

F-74.1

FY 1986 MBO

Trust Fund Management

**OBJECTIVE:** To provide improvement in the management and administration of trust accounts.

- TASKS:**
- A. Reconcile Tribal and Individual Indian Money (IIM) Trust Accounts.
  - B. Determine Federal/Private sector involvement to provide Indian Trust Fund management/services required by case law, statutes and regulations (etc.); determine necessary system reform actions.
  - C. Strengthen existing BIA trust fund operations, accounting, cash management and investment practices.

**TARGET DATES FOR ACHIEVEMENT OF OBJECTIVE:**

- A. Reconciliation - September 30, 1988
- B. Trust Fund Financial Services - September 30, 1987

**RESPONSIBLE OFFICIAL:**

Deputy to the Assistant Secretary - Indian Affairs (Operations)

**STAFF CONTACTS:**

Betty Wilkinson

Chief, Division of Accounting Management

Ronal Eden

Acting Director, Office of Administration

Frank Ryan

Deputy to the Assistant Secretary - Indian Affairs (Trust and Economic Development)

James Bregman

Director, Office of Data Systems

John Vale

Cash Management Officer

Jim Parris

Chief, Branch of Trust Fund Accounting

A. <u>Reconcile Tribal and Individual Indian Money (IIM) Trust Accounts</u>	<u>Target Date</u>	<u>Completion Date</u>	<u>Responsible Person</u>
<b>** 1. <u>Tribal Trust Funds:</u></b>			
a. Appointment of "interim" Tribal Trust Fund reconciliation team in Albuquerque.	completed		
b. Development of "reconciliation plan" and resource needs.	11-15-85	11/25/85	Parris
c. RFP for Accounting Services.	01-01-86	12/15/85	Parris
d. Contract Award for Accounting Services.	03-15-86	3/31/86	
e. Reconciliation work begins.	03-15-86	3/31/86	Parris
f. Reconciliations completed.	09-30-88		
<b>2. <u>Individual Indian Money Funds:</u></b>			
a. IIM reconciliation work-in-progress.	(work was initiated 5/3/85)		Parris/team
b. Interim rec. procedures put in place.	04-01-86	4/1/86	Parris *
c. Develop requirements for IIM System Enhancements	09-30-86		Parris
*** d. Reconciliations completed.	09-30-87		

\* THE RESPONSIBLE PERSON FOR THE COMPLETION OF THE MONTHLY IIM IN RECONCILIATION IS EACH AREA DIRECTOR.

\*\* To expedite the Tribal Trust Fund account reconciliation project, the Bureau contracted with a private sector CPA firm. The contractor began work on March 31, 1986. The first task now underway is to account for interest earned between July 1, 1985, and December 31, 1985, so that distribution can be made to individual accounts. Completion has required an analysis of every account, some of which date back several years. Because of errors identified in the Easytrieve System balances, this work is taking longer than anticipated. This project should be completed in late July at which time work to reconcile principal amounts will begin on the 1,743 tribal trust fund accounts totalling \$1.1 billion.

\*\*\* See attached schedule.

## THE BIA PLAN FOR THE IIM RECONCILIATION PROJECT, BUREAU-WIDE, IS:

<u>AREA</u>	<u>PLAN</u>
Anadarko	Complete April 30, 1986
Billings	Complete November 30, 1985
Navajo	Complete December 31, 1985
Muskogee	Will begin July, 1986
Phoenix	Will begin September, 1986
Albuquerque	Planned June, 1986 - to be completed by September 30, 1987
Aberdeen	Planned July, 1986 - to be completed by September 30, 1987
Minneapolis	Planned July, 1986 - to be completed by September 30, 1987
Eastern	Planned August, 1986 - to be completed by September 30, 1987
Sacramento	Planned September, 1986 - to be completed by September 30, 1987
Portland	Planned September, 1986 - to be completed by September 30, 1987
Juneau	Planned September, 1986 - to be completed by September 30, 1987

	<u>Target Date</u>	<u>Completion Date</u>	<u>Responsible Person</u>
<b>B. Determine Federal/Private sector involvement to provide Indian Trust Fund management/services required by case law, statutes and regulations; determine necessary system reform actions.</b>			
1. Staff analysis of private sector responses to RFI published April, 1985.	11-20-85	12-02-85	Vale/Parris
2. Decision of Federal/Private sector role in providing Trust Fund Management/Financial Services.	12-15-85	12-14-85	Assistant Secretary
3. Determine Treasury participation and methods to acquire services.	12-30-86	1-17-86	Assistant Secretary
4. Develop requirements for contract.	03-01-86	3-14-86	Wilkinson/ Treasury
5. Trust Fund Financial Services request for proposals published.	04-01-86	4-21-86	Treasury FMS
6. Award contract to financial institution.	07-15-86		Treasury FMS

