



OFFICE OF THE CONTROLLER

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FY 2016 Second Quarter Report
(January, February, March 2016)

TABLE OF CONTENTS

	<u>Page No.</u>
I. EXECUTIVE SUMMARY	2
II. CRITICAL ISSUES	2
III. PROJECT STATUS	6
IV. BUDGET STATUS	11
V. OPERATIONAL & PROCESS IMPROVEMENT INITIATIVE STATUS	15

I. EXECUTIVE SUMMARY

The Office of the Controller was established as part of a restructuring of the Executive Branch in Navajo Nation Tribal Government effective July 01, 1977 by resolution CJN-60-71. In 1973, a study was recommended and performed by Peat, Marwick, Mitchell & Company. Certified Public Accountants, to determine the most economical and efficient manner in which accounting functions of the Navajo Nation may be performed. As a result this study, a new organizational structure was approved by Navajo Tribal Resolution CF-5-73 to provide better planning, organization and control through the creation of five key management positions consisting of a Controller, three (3) Accounting Managers, and one (1) System Analyst.

On August 31, 2011, the Navajo Nation President signed into law amending the Navajo Nation Code, Title 12, Chapter 2, by Navajo Nation Council Resolution CAU-34-11, to include the following positions as needed:

- Administrative Assistants
- Systems and Procedures Analyst, Analyst, Account Maintenance Specialist
- Accounting Managers, Accounting Supervisor, Principle Accountant, Senior Accountant, Associate Accountant

The Office of the Controller's purpose is to formulate, implement and execute the financial plans and policies of the Navajo Nation in order that accurate and complete accounts and reports are rendered, assets of the Navajo Nation be properly protected and modern methods of financial management be implemented.

By this resolution number BFMA-07-13, Purchasing, Plan of Operation and Office Supply Center was approved as Exhibit "No. 2" to CAU-34-11.

II. CRITICAL ISSUES

Critical issues from Payroll Section:

A. Issue: Untimely Submission of Personnel Action Forms (PAF)

Solution:

The submission of PAFS by the programs needs to be submitted timely to have employees included in the payroll cycle.

B. Issue: the Overtime Calculations with the Payroll Technicians and programs have not been consistent in the calculation of overtime hours paid.

Solution:

Guidance from DPM is needed and is slowly being addressed. Changes to the Personnel Policies Manual and/or the overtime procedures are necessary.

- i. Excessive overtime hours submitted by Law Enforcement and Emergency Medical Services personnel, i.e. 200 plus hours of overtime in two months time

resulting 60 days of continuous work with no day off. Brings questions of a fatigued employee serving needs of the public.

C. Issue: The Time Sheets

Solution:

The Timekeepers not properly trained thus not aware of personnel policies relating to time and attendance and recording thereof. Suggest that training of timekeepers be done so that they will understand and be able to ask questions.

D. Issue: Payroll Manager is receiving IRS notifications of penalties for incorrect or missing tax identification numbers. Year 2013 penalty is \$8,700. Penalties are for Forms Misc 1099 issued by Accounts Payable, Worker's Compensation Program, Employee Benefits Program, Home Loan Program, and Special Events Section.

Solution:

Proper training would need to be provided to each of these programs on the importance of proper Tax ID numbers.

E. Issue: Former Navajo Nation employees filing claims for unemployment are reporting to the wrong state. Payroll Manager has received calls from Arizona Department of Economic Security and New Mexico Workforce Solutions inquiring on claimants wage and tax reporting. Employees need to report to the states they were working in. However, research shows PAFs have not been completed with worksite information or DPM did not update to correct worksite/state.

Solution:

PAFs need to be updated to reflect proper worksite. Employees need to be notified that proper information is imperative to which state they report to.

2. Critical issues related to Accounts Payable:

A. Issue: Short staffed in Accounts Payable/PCard sections.

Solution:

Would need to hire qualified personnel and maintain current employees for these sections. Looking to fill all vacant positions by the end of April 2016.

B. Issue: Auditing travel reimbursement at 100% in Accounts Payable/PCard Sections.

Solution:

looking to implement the Expense Management module within the JDEdwards system to help alleviate these issues. Target date of implementation is December 31, 2016.

