



Title: Create Trust Funds Receivable	Process Number
<i>Identify the process in the "Verb Noun" format. (Ex: Maintain Ownership)</i>	FO.1.1a

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

1.1 Starts With	Complete a commitment of funds.
1.2 Process Overview	<p>A trust funds receivable entry is created in the funds receivable system. A commitment of funds from trust assets triggers the funds receivable to be established and/or updated. Examples of commitment types include:</p> <ul style="list-style-type: none"> • Leases, such as agricultural, commercial and timber sales • Probate settlements • Sales of land • Purchases of land • Judgments • Easements • Rights of Way • Permits <p>Whoever sets up the commitment is responsible for updating the financial data in the funds receivable system and maintaining the accuracy of the data. At a minimum, a funds receivable entry contains the following:</p> <ul style="list-style-type: none"> • Commitment ID – system generated unique identifier of commitment • Commitment type – see list above • Commitment description – unique description of commitment • Allotment numbers of tracts involved • Payor information – name, address, etc. • Related accounts – escrow account, administrative account, etc. • Effective date – date commitment is signed • Termination date – date on which the commitment ends (a payment may still be due after this date) • Amount due – amount to be paid either one time or on a regular basis • Frequency – one time, monthly, quarterly, etc. • Billing date • Due date • Collected amount • Penalties – late payment, violation of agreement, etc. <p>For land use contract commitments, the terms and conditions entered in the leasing system by a realty specialist automatically populates the funds receivable system, creating an entry in the payor's file. However, anticipated receipts from some production-based contracts, such as crop share and timber contracts, are difficult to project, so the contract terms and payor information are set up in the receivables system when the operator actually begins production at the site and money due is recorded only when money is received. Receipts due from mineral contracts will not be recorded in the trust receivables system, but will continue to be managed by MMS.</p> <p>The funds receivable entry is updated with the amount due when a payor is invoiced or funds collected. The tract identification numbers for the land included in the contract interface with ownership information which interfaces with the trust accounting system so that receipts and distributions against the contract</p>



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	<p>can update the appropriate beneficiary accounts. If the land use contract income is generated from trust assets held in a life estate, then the distribution of money between the life estate (principal) and the remainderman is automatically calculated in accordance with the New Mexico Uniform Principal and Income Act.</p> <p>If the direct pay option is selected by a tribal beneficiary, a receivables file will still be created, an invoice generated to the payor, and proof of payment recorded in funds receivable.</p>
1.3 Stops With	A trust funds receivable entry is created or updated.

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

Goal/Objective	
	Deposit and post funds to the appropriate accounts in a timely and accurate manner within applicable standards.

3. How should Beneficiaries be involved in this process?

Beneficiary Involvement	
	No direct beneficiary involvement in the process. However, beneficiaries are the account holders to which trust-related receipts are credited.

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, OSM 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
BIA	Agency/Field Office		<p>Enter land use contract terms and conditions and payor information in the leasing system so that the funds receivable system will update.</p> <p>Create funds receivable entry for conveyances and probate settlements.</p> <p>Direct payors to send money due to the lockbox.</p>



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Organization	Office	Role	Contribution
OST	Trust Field Operations		Create fund receivable entry for anticipated atypical receipts, such as judgment funds and other non-recurring receipts.
OST	Trust Services, OTFM		Generate and deliver invoices and remittance advice to payors.

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

External Organization	Contribution
Payors, such as ranchers and farmers who lease trust land	Receive invoice and remittance advice (payment coupon).

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 commitment of funds is made	A land use contract is completed and approved. A production-based contract begins producing. Receipt of atypical funds is anticipated.	Daily

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
A commitment of funds	Funds due from commitments, such as land use contracts, probate settlements, judgments, and funds due from other federal agencies or Treasury.
Funds receivable account	Payor accounts created to record payments due and money received.



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Input	Description
Ownership and distribution information	Ownership information that lists those with an ownership interest in trust assets and those with a financial interest in trust receipts and disbursements. When land use contract payments are received, the funds receivable system interfaces with the leasing system and matches the commitment ID on the remittance coupon with tract IDs which interface with ownership records in the title system in order to identify the account holders who have a financial interest in the incoming funds.

6.2 Outputs

Output	Description
Funds receivable entry	The documentation of funds due from commitments that is created in the funds receivable system. For land use contracts, terms and payor information is entered when the contract is finalized and the receivable entry is booked when a payor bill is generated and/or money is collected.
Payor invoice and remittance advice	Bill and payment coupon for money due on commitments. May include penalties and late fees due.

