



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

Title: Manage Land Use Contracts	Process Number UM.2
<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*

1.1 Starts With	Complete a plan for Management Unit land use, obtain beneficiary consent to proceed with contracting and determine the terms and conditions for the land's use.
1.2 Process Overview	<p>This process includes the advertisement or negotiation, processing and approving of land use contract applications. The land use applications are reviewed for completeness and compliance with necessary requirements. Information for financial terms is prepared and sent electronically to financial operations during the pre and post contract activities. The administration of the land use contract may involve modification to the contract. The land use contracts are closed by either natural expiration of the terms or by an enforcement activity.</p> <p>For a detailed explanation of this process, see the following:</p> <ul style="list-style-type: none"> UM.2.1 Solicit land Use Contracts UM.2.2 Award Tribal Enterprise UM.2.3 Perform Tribal Allocation UM.2.4 Conduct Bidding UM.2.5 Negotiate Land Use Contract UM.2.6 Approve Land Use Contract UM.2.7 Administer Land Use Contract UM.2.8 Close Land Use Contract
1.3 Stops With	The closure of a land use contract.

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

Goal/Objective
GOAL 4: LAND AND NATURAL RESOURCES MANAGEMENT THAT MAXIMIZES RETURN WHILE MEETING BENEFICIARY DESIRES
OBJECTIVE 4.1: LAND AND NATURAL RESOURCE ASSET PLANS AND STEWARDSHIP STRATEGIES Develop Land and natural resource asset plans and stewardship strategies.



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Goal/Objective
OBJECTIVE 4.2: PRESERVATION AND PROTECTION OF LAND AND NATURAL RESOURCE ASSETS Preserve and protect the long-term viability of Land and natural resource assets consistent with fiduciary duties and with the beneficiaries' intended use of the as-sets.
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?

Beneficiary Involvement
<p>A beneficiary may provide input on the format and content of land availability advertising.</p> <p>A beneficiary may advertise available land on his/her/their own behalf.</p> <p>A beneficiary may be involved in the negotiation of a land use contract.</p> <p>A beneficiary may have use of their allotment and in some cases be required to have a contract in order to pay other interest holders.</p> <p>A beneficiary may need to provide a signature or power of attorney to authorize the completion of the land use contract.</p>

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 or Regional Office		Assess idle lands. Prepare advertising content, notice content and materials for publication. Qualify lessee/ operator by



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Organization	Office	Role	Contribution
			<p>reviewing credit references and operator history reports.</p> <p>Prepare receipt encoding information.</p> <p>Receive application from potential lessee/operator.</p> <p>Ensure that application package is complete and that all required supporting documentation is included.</p> <p>Image or electronically submit application and supporting documents.</p> <p>Review allocation applications and prepare them for tribal allocation action.</p> <p>Review tribal actions to ensure conformance with management unit requirements.</p> <p>Conduct bidding.</p> <p>Collect bids.</p> <p>Recommend for or against the apparent high bidder.</p> <p>Approve the apparent high bidder.</p> <p>Conduct contract negotiations.</p> <p>Collect and record initial remittance.</p> <p>Complete remittance coupon and submit coupon and money to lockbox.</p> <p>May manage and track non-trust funds.</p> <p>Review IMDA agreements as presented by a Tribe.</p> <p>Send IMDA agreements to BLM and MMS for review.</p> <p>Provide line official approval of</p>



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Organization	Office	Role	Contribution
			<p>specified use agreements.</p> <p>Supply notice to interested parties regarding decision.</p> <p>Ensure use contract is recorded.</p> <p>Prepare Integrated contract data.</p> <p>Review proposed changes to the land use contract.</p> <p>Determine the status of bonds, rental rates and determine if modifications are needed.</p> <p>Review events that may trigger land use contract modifications and route as appropriate.</p> <p>May decide a land use contract warrants closure.</p> <p>Review the closure of a land use contract.</p> <p>Update the available land use listing.</p>
OST	Agency or Regional Office		<p>Verify to the agency that the lockbox payment has been received for same day land use contract perfection.</p> <p>May assist in facilitating lease negotiations on behalf of the beneficiary.</p> <p>Receives application from potential lessee/operator. Images or electronically submits application and supporting documents ensuring that application package is complete and that all required supporting documentation is included.</p> <p>May review use agreement package for high-risk land use</p>