C. Issue: Former Navajo Nation employees filing claims for unemployment are reporting to the wrong state. Payroll Manager has received calls from Arizona Department of Economic Security and New Mexico Workforce Solutions inquiring on claimants wage and tax reporting. Employees need to report to the states they were working in. However, research shows PAFs have not been completed with worksite information or DPM did not update to correct worksite/state.

Solution:

PAFs need to be updated to reflect proper worksite. Employees need to be notified that proper information is imperative to which state they report to.

D. Issue: Conflicting policy per diem vs. actual expenses

Solution:

Update all policy to reflect the Expense Management module.

- E. Issue: Find a mechanism to track CCER packet & AP financial documents submitted daily by 1,500 cardholders & 13 NN divisions
Solution:
Continue to explore options at this time for this issue.

3. Critical issues related to Cashiers/Accounts Receivable:

- A. Issue: Amendment to Wells Fargo Merchant Agreement which includes language “Limited Waiver of Sovereign Immunity.” This is affecting credit card machines being issued to programs such as Fish and Wildlife and Veterinary Program.
Solution:
Utilize 164 and get comments on issue and how to resolve with the Department of Justice and Wells Fargo for this agreement to be completed.
- B. Issue: Associate Accountant position is still vacant.
Solution:
Need to re-advertise.
- C. Issue: Field Cash Receipts electronic submittal.
Solution:
Worksheet for Field Cash Receipts has been completed. Training from Cashier staff to program needs to be done.
- D. Issue: Settlement of Business Site Leases. The Navajo Nation has been settling or amending Business Site Leases.
Solution:
The numbers of personnel assigned to this task are two. They take care of all the Business Site Leases for the Navajo Nation.

4. Critical issues related to General Accounting/Fixed Assets:

- A. Issue: The FY 16 revenues and Natural Resources. These fluctuations would relate to the budget in which the General Fund is utilizing for this Fiscal Year.
Solution: Monitoring the revenues and keeping in contact with the Minerals Department and Tax Commission for changes that would significantly affect the amount of revenue collected.
- B. Issue: The FY 17 Initial Revenue Projection will be compiled by the end of the 2nd quarter. Preliminary review shows a decline in the Natural Resources of the Navajo Nation primarily the oil projections.
Solution: Would need to explore other revenues or possibly even the use of the Permanent Fund to help replace these dollars for the Navajo Nation Budget.

5. Critical issues related to Contract Accounting/Systems Office:

- A. Issue: Need to expedite the rollout of the new modules and 6B to the Navajo Nation. Programs need to train to utilize the system to become more efficient.
Solution:
would need the support of the President and Vice President to push the online usage within the Divisions
- B. Issue: Bins and records that need to be saved because of the Financial nature of these documents.

Solution:

Scanning project to archive and file all these documents. Scanning would provide a viable storage of these records. Working on getting software that could be formatted to the JDEdwards system.

- C. Issue: Debt collections from US Department of Treasury. They have offset some other grants to collect their debts.

Solution:

Have been meeting with Department of Justice to help clear up this matter. There would need to be more guidance on how to recoup the funds that have already been taken by debt collection.

- D. Issue: Training on new OMB Super Circular regulations.

Solution:

to have programs and departments as well as Office of Management and Budget and Office of Controller attend this type of training for expenditures, budget and Indirect Cost dollars. The Nation has a large number of grants and this would be very favorable to get this type of training done.

- E. Issue: Disallowed costs related to promotional items, catering and refreshments. In addition when traveling these Travel Authorizations need to be submitted before the training to the Contract Accounting section prior to utilizing their PCard.

Solution:

Leadership at the Division level would need to iterate that these types of charges need to be eliminated or utilize their General Funds.

6. Critical issues related to Investments Section:

- A. Issue: The Sihasin Fund planned allocations for projects. These draws need to be planned to keep the dollars invested until there is need to utilize them.

Solution:

Currently meetings being held on the Fund Management Plan from Water Management Group. Once time frame is determined the identification of when these dollars need to be utilized would be known. Other possible solution would be to leverage these dollars so as to protect the corpus of the fund.

- B. Issue: Prioritization of exploring new investment opportunities within the new permissible asset classes.

Solution:

The Investment Committee and the Navajo Nation's Investment Consultant would need to meet to determine which investments would be viable for the Nation to utilize. Once it has been determined the Investment Committee would need to decide which investments it would like to explore.

