



**U.S. Department of the Interior**  
**"To-Be" Trust Business Model**  
**Process Template**

|   |   |
|---|---|
| <b>Title: Determine Land and Natural Resources Values</b>                       | <b>Process Number</b><br>____ <b>P.1</b> ____ |
| <i>Identify the process in the "Verb Noun" format. (Ex: Maintain Ownership)</i> |   |

**1. Process Definition** *Provide an overview of the process and define its starting and ending points*

|                             |   |
|-----------------------------|---|
| <b>1.1 Starts With</b>      | Receive an overview of the intended land and natural resources uses.  |
| <b>1.2 Process Overview</b> | <p>A valuation report is required when DOI or a beneficiary is initiating a wide-area planning process because program area land and natural resource values must be established. It is also possible that a request could be received to provide a site-specific valuation.</p> <p>The person requesting valuation services; for example, a beneficiary, a BIA Staff Planner, Agency Superintendent or Realty Officer, first reviews the intended land and natural resources use and the intended purpose of the valuation to determine the most expedient, yet still appropriate valuation method. For example, evidence of market value for low risk / low value transactions can be based on market studies in lieu of appraisals and a schedule of standard rates can be consulted for simple, unobtrusive transactions. The requestor also reviews submittal guidelines prepared by the Office of Appraisal Services (OAS) to ascertain the required supporting documents that must be included with the request package.</p> <p>The valuation request package is submitted to the appropriate office, usually a Regional Appraisal Office, for assignment to a staff or contract appraiser for completion of a report. However, mineral valuation requests are submitted to BLM and OSM, and timber valuation requests to BIA. If the appraisal office responsible for the completion of the valuation determines that the request package does not include all necessary information or is not in accordance with all applicable federal, state, tribal and local laws and regulations, they may cancel or postpone the request and return it to the requestor for further processing.</p> <p>In the course of authorizing the production of a valuation report, the Regional Appraiser or assigned appraiser determines the preliminary scope of the report based on the information contained in the request package and in consultation with the requestor. He/she then reviews the purpose and intended use of the valuation and concurs with or revises the valuation method requested. If a new valuation is required, the Regional Appraiser assigns the request to a staff or contracted appraiser who then produces a program area or site-specific land and natural resources valuation report. For low value / low risk transactions, evidence of market value will be based on a market study in lieu of an appraisal. If DOI is initiating a planning team, when the valuation method to be employed has been finalized, the Staff Planner is notified of the associated cost for producing the valuation so the cost can be included in the planning team budget request.</p> <p>The review and approval of Trust land valuations is an inherently federal function. The valuation will be reviewed for content, purpose and supporting documentation to ensure that the information contained is not misleading to its intended user. An OAS Regional Appraiser or Staff Reviewer most often</p> |



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|                       |   |
|-----------------------|---|
|                       | performs reviews.<br><br>An approved or rejected valuation report with review statement is transmitted to the requestor. All work files and a copy of the report are retained indefinitely by the preparer and the original report is stored by the case file holder. |
| <b>1.3 Stops With</b> | A transmitted and filed reviewed valuation.   |

**2. Trust Business Objectives** *Identify the Comprehensive Trust Model strategic goals and business objectives to which this process contributes.*

|   |
|---|
| <b>Goal/Objective</b>   |
| Goal 4: Land and natural resources management that maximizes return while meeting beneficiary desires.  |
| Objective 4.3 Land and natural resource asset business management: Manage land and natural resource assets effectively and proactively to obtain fair market value for beneficiaries and to incorporate beneficiary requirements. |
| Objective 4.4 Appraisals: Obtain appraisal information, as needed, on trust and restricted lands for tribal and individual Indian owners, using methods and techniques that meet professional standards.                          |

**3. How should Beneficiaries be involved in this process?**

|  |
|--|
| <b>Beneficiary Involvement</b>   |
| Beneficiaries are usually not in contact with the appraiser. A potential for a conflict of interest exists, so interaction should be prudent. However, sometimes it is helpful to contact the landowner for additional information, such as directions to the site or to ascertain the condition of property improvements, such as well and septic systems. USPAP requires that an appraiser decline an appraisal request if he or she believes a perceived conflict of interest could arise.<br><br>A beneficiary could submit an appraisal review request. Appraisal review is an inherently federal function; therefore, OAS completes all reviews of appraisals completed on Trust property. |