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
Regulations for carrying out the duties to manage and administer trust assets	25 CFR 115	Guidelines for management of trust funds for tribes and individual Indians.
Leasing on trust assets related to bonuses, damages and fees	25 CFR 211.24	Regulation concerning deposit of funds.
Rights of Way: compensation for granting of easements and deposits for survey damages	25 CFR 169.14	Regulation concerning deposit of funds.
Protect the value of a depletable asset	New Mexico Uniform Principal and Income Act	Gives the trustee authority to allocate money earned from a trust land use contract between the life estate and the remainderman.



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Obligation	Source	Business Impact
Freedom of Information Act (FOIA)	5 USC 552	Provides specifically that "any person" can make requests for government information. Citizens who make requests are not required to identify themselves or explain why they want the information they have requested. All branches of the Federal government must adhere to the provisions of FOIA with certain restrictions for work in progress (early drafts), enforcement confidential information, classified documents, and national security information.
Privacy Act of 1974	5 USC 552 (a)	Protects information pertaining to individuals.

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
Generally Accepted Accounting Principles (GAAP)	Ensure that financial records meet industry standards and are auditable.	Accounting industry standards.
Federal Financial Accounting Standards	Ensure that financial records meet federal standards and are auditable.	Financial standards issued by the Federal Accounting Standards Advisory Board.
Federal Manager's Financial Integrity Act 1982 (FMFIA)	Ensure compliance with the requirements of internal accounting and administrative controls.	Federal financial standards.
DOI Accounting Handbook	Ensure standard department accounting practices.	Detailed desk procedures that include identified service standards and management overview to ensure service standards are met.
Interagency Handbook	Ensure that the distinctions between the BIA and OST responsibilities are defined, understood and followed.	Define roles and responsibilities of OST and BIA.
Risk assessments	Ensure that risks are understood and mitigated as much as possible.	Measurement of quality assurance.



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Control	Reason	Description
Reconciliation of accounts	Ensure that accounts are in balance.	Analysis of account balances.
Service levels	Performance management.	Agreed upon allowable time limits for performing tasks, such as funds deposit and posting.
Audits	Ensure adherence to policies and procedures and that an audit trail is intact.	Analysis, adjustment of accounts. May include a certification of accuracy from a non-prejudiced accounting professional.
An internal audit control function is in place following OCC requirements to monitor processes	DOI consults with OCC to develop trust standards and regulations to ensure compliance with stated objectives.	Office of Controller of the Currency (OCC) - Regulation 9. Government financial standards.
Month-end unit reconciliation includes an aging process	Identify and clear exceptions within specified timeframes. Exceptions older than the stated standard are reviewed by a senior manager.	Internal control procedure.
Peer review, sampling, management control review and quality assurance	Ensure consistent adherence to financial procedures and accuracy of accounting entries.	Internal audits and checks.

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
Trust Financial Accounting System (TFAS)	Technology that applies receipts, distributions and disbursements to the appropriate beneficiary and escrow accounts. An escrow tracking module is also included.
Funds receivable system	Technology that tracks payor commitments of funds, such as leases, judgment awards, sales, probate settlements, and receipts against those commitments. A cash management module that allocates projected and actual receipts to and from beneficiary accounts is also included.
Leasing system	Technology, such as TAAMS Realty, that maintains land use contracts.



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System Name	Support
Title system	Technology, such as TAAMS Title, that maintains ownership information including those with an ownership interest in trust assets and those with a financial interest in trust receipts and disbursements

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.6.3.1	Beneficiary Account Administration	Perform beneficiary account maintenance as needed.
B.6.3.2	Receivable Administration	Determine atypical monies due, such as judgments and probate settlements.
UM 2.6	Approve Land Use Contract	Perfect a land use contract.
UM 2.7	Administer Land Use Contract	Modify a land use contract.
O.1.5	Close Transaction	Close a conveyance transaction.
FO.1.4	Impose Penalties and Generate Notices	Funds receivable and beneficiary account is updated with penalties and interest due on under and late receipts. Deficient and delinquent payors are sent remittance coupon for penalties and interest due.

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
FO.1.2	Receive and Post Trust Funds	Monies are received against a commitment of trust funds created in the funds receivable system.
FO.2.1	Review Accounts and Investment Options	Projected receipts are available for cash management review.
FO.3.3	Reconcile Pre-Disbursement Exceptions	Trust funds that are projected to be received before the scheduled disbursement date but have not been received yet.



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Process No.	Name	Condition of Relationship
FO.5	Reporting and Statements	Funds receivable information is available for inclusion in the beneficiary account statements.

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
Recommendation	An automated billing numbering sequence is needed.
Issue/Recommendation	Small dollar accounts: 1) Educate account holders to plan for spending, especially the minor accounts, so that in certain years they can withdraw all the money and close the account; or 2), Project the future income using the fund receivable system.