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Organization	Office	Role	Contribution
			contract transactions.
BIA	Regional Office		May review and provide opinion for high-risk use agreements. Provide line official approval of most commercial/business use agreement over 25 years.
BIA	Program Office		Decide final tribal enterprise awardees. Coordinate the process of award with the tribe and the awarded tribal enterprise.
BIA	Field Office		Review IMDA agreement terms.
BIA	Central Office Economic Development		Provide direction on what areas should be promoted or advertised.
DOI	Appraisal Office		Review needed valuation adjustments for long term leases if required by the contract.
Consortium	Service Provider		Prepare advertising content, notice content and materials for publication. Prepare receipt encoding information. Collect and record initial remittance. Complete remittance coupon and submit coupon and money to lockbox. Receive application from potential lessee/operator. Ensure that application package is complete and that all required supporting documentation is included. Image or electronically submit



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Organization	Office	Role	Contribution
			<p>application and supporting documents.</p> <p>Qualify lessee/ operator by reviewing credit references and operator history reports.</p> <p>Investigate all aspects of the use agreement. Provide investigative findings in a recommendation report.</p> <p>Conduct negotiations.</p> <p>Prepare integrated contract data.</p> <p>May decide a land use contract warrants closure.</p> <p>Record the closure of a land use contract.</p> <p>Update the available land use listing.</p>
Tribe	Business Arm Economic Development Office		Provide direction on what areas should be promoted or advertised.
Tribe	Tribal Office		Review events that may trigger land use contract modifications and route as appropriate.
Tribe	Program Office		<p>Exercise "First Right of Refusal" /"Right to Meet High Bid" in the form of a resolution.</p> <p>Award land use contract to a tribal enterprise.</p> <p>Allocate land use contract to qualified tribal members.</p> <p>Provide input to the bid process as necessary.</p> <p>Conduct bidding on their own behalf.</p> <p>Negotiate agreement with company(s) and present to BIA</p>



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Organization	Office	Role	Contribution
			<p>for approval.</p> <p>May ask the Secretary for advice, assistance and information in negotiating the agreement.</p> <p>Review proposed changes to the land use contract.</p> <p>Determine the status of bonds, rental rates and determine if modifications are needed.</p>
MMS	Regional Office		<p>Review proposed IMDA agreement (30 days minimum timeframe) in order to ensure that MMS can collect and audit funds as appropriate. (Tripartite MOU)</p>
BLM	State		<p>Assist during negotiations if asked per MOU.</p> <p>Review proposed IMDA agreement (30 days minimum timeframe) in order to ensure that BLM maintains approval authority for operations and can inspect operations according to regulations, orders, etc.</p>
OSM	Field Office		<p>Assist during negotiations for coal if asked per MOU</p>
Compacted or Contracted Tribe	Program Office		<p>Perform all DOI functions except those considered inherently federal.</p>

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

External Organization	Contribution
Media Organization (e.g. internet sites, newspapers, periodicals, trade magazines)	Provide media to accommodate the land advertisement.



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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
Land Availability	Land use contract cancellation, renewal or planned MU development	
Management Unit Plan Finalized	Includes Land description and FMV representation.	
Receive application for planned LRN use.	Application includes checklist requirements to be fulfilled by the potential permittee/lessee/operator including supporting documents required to qualify the application.	Always
Final land use contract has been compiled and submitted for review and approval.	Land use contract package is complete with all documentation to support the transaction including all necessary investigations performed accompanied by finding of fact as well as a recommendation for or against the transaction by the program officer/specialist.	Always
Approval of Land Use Contract		
Rental rate review	Contract rental rates may need to be reviewed for long term leases in accordance with the contract terms.	
Receive request to modify use agreement	The lessee or landowner may make a request to perform a modification to the existing land use contract.	
Change to a rental rate	Periodic adjustments may be made to the land use contract as provided for within the terms and conditions of the land use contract	
Changes in land status	During the tenure of a land use contract, there may be land changes affecting the amount of acres that is part of the contract and would also cause changes to annual rental.	



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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
Management Unit Plan	Resources inventories, status, estimated FMV, necessary valuations, Land use history. Identifies the attributes and condition of the Management Unit to be marketed.
Tribal Preferences	Tribal priorities for applicants and requirements for Land use
Officers Report	Indicates the appropriateness for the sale of a natural resource
Set Values	Determines the Land use contract values for a specific program use
Application/proposal	Includes Land identifier, eligibility status
Qualification Checklist	Supporting documentation required to complete the application package and may include articles of incorporation, powers of attorney, signing authority, references, business license, operators license, eligibility documents (CIB, census number).
Land Improvement Plan	Details potential lessee plans for improvement or development of Land.
Conservation plan of operations	Details necessary use requirements that may need to be included in the terms and conditions of the Land use agreement.
Operator history listing	Listing of individuals/entities that are undesirable operators. (Indebtedness, failure to comply with contractual obligations during previous use agreements.)
Bid Proposal Package	Includes bid form, bid deposit received within the specified time period.
Use Program Plan	Resources inventories and status, estimated FMV, history,
Tribal Preferences	Tribal priorities for the approval of LNR use agreements
Updated Appraisal	Determination of value.