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**4. Organizations, Offices and Roles.** *Identify the DOI organizations and related roles that should be involved in performing the process.*

**4.1 DOI Organizations.** *Identify the DOI organizations, offices and individual roles that contribute to this process. DOI organizations include the Office of the Secretary, BIA, OST, BLM, MMS, OHA, among others. Offices include Central Offices, Regional Offices, Agency (Field) Offices, etc. All individual roles that contribute, in a significant manner, should be identified.*

| Organization                         | Office                                 | Role | Contribution   |
|--------------------------------------|--|------|--|
| Tribes                               | Tribal Office                          |      | May contract or compact the valuation function.  |
| Tribes<br>Tribal/Allottee Consortium | Tribal Office                          |      | Submit a request for valuation services.   |
| BIA                                  | Regional Office<br>Agency/Field Office |      | Participate in determination of appropriate valuation method.<br><br>Formally submit a request for valuation services.<br><br>Receive valuation report, record received date.<br><br>Retain the original valuation report in the case file.  |
| DOI National Business Center         | Office of Appraisal Services           |      | Participate in determination of appropriate valuation method.<br><br>Provide valuation services as required.<br><br>Receive an official request and evaluates existing valuations. If a valuation service is required, assign the request to the appropriate person to produce a report.<br><br>Perform a review, or provide a consultation statement.<br><br>Maintain a list of potential certified "for fee" appraisers. Prepare and |



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| Organization                 | Office                       | Role | Contribution   |
|------------------------------|------------------------------|------|--|
|                              |                              |      | <p>advertise Requests for Quotation, receives bids. If a contracted appraiser will be assigned, prepare the statement of work and requisition, estimate the cost, and work with the Contracting Office to negotiate contract terms and conditions.</p> <p>Receive a completed valuation report; assign the report to an appraiser for review; approve or reject the reviewer's recommendation.</p> <p>May personally perform a review.</p> |
| DOI National Business Center | Office of Appraisal Services |      | <p>Produce a land and natural resources valuation or provide a consultation statement.</p> <p>Provide sand, gravel, mineral, oil or gas deposit valuations for conveyances.</p> <p>Provide coal deposit valuations for conveyances.</p>  |
| DOI National Business Center | OAS Regional Office          |      | <p>Receive a completed valuation report; perform a technical review.</p> <p>Recommend approval or rejection of the report. Attach a review statement to all contracted valuations.</p> <p>Provide sand, gravel, mineral, oil or gas deposit valuation reviews for conveyances.</p> <p>Provide coal valuation reviews for conveyances.</p>  |



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| Organization                 | Office                              | Role | Contribution   |
|------------------------------|-------------------------------------|------|--|
| DOI National Business Center | Office of Appraisal Services        |      | Record transmittal date; deliver approved valuation to the requestor.<br><br>Transmit sand, gravel, mineral, oil or gas deposit valuations to the requestor for conveyances.<br><br>Transmit coal valuations to the requestor for conveyances.<br><br>Retain a file copy of the report.<br><br>Update the request tracking system.                                   |
| BIA                          | Regional Office Agency/Field Office |      | Provide timber valuations.<br><br>Transmit timber cruise valuations to the requestor.  |
| BIA                          | Regional Office Agency/Field Office |      | Review timber valuation prepared by a BIA Agency Forester.   |
| BIA                          | Regional Office Agency/Field Office |      | Provide subject matter expertise.  |
| BLM                          | State Office                        |      | Provide sand, gravel, mineral, oil or gas deposit valuations for leasing activities.<br><br>Provide sand, gravel, mineral, oil or gas deposit valuation reviews for leasing activities.<br><br>Transmit sand, gravel, mineral, oil or gas deposit valuations to the requestor for leasing activities.<br><br>Provide coal deposit valuations for leasing activities. |



