

**Process of Distributing Funds to Self-Governance Tribes  
Following Congressional Action on the President's Budget**

**Background**

This paper attempts to describe the process involved in moving funds from Congressional appropriation to a self-governance tribe. The process will vary slightly for those tribes that are operating under a self-governance compact for the first time compared to tribes that are in the second or third year of operation. We start off with the heroic assumption that Congress has enacted and that the President has signed an appropriations bill by October 1.

**Department-OMB-Treasury**

Once an appropriation bill is signed, the Department has 10 days to submit an apportionment request to OMB for approval. OMB has 30 days to approve the apportionment and it usually takes 10 to 14 days for this to happen. This apportionment, once received, allows the BIA to obligate funds. The apportionment is by 9 fund categories for the Operations of Indian Programs appropriation account and for the construction appropriation account.

During this same time, Treasury is working on a warrant. The warrant established a "cash" account in Treasury. Treasury could take as long as 3 months to process a warrant. Yet the Bureau, once it has the apportionment from OMB, can begin to obligate funds. The reason for this is that once Treasury signs the warrant it, will be retroactive to the date of the appropriation act.

(Some times Federal officials will say that they can not obligate funds until they have a warrant. This is not accurate. Federal workers continue to receive their pay even though warrants have not been issued by Treasury.)

**The BIA Budget Office**

Once the apportionments have been received from OMB, the BIA budget office makes entries into BIA's Federal Finance System (FFS). The FFS entries are done at the allotment level. The allotment level is similar to the BIA programs that appear in the BIA budget such law enforcement, social services, scholarships, etc. The amount of funding for each allotment is determined by Congressional action on BIA budget request. This is recorded in a BIA comprehensive table which is constructed by the BIA budget office shortly after final Congressional action. In fact, the comprehensive table guides the apportionment request. The allotments transfer obligational authority from the Deputy Commissioner to BIA Office Directors for specified funds. The Director of the Office of Self-

Governance is the allottee for Compact funds.

The sub allotment entries in FFS are made based on the sub allotment plans from program staff. The sub allotment transfer the program funds and authority to obligate these funds from the Central Office Directors and the Director of OSG to the Area Directors. Then the area offices allocate the funds to their agencies for obligation to tribes.

For a new self-governance tribe in FY 1992, funds needed to be reprogrammed. Each compact needed to be revived to see if funding amounts should change given Congressional action. Then funds needed to be reprogrammed from the various program areas such as law enforcement, forestry, etc. and put into the 39000 Tribe/Agency line item called Self-Governance. Then the sub allotment (and allocation) is made directly to the self-governance tribe through necessary entry into FFS by the BIA budget office.

For self-governance tribes in a second or third year of operating a self-governance program, the process is slightly different. For the majority of funds in the annual funding agreement, reprogramming will not be required. The reason is that the Congress appropriated funds in accordance with the BIA request which identified base amounts for each self-governance tribe. Reprogramming is necessary only to adjust actual signed agreement to the base amounts. (e.g. The base amount may have shown the compact amount for law enforcement being \$50,000 but negotiations for that compact show \$60,000. Then an additional \$10,000 would need to be reprogrammed out of law enforcement into self-governance line item for that tribe.)

#### Area/Agency Office Process

Once the money is in FFS for each self-governance tribe, then the P638 process is used to get the funds to the tribe. The area offices uses the signed compact agreement and an authorization to obligate funds from the Director of Office of Self-Governance. (The Director, OSG, has been named as the allottee for self-governance funds.)

Once the area office determines that it has the authority to move the money, it uses the P638 process which begins with the encoding of funds to that tribe. To affect payment to the tribe, the tribe then would call the agency and/or area office and indicate that they want to draw down x number of dollars. The area/agency pulls up the draw down screen that shows what is available. The agency then faxes a form with the draw down amount to the Finance Office in Albuquerque that day and the Finance Office shifts funds to the tribe's bank account either by electronic transfer or by check. If by check, the Finance office prepares a standard form 1034 makes up a schedule for disbursement and sends it to Treasury where the form becomes standard form 1166 and Treasury sends a check to the tribe.

Some tribes are on a scheduled quarterly draw down. As with the Cherokee Nation, a draw down is affected 10 days prior to the beginning of the next quarter. The money is there, per an FDD (funds distribution document) so that the quarterly draw down is made at the beginning of each quarter.