- C. Issue: The Permanent Fund possible planned allocations for projects. Legislation is pending approval by the Navajo Nation Council but would need to be prepared on how the funds flow would take place.

Solution:

Similar to the Sihasin Fund a meeting would need to be held if legislation is passed to discuss the projects timelines and if any portion of this legislation could be leveraged.

III. PROJECT(S) STATUS

A. Project Status from Payroll Section:

- i. NOVA time- a time recording software project. This has been placed on hold until further notice. It is still in the testing stage.
- ii. Electronic Time Sheet-an electronic timesheet similar to the current paper document. Program would need to fill out timesheet online and submit electronically to the Payroll Section. Currently in the design phase. Office of Controller is working with consultant on the logistics of this project.
- iii. Navajo Boards and Commissioners project. IRS examination determined that commissioners and board members are incorrectly labeled contractors and receive MISC-1099 forms. This has been an ongoing project since 2012. It is in the planning /testing stage of the project at present. Need the assistance of Department of Personnel Management to help initiate a position for these boards and commissioners.

B. Project Status from Accounts Payable/PCard Section:

- i. JDEdwards Expense Management Module. This module would help with the travel and entertainment expenses. Essentially where programs could enter in their information online for approval. Module is part of implementation within the year. Target start date 12/31/16.
- ii. Need to implement Web Center so the 5 agencies may submit financial documents on-line rather than driving for hours to W/R just to drop off documents.
- iii. Need to comply with IRS rules and regulations by moving all Boards and Commissioners payment processing through Payroll
- iv. Update all Accounting manuals, Policies and Procedures. This is in process with each manager reviewing, updating or drafting policies/procedures with flowcharts.

C. Project Status from Cashiers/Accounts Receivable Section:

- i. Scanning project- scanning of documents within the Office of Controller. This is an ongoing project that each manager has been responsible for within his or her own section. There have been discussions to have all documents scanned going forward and having prior years documents scanned and archived for future use. This is in the beginning stages and would take approximately 3 months to get software and training completed. For the older documents it would be a 2 year process to have all the documents in the bins scanned.
- ii. Reconciliation of Deposits in Miscellaneous. This is an ongoing project to identify deposits made to the Navajo Nation that are not identified. Target date would be 09/30/16 to find and record the majority of the deposits in the correct accounts.

D. Project Status from the Investments Section:

- i. Master Investment Policies project. Reviewing potential new investment opportunities in the permissible asset classes which include, Master Limited Partnerships, Hedge Funds, Private Equity, Additional Fixed Income, and Non-Core real estate. The timing of these are as these are recommended and accepted by the Investment Committee.
- ii. The Sihasin Fund project. All the dollars are fully invested in the markets. With the passage of the projects funded by the Sihasin Fund it will be necessary to determine the drawing down of these funds to expend on the project listing. Currently in the preliminary stages of determination expected to have completed by summer of 2016.
- iii. Navajo Nation Gaming Direct Investment project. Will help provide due diligence for the Investment Committee with regard to the NN Gaming Direct Investment. Need to ensure daily revenue performance and compliance with the current Forbearance Agreement.
- iv. Potential \$20 Million financing for the new aircraft and maintenance equipment. The legislation for this was vetoed but still exploring options to finance the NN Aircraft and maintenance.
- v. Debt/leverage project. With the Sihasin Fund projects and potential funding of projects though the Permanent Fund and aircraft loan the Investment Section is continuing to consider debt capacity, current debt and repayment sources. As the legislations are finalized the Investment section will work with preliminary objectives.

E. Project Status from the General Accounting/Fixed Assets:

- i. 2015 Annual Audit project. The fieldwork is in the final stages. The review of the financial statements and adjusting journal entries will take place in May 2016. Target date of June 2016 for completion of the annual audit.
- ii. Policies and Procedures project. These are being reviewed, updated and drafted. Target date for completion is April 2016.
- iii. Financial Statement project. Continuing to have training on the financial statement preparation in the proper GASB format. Have the assistance of a CPA consultant on this project. Looking at September 30, 2016 as the target date for completion of this project.
- iv. Gaming Revenue Distribution Plan project. Collaborated with Gaming Regulatory, Department of Justice, Capital Improvement Office. The Group came up with amendments and process for the chapters to follow. Target date is April to get amendments completed