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| Organization                 | Office                    | Role | Contribution  |
|------------------------------|---------------------------|------|---|
|                              |                           |      | Provide coal valuation reviews for leasing activities.<br><br>Transmit coal valuations to the requestor for leasing activities. |
| BLM                          | State Office              |      | Provide subject matter expertise.   |
| MMS                          | State Office              |      | Provide valuations in connection to their audit function.   |
| DOI National Business Center | OST Contracting Office    |      | Prepare and advertise Requests for Quotation, receive bids.<br><br>Review and issue contracts for appraisal services.           |
| BIA                          | Agency or Regional Office |      | If full tract appraisal is completed on property with an undivided ownership interest, divide interest between the owners.      |

**4.2 External Organizations.** *Identify the non-DOI organizations that support the execution or control of this process.*

| External Organization | Contribution                                    |
|-----------------------|---|
| "For Fee" Appraiser   | Produces a land and natural resources valuation |



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**5. Event(s)** *Identify the events or conditions that start the process. Describe each event and indicate the frequency (daily, monthly, quarterly, etc.) in which each event is expected to occur. An event may be an external interaction (a beneficiary submits an application), the expiration of a period of time (a lease is due to expire in 90 days), or the realization of some pre-defined threshold (an IIM account reaches the automatic disbursement threshold).*

| Event   | Description   | Estimated Frequency |
|---|---|---------------------|
| A beneficiary, BIA Roads or other federal agency requests a valuation | An official request is submitted in the form of an application, tribal resolution, approved tribal council minutes or written memo from another federal agency. |                     |
| BIA agency or regional staff requires a valuation                     | This would usually be a request for a site-specific valuation.  |                     |
| DOI initiates a wide-area planning project                            | Program area valuations of land and natural resources included in the plan are required.  |                     |
| A valuation review is requested                                       | An official request form is submitted with the valuation report.  |                     |

**6. Inputs and Outputs.** *Identify and describe all inputs and outputs related to this process. Inputs are information or materials used during the execution of the process; outputs are materials or information produced by the process.*

**6.1 Inputs**

| Input   | Description   |
|---|---|
| Previous valuations   | Mineral valuations from BLM and OST/OAS, and MMS and timber cruise valuations from BIA. OAS keeps appraisals on file indefinitely. USPAP requires a minimum of 5-year retention, but the US Government considers all appraisals to be part of the permanent Trust record.   |
| Governmental (federal, state, county, local and Tribal) regulations and rules | For example, grazing lease regulations will allow for a rent study rather than a full appraisal.  |
| Requestor's land and natural resources intended uses                          |   |
| Official request package  | A request for a valuation produced by a specific methodology or for a valuation review. Most frequently, the request includes the BIA Agency Superintendent's or his/her designee's approval and signature. Standard valuation request form developed by OAS and supporting documentation is included in the package. |



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| <b>Input</b>                                 | <b>Description</b>  |
|--|---|
| Supporting documentation                     | May include: <ul style="list-style-type: none"> <li>- Proposed or Previous Lease/Sale Documents</li> <li>- Historical Sales/Pricing Data</li> <li>- Tribal Resolutions and Regulations</li> <li>- Planning and Zoning Ordinances</li> <li>- Economic Development Plan</li> <li>- Neighborhood Economic Data</li> <li>- Environmental Impact Statement</li> <li>- Restrictions</li> <li>- Full Chain of Title</li> <li>- Probate Order</li> <li>- TSR</li> <li>- Improvements Documents</li> <li>- Transactions History and Associated Prices</li> <li>- Previous Appraisals</li> <li>- Long Range Transportation Plan</li> <li>- Market Studies</li> <li>- Field Work</li> <li>- Interviews</li> <li>- Maps (Topo, soil, etc.)</li> <li>- Survey</li> <li>- GIS Data</li> <li>- Timber Cruise</li> <li>- Minerals Valuation</li> <li>- Land Use Plan</li> <li>- Land Use Change Notice</li> <li>- 5-Year Cropping Plan</li> <li>- Farm Plan</li> <li>- Soil Conservation Plan</li> <li>- Forest Stand Exam</li> <li>- Forestry Soils Information</li> <li>- Range Management Plan</li> <li>- Forest Management Plan</li> <li>- Crop Yields</li> <li>- Assessor's Parcel Number</li> <li>- Approved Subdivision Plan</li> <li>- Continuous Forest Inventory</li> </ul> |
| Directory of OAS Staff & Contract Appraisers | A list of OAS staff and contract appraisers from which the Regional Appraiser can select the person(s) to be assigned to an appraisal based on availability, experience and competence  |

