

# Tribal Trust Funds Settlement Project

ITMA ALL TRIBES MEETING

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Development of TTFS Methodology

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# Project Plan

- Focus Questions
- Five Step Approach
  1. Examine AA TRP Methodology
  2. Examine AA TRP Actual Procedures
  3. Share Knowledge
  4. Convert Shared Knowledge to Outline
  5. Develop Methodology

# Project Focus Questions

1. Can Methodology Reasonably be used by Phase II Tribes to Reach Timely Settlements?
  - a. As method is developed, ask this question of all proposed ideas.
  - b. Assumption built into the focus question is that a full accounting performed for all transactions will not reasonably allow for timely settlements.

# FOCUS QUESTIONS

2. Does Methodology Include All Tribal Trust Fund Accounts Administered by DOI during 1972 to 1992?
  - a. AA TRP included Tribal Trust accounts often referred to as Proceeds of Labor (POL) accounts as well as Judgment Accounts.
  - b. The methodology should also include other accounts that are the Tribes or may be owned by the Tribes, including IIM Tribal, Special Deposit accounts (SDA) and IMPL accounts.

# FOCUS QUESTIONS

3. Does Methodology Exclude Other Time Periods and Asset Mismanagement Claims?
  - a. Period includes fiscal year ended June 30, 1973 through Fiscal year ended September 30, 1992.
  - b. The TTFSP is designed to address cash management issues, including cash that should have been collected (not asset mismanagement).

# Project Plan: Understanding AA TRP Methods

1. Develop/Confirm Understanding of Methods Used in Work Previously Performed by Examining:
  - a. AA TRP Contract and Contract Modifications
  - b. AA TRP Assumptions
  - c. AA TRP Issue Papers Affecting Scope

# AA TRP Contract and Modifications

- ❑ General Objectives
  - ❑ Ensure All Receipt and Disbursement Activity Recorded (**for which documentation is available**) is Properly Reflected and Supported
  - ❑ Ensure all Receipts and Disbursements Made (**for which documentation is available**) were Properly Recorded to Appropriate Tribal Trust Account.
  - ❑ Prepare Reconciled Account Statements of Detail Transactions and Balances

# AA TRP Assumptions/Limitations

## □ Universe

- Includes Tribal Trust Accounts (POL and Judgment)

- Excludes Tribal IIM/Special Deposits (except for Five Tribal Pilots)

- Excludes IMPL

## □ Documents

- Those Available Only

# AA TRP Assumptions/Limitations

- ❑ Investments
  - ❑ Individual Transactions for Receipts and Disbursements Not Tested
  - ❑ Investment Yield Compared to Tribal Bench Mark Rates with No Adjustment Proposed for Variances
- ❑ Fill the Gap
  - ❑ Principally Performed for 5 Tribes, limited testing for remaining Tribes
  - ❑ Down stream v. Up Stream

# Project Plan: Understanding AA TRP Work Performed

2. Develop/Confirm Understanding of Work Previously Performed:
  - a. Obtain TRP Reports and Supporting Documents for Each Participating Tribe
  - b. Test Procedures Previously Performed
    - i. Testing Limited to Amount Needed to Develop Understanding
  - c. Identify Any Types of Accounts Not Included in TRP

# Project Plan: Share Knowledge

3. Combine Findings
  - a. AA TRP Assumptions – Investigate/Challenge
  - b. AA TRP Procedures – Tested/Re-performed
  - c. Account Types/Transactions to Include
    - i. POL, Award, IMPL, IIM-Tribal, IIM-SD
  - d. Other Information

# Project Plan: Convert Knowledge to Methodology Outline

4. Develop Methodology Outline - Workshop
  - a. Use Combined Knowledge (Step 3) to Prepare Outline of Methods or Approaches for Each Identified Account/Transaction Type.
  - b. Example of Areas to Address
    - i. Disbursement Transaction Amounts
    - ii. Investment Yield
    - iii. Deposit Lag Times, and
    - iv. Fill the Gap Procedures – Also called Completeness

# Methodology - Disbursements

- Test Non Investment Disbursements
  - Agree on Acceptable Documents
  - Focus on Areas of Potential Error including
    - Proposed Adjustments
    - Passed Adjustments
    - AA Reconciliation Codes that Required Judgment

# Methodology - Disbursements

- Open Issues:
  - Method of Selection for Items to be Tested
  - Test of Transactions Performed for Individual Tribes or in Total

# Methodology - Investments

Simple Summary:

Money-in Minus Money-out x What Should Have  
Been Earned (rate of return) Minus Actual  
Earnings Recorded = Amount to be Negotiated

# Methodology - Investments

- Open Issues:
  - Possible Pilot to Provide Clear Example of How the Methodology Works
  - Expert Assistance

# Methodology - Completeness

- Upstream vs Downstream Approach to Resource Receipts
- Different Approaches for Different Types of Resources
  - Workshop of Participating Tribes Provided Input for Possible Approaches
  - Methods Differ Depending on Resource
  - Key in All Approaches Is the Universe of Resource Producing Properties and Related Contracts

# Methodology - Completeness

- Open Issues:
  - Pilot Project Under Development for One Participating Tribe
  - OHTA Also Performing a Separate Pilot to Test an Approach

# Project Plan: Reach Consensus

5. Participate in Sessions to Reach Consensus on Methodology.
  - a. Pilot Project for Completeness is Most Important Next Step to Provide Information Necessary to Build Consensus
  - b. Pilot Project for Investments May Also Be the Best Approach to Provide Information Necessary to Build Consensus.

# TTFSP – PHASE I

To Finish Phase I:

Approvals Will Be Needed from  
Participating Tribes, Government  
Representatives and ITMA