F. Project Status from the Property

- i. Thirteen (13) single audit inventories and reconciliation process by June 30, 2016. Report date timeline by 09/30/2016. A need to end the exercise of all processes a quarter ahead of schedule

- ii. The COA is to develop an excess property policy. The policy is for the sale, donation, transfer, obsolete-end of life property disposal for the Navajo nation. This still ongoing.
- iii. The COA is to develop a IDC percentage rate to utilize for Navajo nation real property buildings, land and infrastructure etc. A mathematical equation from the square footage of all Navajo Nation buildings with fixed asset numbers. This is still ongoing. Met with oversight people 03/28/16, There will be sanctions from the committee and Auditor General according to the final words.
- iv. The disposal of excess property considered end of life status, obsolete, unserviceable to final destination Thoreau Transfer Station, N.M. The quarterly goal is 75 per quarter.
- v. The identification of real property through the tagging of buildings, infrastructure, land, sidewalk & roads. This includes department/ programs within the Navajo nation including certified & non-certified chapters government. The quarterly goal is 60 per quarter.

G. Project Status from the Contract Accounting:

- i. Superfund project. Reimbursements of expenditures, questioned cost. Most have been cleared and drawdowns processed. Cost of weatherization is pending certified inspection before reimbursement approved.
- ii. Superfund internal tracking. Superfund expenses need to be tracked internally by "sites." This project needs priority.
- iii. Regarding Special Diabetes Program (SDP), the award is now a competitive grant. The Nation no longer will receive the \$6.4 million annual funding. This year the SDP only received \$2.4 and is currently waiting on OOC to submit the final FFR. However, there are two (2) items pending (Payroll backpay and an ICR) which needs to be processed before Contract Accounting finalizes the FFR. The final FFR is due 3/31/16. FYI, the Final FFR for SDP has never been submitted on time due to outstanding bills.
- iv. Met with Benjamin Peshlakai and Ruth Benally on the USDOJ grants. Informed both of reassigning the USDOJ grants to Ruth due to testing results. The reassignment is to comply with USDOJ requirement to provide documentation that the Financial Point of Contact person completed the DOJ Grants Financial Management Online Training; Ruth took the online training and passed.
- v. Most staff have completed the Indirect cost adjustments for current business units and are going back to prior IHS business units as these awards have not been reconciled and closed with Indian Health Services

H. New Mexico Capital Projects

- i. New Mexico Funding. Continue to provide update responses to special conditions #3 training, #4 budget balances and #6 participates in reconciliation meetings. Contract Accounting provided training to (18) staff for the 1st quarter. The next quarterly training is scheduled for May 24th at NDOT
- ii. Contract Accounting issued memo on timeline schedule for agreements expiring March 10th, 2016 to ensure funds are spent. As of March 31, 2016 \$231,404.80 was unspent for (4) IGA's.
- iii. The Nation continues to receive non-compliance letters for not meeting the 5% spending threshold. In last worksheet sent to DCD (21) projects show no expenses.
- iv. Cost reimbursement invoices continue to be rejected due to incorrect reports received from the programs (CPMS and quarterly reports) and questionable expenditures. After responses are provided to NM IAD we are finding more reimbursement being approved.
- v. Found worksheets provided from NM DFA and NM IAD is not updated to reflect true balances or information on recent reimbursements approved. Worksheets provided by Hattie continue to show reliable information to all parties.
- vi. No approved funding for AZ Title III grant funds. The last update we received was Attorneys on both sides are working on specific language in the terms and conditions of the agreement.
- vii. Meeting was held with DEM and CGS on FEMA activity. As of today no response from DEM on processing payments for FEMA grants. FEMA region 9 has scheduled a monitoring review for May 16-20, 2016.
- viii. Reports for FAA grants were completed and now awaiting President Begaye's signature. The agreement approved by the Nation requires for the President to sign the financial reports but this can be changed through a letter identifying OOC signature approval. Reports and Letter were given to NDOT to initiate the 164 review. As of today no response from NDOT.
- ix. Participated in single audit entrance conference with Accountants; Transit and USDOJ ARRA grants have been identified to be audited under my section. Right now, the Transit grants are currently being audited by KPMG and pre-exit held and awaiting for the exit conference to be scheduled. We hope clarification provided to auditors on the IDC adjustments are acceptable, if not may become a finding.
- x. USDOJ Audit Report Number TO-50-16-004: Meeting was held with OPVP, CGS, OOC and DOC on audit response for finding 2014-006; 1512 written procedures, and financial point of contact online training. A response was drafted between CGS and DOJ. We have not received a final version of the letter sent to USDOJ.