**6.2 Outputs**



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| Output                              | Description  |
|-------------------------------------|--|
| Transmitted and filed valuation     | A transmitted and filed appraisal report, feasibility study, investment analysis, or other document indicating the determined value of the land and natural resources to be encompassed in the plan. |
| Rejection notice / review statement | If a valuation is rejected after review, a rejection notice is provided to the review requestor.   |
| Contract for appraisal services     | A contract for one or more outside appraisers to perform an appraisal.   |
| Consultation statement              | Consultation statement provided indicating a potential range of value, rather than site-specific information.  |

## 7. Fiduciary and Legal Obligations and Controls

### 7.1 Obligations

*Identify and describe the legal and fiduciary obligations that impact this process. For each obligation, indicate the document or commitment that defines the obligation and the citation (paragraph or section) within the document that pertains to this process.*

| Obligation              | Source | Business Impact |
|-------------------------|--------|-----------------|
| See Schedule 1 Attached |        |                 |

### 7.2 Controls

*Identify and describe any controls (enforcement mechanisms) that may be used to ensure that the process adheres to obligations and internal process requirements. Controls may be reviews, audits, segregated duties, etc. Indicate the reason that each control should be introduced (name the obligation that a control is intended to enforce; indicate any controls required to ensure consistency or reliability).*

| Control                              | Reason  | Description  |
|--------------------------------------|---|--|
| Regional Appraiser Approval          | Request may be postponed or canceled if pertinent information and documentation is missing from the request packet. | Regional appraiser reviews and approves the request before assigning an appraiser.   |
| Senior Appraiser / Appraiser Trainee | Checkpoint  | An experienced appraiser supervises and mentors appraiser trainee.   |
| Continuing Education Requirements    | Required per USPAP and state licensing agencies.  | Included in position description for certified appraisers. Uncertified appraisers are encouraged to complete the certification requirements. |



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| Control                     | Reason  | Description  |
|-----------------------------|---|--|
| Valuation Report Signature  | Meets USPAP requirements and/or standards.  | Appraiser assumes ownership of the determined value.   |
| Contracting Document        | If a contracted appraiser performed the appraisal, the contract spells out the terms of the engagement and the Statement of Work. | Document authorizing the performance of work and payment for those services between a contracted appraiser and OAS or a tribe.                 |
| Appraisal Handbook          | Ensure consistency. A set of guidelines for developing and reporting opinions of value of Trust properties.                       | Internal control document produced by the BIA while appraisers were part of BIA. The Handbook is in draft form and is currently being revised. |
| Valuation Review Signature  | Meets inherently federal function requirements  | Reviewer signs his/her valuation review.   |
| Regional Appraiser Approval |   | Regional Appraiser signs valuation review before forwarding to client.   |

**8. Mechanisms (Systems of Record)** *Identify the mechanisms, or systems, that are needed to support the process (ex: Ownership, Leasing, Workflow Management, Office Filing System, etc.). Indicate the information and activities, relevant to this process, that each system supports.*

| System Name             | Support  |
|-------------------------|--|
| Workflow tools          | Routing requests and approvals.  |
| Integrated data         | Accurate data, easily retrievable, is essential to the production of a valuation. Examples of data include encumbrances, zoning, BIA land inventory, and lease and ownership data.   |
| Skills Inventory        | Personnel data including staff competencies, location and availability to help establish a planning team with the appropriate expertise.   |
| Request tracking system | Sequential numbering system and date stamp to record valuation status.   |
| Internet access         | Comparable Data Systems: Local sources of real estate lease and sales information.<br><br>MAPTECH: Free site where topographical maps can be downloaded.<br><br>State Websites: Free websites where aerial maps, soils, roads, livestock and water information, can be downloaded.<br><br>Aerial Photograph Files: Can be purchased from 3 <sup>rd</sup> party sources or BLM. |



