Nothing herein shall be construed as a waiver of the Navajo Nation's sovereign immunity.

9. Terms and Conditions

The contents of a successful proposal will become part of any official award that is approved. The Office of the Controller and Review Team reserves the right to negotiate with the successful applicants any additional requirements or conditions to those contained in this policy.

10. Right to Waive Minor Irregularities

The Office of the Controller and Review Team reserves the right to waive minor irregularities which will not affect the compliance with applicable Navajo Nation and federal laws.

11. Ownership of Proposals

All documents submitted in response to this policy shall become the property of the Navajo Nation and will not be returned to the applicants. Responses received will be retained by the Office of the Controller and may be reviewed by any person after final awards have been made, subject to the rules and confidentiality described above.

12. Navajo Nation Property

If awarded, applicant agrees that work products produced from the award shall be the property of the Navajo Nation.

2. Proposal Format

All proposals must follow the Capital Improvement Projects Guidelines Policies and Procedures (TCDCJY-77-99).

1. Letter of Transmittal-Cover Letter

Each proposal must be accompanied by a letter of transmittal on official letterhead. The letter of transmittal MUST:

- a) Identify the submitting entity;
- b) Identify the name and title of the person authorized to obligate expenditures for the entity;
- c) Identify the name, title and telephone numbers of the person authorized to make management decisions on behalf of the entity;
- d) Identify the names and telephone numbers of persons to be contacted for clarification;
- e) Explicitly indicate acceptance of the terms and conditions governing the award;
- f) Be signed by the person authorized to obligate the entity.

2. Budget

The applicant must provide a detailed budget, the total costs to achieve the desired result and any other funding sources the applicant has obtained to supplement the request. The applicant must utilize the current fiscal year budget forms developed and maintained at the Navajo Nation Office of Management and Budget (see www.omb.navajo-nsn.gov).

3. Evaluation and Criteria

1. The Controller and Review Team will review the approved Capital Improvement Project proposals approved by the CIO to determine the proposal meets the Indian Gaming Regulatory Act (IGRA) criteria.

4. Proposal Submission

All proposals must be submitted to the Office of the Controller to the following:

Mailing Address:

Navajo Nation Office of the Controller
P.O. Box 3150
Window Rock, Arizona 86515

Physical Address:

Navajo Nation Office of the Controller
Administration Building #1
Window Rock, AZ 86515

5. Amendments

The Navajo Nation Gaming Net Revenue Distribution Policy may be amended by the Budget and Finance Committee of the Navajo Nation upon recommendation of the Controller of the Navajo Nation, Navajo Gaming Regulatory Office and Navajo Department of Justice.