- xi. USDOJ OIG Audit GR-50-15-016: The Nation has not received a response from USDOJ or DOC on this audit. We are being told by DOJ that the Office of Justice Programs (OJP) is to respond to OIG and DOC has not provided the corrective adjustments as noted in their October 9, 2015 email.
- xii. USDOJ Asset Forfeiture and Money Laundering Section (AFMLS) conducted their review on February 17-18, 2015 and found (6) findings. The Nation was given (60) days to respond; a response was provided in September 2015. Thereafter the Nation has not received a response from COPS on whether questionable items were acceptable.
- xiii. USDOJ OCFO has completed the March 2015 financial monitoring desk review for award 2013-AC-BX-0006 with (3) findings; (1.) A-133 single audit report requirement, (2.) indirect cost expenditures and (3) internal control survey. The Nation had (15) days to respond from email sent on September 8, 2015. The Nation provided a response dated October 16, 2015. OCFO closed the internal control survey and (2) findings remain open; A-133 single audit and the IDC. The Nation was to provide a response within (15) days. We have not received a copy of the response from anyone.
- xiv. Staff working with the auditors on collecting information as requested. We have had an exit conference for the W.I.A. program. Cherie from the Department of Justice is working on one questioned cost which is the Personnel Cost Allocation that was an audit finding. She is responding that it was not a correct finding because the cost allocation as stated in the regulations is referring only to Indirect Cost Allocation Plans.
- xv. We are working on annual financial reports for B.I.A. We were given new instructions this year by the Bureau that they only want one report for each contract. This makes it easier for us because for one contract there may be numerous business units assigned. In their request, we will be consolidating business units for one contract and this will be the only report required. We have the annual financial reports to be completed by the middle of April 2016.
- xvi. We are working on the financial reports for the Archaeological Program. We have reconciled to worksheets that the program has put together. We are in agreement, so the final SF-425 reports will be completed. Deadline for this has been scheduled for June 30, 2016. The Bureau has indication that the original court case dissolved because of no response from the Navajo Nation. The funds that were available have been taken back by the Bureau of Indian Affairs and they now say that there are no more funds available to pay for the Administrative Fees and the Indirect Cost Expense for these contracts/grants. We will be finishing up the final reports with remaining funds that are identified for the administrative fees and or indirect costs. No other funds will be allocated from the

Bureau to cover the full cost. One of the difficulties we had was in getting prior year business unit contract folders because they are in the bins and we are restricted from getting them out.

- xvii. Modifications from B.I.A. have been coming in. Drawdowns have been submitted and received for all modifications that we have received for new 2016 awards.
- xviii. We are also working on doing the final financial reports on SF-425 Annual Reports for B.I.A. This has been an ongoing project and the accountants have been working on the close out. There are still first in first out journal entries being done.
- xix. Reversion reports completed up to December 31, 2015. The next reversion report is scheduled for March 2016.
- xx. We are looking in the treasury collection. There has been communication with the Treasury Office in regards to funds that were collected. This will be an on-going project and will need some research.

I. Project Status from the Purchasing:

- i. Office Supply Center office closure for quarterly inventory from April 01 - 07, 2016
- ii. The 6B roll out has been implemented, however six Division are still having difficult log on the system to have their purchase requisition(s) issued. Continuing to work with the programs

I.V. BUDGET STATUS

Account Range	2016 Original Budget	2016 Revised Budget	Actuals thru 3/31/2016	2016 Encumbrances	Budget Available	% Expensed of Total
0010 GENERAL FUND						
PURCHASING DEPARTMENT						
Personnel Expenses	219,249	227,620	109,285		118,335	48.01
Travel Expenses	9,300	6,897	1,165		5,732	16.89
Supplies	20,000	31,917	7,336		24,581	22.99
Lease & Rental		1,000	149		851	14.91
Communications & Util	600	600			600	
Repairs & Maintenance	1,461	4,961		3,000	1,961	60.47
Contractual Services		17,245	2,245	15,000		100
Special Transactions	16,873	22,022	2,682	2,298	17,042	22.61
PURCHASING DEPARTMENT	267,483	312,263	122,862	20,298	169,103	45.85