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| System Name                 | Support   |
|-----------------------------|---|
| Imaging                     | The ability to scan hardcopy documents into a digital format. Examples of documents include completed plans, leases and contracts, tribal documents and contracted valuations.  |
| Geo-spatial referenced data | The ability to drape aerial photography, digital elevation models, or satellite imagery resource data over survey measurements and boundary lines. Ability to manipulate and retrieve GIS functionality; e.g., legal descriptions and trust allotment or tract numbers. |
| Automated valuation model   | Computerized valuation of undivided ownership interests in Trust real property.   |

**9. Inter-Process Relationships** *Identify other trust processes that are related to this process (either predecessors or successors). If applicable, indicate the condition under which the processes are related.*

**9.1 Predecessors.** *Predecessors are processes that either produce information required by this process or that result in the need to execute this process.*

| Process No. | Name                    | Condition of Relationship  |
|-------------|-------------------------|--|
| B.2.4       | BRDM: Transfer Requests | Receive a request for a valuation from a beneficiary.<br><br>Receive a request for a valuation review from a beneficiary, another federal agency or third party. |

**9.2 Successors.** *Successors are processes that either use information produced by this process or that must be executed as a result of performing this process.*

| Process No. | Name                                     | Condition of Relationship   |
|-------------|--|---|
| B.3         | BRDM: Communicate Information            | Acceptance or rejection notification of a valuation after DOI review to be communicated to a beneficiary.<br><br>An approved valuation is ready for distribution. |
| UM.1.1      | LRUM: Establish Management Unit Baseline | An approved management unit or site-specific valuation is ready for implementation.   |
| O.3.1       | Prepare Probate Case                     | Approval or rejection notification of a probate-related valuation after DOI review.   |



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| Process No. | Name                                       | Condition of Relationship   |
|-------------|--|---|
| O.3.2       | Adjudicate                                 | Probate valuation requested by ALJ is transmitted to OHA.   |
| O.1.1       | Receive and Review Application Request     | Approval or rejection notification of a conveyance-related valuation after DOI review.                              |
| P.2.1.1     | Request Resources                          | In order to set the budget for the planning project, the scope of the valuation to be completed must be considered. |
| P.2.2.2     | Collect Pertinent Data                     | Data from an approved wide-area valuation will be included in the development of the macro-level plan.              |
| P.3.1       | Coordinate and Deliver Planning Assistance | Data from an approved wide-area valuation will be included in the development of the beneficiary-developed plan.    |

**10. Comments** *Summarize any discussion, problems, issues or recommendations that should be considered when reviewing process performance. Category Values (Note, Best Practice, Decision, Problem, Issue, Recommendation)*

| Category       | Comment   |
|----------------|---|
| Note           | On August 29, 2003 the Appraisal Foundation Report was received   |
| Recommendation | Revise the appraisal and realty handbooks to include: <ul style="list-style-type: none"> <li>a. Minimal valuation requirements for each type of Trust transaction that is acceptable, reliable and accurate</li> <li>b. Directives that affect valuations</li> <li>c. Minimal requirements for request submittal for each valuation method</li> </ul> |
| Recommendation | All valuation requests initiated at the local level (e.g., Agency or Reservation), even those from BIA Roads, should route through a BIA Agency Realty Officer acting as designee for the Superintendent. Requests initiated at the regional level do not need to route through an Agency.  |
| Recommendation | A list of pre-approved appraisers/valuation specialists should be prepared by OAS and made available to parties that may choose to contract for valuation services.   |
| Recommendation | 638 contracts should include Regional Appraiser pre-approval of those who will conduct appraisals.  |



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| <b>Category</b> | <b>Comment</b>   |
|-----------------|--|
| Recommendation  | Rights-of-way applicants usually provide an appraisal to support their offer. OAS should ensure that all valuations of rights-of-way over Trust lands are performed following generally accepted industry methods and within the scope of work expected from peers in the private sector and other federal agencies. |
| Recommendation  | Develop a schedule of rates for simple, unobtrusive transactions. The schedule could be consulted in lieu of requesting a valuation in the appropriate instances.  |