	<u>Target Date</u>	<u>Completion Date</u>	<u>Responsible Person</u>
C. Pending overall system reform, strengthen existing BIA trust fund operations, accounting, cash management and investment practices.			
1. Write Policy statement on Trust Fund Management responsibilities.	01-01-86	Delayed	Ryan/Eden
2. Issue revised instructions and guidelines for reconciliation of accounts.	02-01-86	See detailed work plan	Eden
3. Establish and staff a Branch of Trust Fund Accounting within Division of Accounting Management.	12-31-85	1-17-86	Wilkinson
4. Enforcement of Tribal Trust and IIM monthly reconciliation requirements.	03-01-86	Ongoing see attached work plan	Parris
5. Cash Management Review (Treasury).	05-31-86	Review completed Report out 6/30/86	Vale/Parks

<u>PROJECT</u>	<u>TASKS</u>	<u>Responsible Person</u>	<u>Target Completion Date</u>	<u>Comments</u>
2. Reconcile all Trust Accounts (3 year project. Completion estimated 3/30/88.)	2. a. Contractor on-site for current year work required under task order (FY '86).	Markey	3/24/86	On site 3/31/86
	b. Reconciliation report and required adjustments for each account.	Parris/ Contractor	Annually	As each account is completed.
	c. Progress reports	Parris	Monthly	
3. Reconcile all IIM accounts (subsidiary to controls to General Ledger ISSDA) Bureauwide...	3. a. Establish Schedule and write reconciliation procedures.			
	b. Provide reconciliation procedures to all Areas and require monthly reports.	Parris/Staff	3/1/86 New date 8/1/86	Revised target date. Delayed because of lack of staff in Trust Branch; staff on board to monitor 6/1/86.
	c. Write enforcement letters to all Areas not complying with monthly reconciliation reports.	Staff	Monthly	
	d. Provide on-site training and accounting assistance to non-compliance Areas.	Staff	As needed	
	e. All IIM reconciliations complete and adjusting entries recorded.	Parris/Staff	9/30/87	

<u>PROJECT</u>	<u>TASKS</u>	<u>Responsible Person</u>	<u>Target Completion Date</u>	<u>Comments</u>
4. Continuing Work	4. a. Red Lake Reconciliation of available funds. (Court ordered payment.)	Parris	2/1/86	Completed May 8
	b. Hannahville Audit (Improper disbursement of Judgment Funds)	Parris	1/15/86	Complete 3/86
	c. IIM Standard System Enhancements	Parris	9/30/86	In progress
	(1) Automate interest calculation and distribution			
	(2) Income tax reporting requirements - 1099 generation			
	(3) Estate distribution procedures			
	(4) Manual update			

PBA IMPLEMENTATION TRACKING SYSTEM (PITS) REPORT

AUDIT NO. C-IA-BIA-24-83      DATE ISSUED: 9-23-83

NAME/TITLE OF PREPARER: \_\_\_\_\_  
(Insert) \_\_\_\_\_

AUDIT TITLE: Tribal Trust Funds

DATE PREPARED: (Insert) \_\_\_\_\_  
Telephone Number: (Insert) \_\_\_\_\_

Date F&D/BFC Issued: NA / 2 MBOs  
 \$\$ Amt. Reinstated: NA      No. of Rec.  
 \$\$ Amt. Disallowed: NA      In Tracking

DUE DATE TO CENTRAL OFFICE (MRE): 9-30-86

REC. NO.	AUDIT REPORT RECOMMENDATION (VERBATIM)	PROMISED CORRECTIVE ACTION	INDIVIDUAL RESPONSIBLE DUE DATE(S)	IMPLEMENTATION STATUS/COMMENTS
MBO-1	Reconcile all Trust Fund Accounts.	Will Reconcile Tribal & Individual Indian Money (IIM) Trust Fund Accounts by 9-30-88.	J. Parris 9-30-88	(Insert)
MBO-2	Establish Trust Fund Financial Services.	Trust Fund Financial Services will be established by 9-30-87.	B. Wilkenson 9-30-87	(Insert)

141BIA-24-83-2  
Page 1 of 2