PROPERTY MGT DEPT (PM)						
Personnel Expenses	541,804	541,804	205,408		336,396	37.91
Travel Expenses	57,985	57,985	19,801		38,184	34.15
Supplies	7,705	38,083	2,256		35,827	5.92
Communications & Util	25,920	25,920	10,877		15,043	41.96
Repairs & Maintenance	13,500	13,500	282		13,218	2.09
Special Transactions	11,993	11,993	6,743		5,250	56.23
PROPERTY MGT DEPT (PM)	658,907	689,285	245,367		443,918	35.6
OFC OF THE CNTLR-ADM/						
Personnel Expenses	5,102,791	5,114,460	2,059,804		3,054,656	40.27
Travel Expenses	56,118	107,237	34,659		72,578	32.32
Supplies	50,953	229,863	56,007	30,153	143,703	37.48
Lease & Rental	13,934	30,926	7,489	14,380	9,058	70.71
Communications & Util	1,850	1,600	(830)		2,430	51.85
Repairs & Maintenance	10,000	307,426		302,090	5,336	98.26
Contractual Services		551,000	7,128	485,921	57,951	89.48
Special Transactions	87,286	163,440	38,878	55,000	69,562	57.44
OFC OF THE CNTLR-ADM/	5,322,932	6,505,952	2,203,135	887,543	3,415,273	47.51
Contractual Services	1,720,000	1,882,271	706,425	1,085,845	90,000	95.22
ANNUAL AUDIT-CONTROLL	1,720,000	1,882,271	706,425	1,085,845	90,000	95.22

Account Range	2016 Original Budget	2016 Revised Budget	Actual thru 3/31/16	2016 Encumbrances	2016 Budget Available	% Expensed of Total
OFC MACH/BLDG MAINT-C						
Repairs & Maintenance	4,554	8,107			8,107	
OFC MACH/BLDG MAINT-C	4,554	8,107			8,107	
FMIS DEBT SERVICE						
Supplies			6,155		(6,155)	
Lease & Rental		17		17		100
Communications & Util			5,879		(5,879)	
Contractual Services		898,098		898,098		100
Special Transactions	976,731	976,731	491,372		485,359	50.31
FMIS DEBT SERVICE	976,731	1,874,847	503,406	898,116	473,325	74.75

FIXED COST-INVESTMENT						
Contractual Services	150,000	150,000	47,150		102,850	31.43
FIXED COST-INVESTMENT	150,000	150,000	47,150		102,850	31.43
FMIS – MAINTENANCE SV						
Supplies	99,752	99,752	1,457	2,705	95,590	4.17
Lease & Rental	36,000	36,000	13,242	13,680	9,078	74.78
Communications & Util	23,280	43,332	26,999	3,298	13,035	69.92
Repairs & Maintenance	531,800	531,800	65,462		466,338	12.31
Contractual Services	618,335	827,792	297,099	518,678	12,015	98.55
Capital Outlay	190,833	177,833			177,833	
FMIS – MAINTENANCE SV	1,500,000	1,716,508	404,259	538,361	773,888	54.91
TOTAL OOC GENERAL FUND	10,600,607	13,139,232	4,232,605	3,430,163	5,476,464	58.32
NN PERMANENT FUND						
Personnel Expenses	357,279	385,009	164,869		220,140	42.82
Travel Expenses	122,000	122,000	38,447		83,553	31.51
Lease & Rental	10,000	10,000			10,000	
Contractual Services	10,932,000	12,264,612	1,826,513	1,386,079	9,052,020	26.19
Special Transactions	5,498	5,719	1,862		3,857	32.56
NN PERMANENT FUND	11,426,777	12,787,340	2,031,691	1,386,079	9,369,570	26.73
TOTAL PERMANENT FUND	11,426,777	12,787,340	2,031,691	1,386,079	9,369,570	26.73

