



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

Title: Disburse Funds <i>Identify the process in the "Verb Noun" format. (Ex: Maintain Ownership)</i>	Process Number FO.3.4
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1. Process Definition *Provide an overview of the process and define its starting and ending points*

1.1 Starts With	Reconciliation of requested disbursements with account balances whenever possible.
1.2 Process Overview	A payout is included in the daily disbursement cycle either by schedule of automatic payment or ad-hoc request. The trust accounting system confirms that the account balance can meet the disbursement request. If the criteria are met, the disbursement is included in the cycle. Checks or electronic payments with description are sent to beneficiaries or other authorized payees. Royalty disbursements are issued with an Explanation of Payment (EOP) per statute.
1.3 Stops With	Payment to a beneficiary or authorized payee.

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

Goal/Objective
To disburse funds in a timely, accurate, effective and efficient manner.

3. How should Beneficiaries be involved in this process?

May be the recipient of a disbursement. May report non-receipt of payment.
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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, 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
OST	Trust Services		Provide Treasury with information to generate electronic disbursements. Print checks. Send checks or electronic payments to payees.



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

External Organization	Contribution
Treasury	Release funds for disbursement.
Payees	Receive disbursed funds or report non-receipt.

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 account reaches the automatic payout threshold	A threshold at which funds are disbursed.	Daily
Requested disbursement date is reached	A specific date on which funds are to be disbursed.	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
Account balances	Trust and non-trust funds available for disbursement.
Funds payable entry	Files created by program office or integrated servicing office required to disburse funds.

6.2 Outputs

Output	Description
Payee checks	Hardcopy disbursements to payees.
EFTs or other forms of electronic payment	Electronic disbursements or transfers to payees.



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Output	Description
Explanation of Payment (EOP)	Royalty revenue disbursement explanations.
Check register	Details of checks issued.

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 relate 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.
Intra-governmental accounting guidance	Treasury regulations	Disbursing authority. Safeguarding and disposal of check stock.
Federal Oil & Gas Royalty Management Act (FOGRMA)	PL 97-451 Section 105 (a)	Requirements for royalty Explanation of Payment (EOP).
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.



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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.
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.
Peer review, sampling, management control review and quality assurance	Ensure consistent adherence to financial procedures and accuracy of accounting entries.	Internal audits and checks.
Reconciliation	Ensure that accounts are in balance.	Reconcile disbursement balance to subsidiary accounts.
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.
Service levels	Performance management.	Agreed upon allowable time limits for



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Control	Reason	Description
		performing tasks, such as funds deposit and posting.
Risk assessment	Ensure that risks are understood and mitigated as much as possible.	Measurement of quality assurance.
Segregation of duties	Ensure dual control such as ensuring that the disbursement request is processed and verified to match the original request.	Functions of submitting and approving disbursements, creating the system request, approving the disbursement and printing and mailing the disbursement check.
Pre-determined approval and submission amount thresholds	Ensure approval amounts are not exceeded.	Internal control procedures.

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
Funds payable system	Technology system that records scheduled and actual disbursements from trust and trust-related accounts to beneficiaries or third parties. A cash management module that allocates projected and actual disbursements to and from beneficiary accounts is also included.
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.

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
FO.3.3	Reconcile Pre-Disbursement Exceptions	Pre-disbursement exceptions have been resolved and will be paid out on the scheduled disbursement date.



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Process No.	Name	Condition of Relationship
FO.1.2a	Receive and Post Trust Funds	Monies are automatically disbursed to the beneficiary when received.
FO.1.2b	Receive and Post Non-Trust Funds	Monies are automatically disbursed to the beneficiary when received.

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.3.6	Reconcile Deficiencies	Requests that could not be processed will be reviewed.
FO.3.7	Generate Report	Monies that have been disbursed will be included in the disbursement report.

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
	None