Account Range	2016 Original Budget	2016 Revised Budget	Actual thru 3/31/16	Encumbrances	Budget Available	% Expensed of Total
PMD-TRIBAL OFC SUPPLY						
Personnel Expenses	172,444	172,444	47,808		124,636	27.72
Travel Expenses	12,607	12,607	2,810		9,797	22.29
Supplies	3,989	3,989	131,234		(127,245)	3289.9
Lease & Rental	800	800	106		694	13.24
Communications & Util	3,600	3,600	1,449		2,151	40.24
Repairs & Maintenance			72		(72)	
Special Transactions	6,560	6,560	1,626		4,934	24.79
PMD-TRIBAL OFC SUPPLY	200,000	200,000	185,105		14,895	92.55
TOTAL OFFICE SUPPLY CENTER	200,000	200,000	185,105		14,895	92.55
CSD-HOME LOAN PROGRAM						
Personnel Expenses	334,246	334,246	123,736		210,510	37.02
Travel Expenses	55,151	55,151	13,946		41,205	25.29
Supplies	59,266	59,266	2,145		57,121	3.62
Lease & Rental	7,284	7,284	642		6,642	8.81
Communications & Util	1,000	1,000			1,000	
Repairs & Maintenance	14,800	17,800	9,853	3,000	4,948	72.21
Special Transactions	28,253	28,453	3,205	200	25,048	11.97
CSD-HOME LOAN PROGRAM	500,000	503,200	153,526	3,200	346,474	31.15
TOTAL HOME LOAN	500,000	503,200	153,526	3,200	346,474	31.15
CRDT SVSC DEPT-PERS L						
Personnel Expenses	332,446	342,318	122,402		219,916	35.76
Travel Expenses	10,435	4,478			4,478	
Supplies	51,734	50,485	12,447	2,666	35,372	29.94
Lease & Rental	3,160	3,160	1,109		2,051	35.09
Communications & Util	7,200	7,200	655		6,545	9.09
Repairs & Maintenance	3,000	3,000	569		2,431	18.97
Contractual Services	10,000	10,000			10,000	
Special Transactions	22,025	22,025	1,621		20,404	7.36
CRDT SVSC DEPT-PERS L	440,000	442,666	138,803	2,666	301,197	31.96
TOTAL PERSONAL LOAN	440,000	442,666	138,803	2,666	301,197	31.96

V. OPERATIONAL & PROCESS IMPROVEMENT INITIATIVE STATUS

- A. For programs with cost-shared personnel expenses entry of actual hours worked versus the percentage labor distribution set up by DPM has been a challenge to ensure correct hours are inputted and charged. Procedural steps have been developed for assurance of correct time entries and for documentation purposes.
- B. The Navajo Superfund Program (NSP) has this type of setup where hours worked at cleanup sites have their own business unit numbers. Thus payroll has to enter hours with their respective business units accurately. In NSP's case neither percentages nor dollar amounts are to be used as the labor distribution method however, NSP continues to process documents incorrectly using percentage labor distribution.
- C. Procure-to-Pay needs to be re-explored by Purchasing and Accounts Payable staff/programs and the tool already exists in JDE. The training instruction will be on UPK when it becomes available.
- D. Federal Reporting of in kind and cash match continues to be a problem with programs. OOC has made FMIS access available so Programs can keep on top of their expenditures. All matching requirements that are lacking are forward to NNDOJ and Office of Contracts and Grants.
- E. Federal Reversion Reports will be sent out as soon as we close March month end.
- F. The Nation has been receiving notices of disallowed costs. Programs have been notified to seek funds to cover these costs. Suggest that a contact point be appointed within the Nation and they would be responsible for keeping track of all the disallowed costs. Hold regular meetings with Office of Controller, Office of Management and Budget and the programs and managers so that the Nation can be more accountable.
- G. The background checks process needs to be reevaluated to help expedite the process so that new employees wait time would be reduced. Applicants at times are not willing to wait 6 to 8 weeks for background check to take place.
- H. OOC Policy and Procedures draft is taking some time for review.
- I. The 6B roll out has been implemented, however six Division are still having difficult log on the system to have their purchase requisition(s) issued. Continuing to work with the programs.
- J. Office Supply Center office closure for quarterly inventory from April 01 - 07, 2016