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6.2 Outputs

Output	Description
Competitive Advertisement	Advertisement requesting bid responses.
Advertisement	Advertisement for available Land use
Bid Opening Notification	Public notice providing the date of bid opening as well as the requirements for preliminary bid deposits.
Prospectus	Forestry - Contains contract information about the sale offer. Identifies location, volume, acreage, access, contract length, advertised value, bonding, and restrictions on exporting, merchantability specs, tribal ordinances, logging unit map, payment schedule, and restrictions on logging. (Is supplied upon request to potential bidder). Agriculture – contains a listing of Land with legal description, acreage, availability of water or other resources. Map of the area.
Forest Officer's Report	The timber sale package. Includes a narrative describing the project, the cruise report, appraisal, silvaculture (schedule of stand treatments, prescription, NEPA document, POA, contract and the maps of the area to be harvested.
Qualified Application Package	Includes qualified application all required documentation to support the proposed land use
Notification	All interested parties will be notified regarding the final decision. This notification will include a reiteration of appeal rights as required.
Financial terms and conditions	The electronic land use contract financial terms are sent via Integrated Data to Financial Operations for billing, collection and distribution.

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 attached Schedule 1		



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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
Tribal Preferences	External control	
Tribal Codes and Ordinances	External control	
Market Opportunity	External control	Depicts the appropriate timing and method of advertisement to assure optimal return on the prospective Land use.
IAMs	Internal control	
Handbooks and Manuals	Internal control	

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
Realty System	System should enable electronic development of advertisement and links to Land management unit availability and use requirement data derived at the management unit plan level.
GIS	System should enable links to integrate GIS data to create maps accompanying the advertisement. System should enable GIS capability to tract performance of the activity.
NIIMS	System should enable access to NIIMS (Nat'l Irrigation Information Management System) data for advertising purposes.
Internet	System should allow for electronic data access to current market valuations.



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9.0 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.6.2.3	Beneficiary Involvement for Land and NR Use and Management	Provide information and/or documentation gathered during discussions with the beneficiary.
P.1.4	Transmit Determination	A site-specific appraisal is used to determine fair market value for new land use contract proposals.
FO.1.2b	Receive and Post Non-Trust Funds	Bid deposits have been received and posted to a non-Trust account.
O.4.1	Record Approved Title Document	If a land use contract cannot be recorded in the Title database, it is returned for correction.
UM.1	Contract Preparation	Provide the types of land available for use and the use requirements.
UM.4.6	Reconcile Production Reporting	Production reports are reviewed and may necessitate modification to a land use contract.

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.6.2.3	Beneficiary Involvement for Land and NR Use and Management	Promote and advertise lands available for lease or permit. Assist in the facilitation and coordination of negotiations with or on behalf of the beneficiary. Assist with awarding a land use contract.
B.3	Communicate Information	The appropriate parties are notified when a land use contract is awarded or rejected.
B.6.3.1	Beneficiary Account Administration	Provide notification that a beneficiary account administration needs to be performed as a result of a land use contract.



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Process No.	Name	Condition of Relationship
FO.1.1a	Create Trust Funds Receivable	Upon approval of a land use contract, a funds receivable account is opened in the payor's name. If a land use contract is modified resulting in a revision to the contract terms, the funds receivable account is modified as well.
FO.1.1b	Create Non-Trust Funds Receivable	If an approved land use contract includes non-trust receipts, such as administrative fees, a non-trust funds receivable account is created in the payor's name. If a land use contract is modified resulting in a revision to the contract terms affecting non-trust receipts, the funds receivable account is modified as well.
FO. 1.2b	Receive and Post Non-Trust Funds	Money, such as first year rentals, required to perfect a land use contract will be billed to the payor.
FO.3.1	Create Funds Payable	Monies will be scheduled for disbursement against contract prepayments. Monies will be scheduled for disbursement against a land use contract, usually to a beneficiary. Monies to be disbursed will be revised in accordance with a contract modification.
P.1.1	Determine Appropriate Value	In cases where general appraisal provided in the Wide-Area planning process cannot be used for new land use contract proposals, a request will be initiated for a site-specific appraisal.
O.4.1	Record Approved Title Document	Submit a land use contract for recording in the Title database.
UM.4	Control LNR Use	Perform monitoring of leases and permits for compliance with terms and conditions of the contract including financial payments that may be required.

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	Review all land use application checklists and ensure that only relevant requirements are included. Revising policies and procedures to avoid the blanket use of checklists is necessary.



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Category	Comment
Recommendation	Separate permitting from leasing requirements in the 25 CFR 162 Leasing and Permitting regulations. Current 162 regulations do not properly define the necessary process distinctions of the standard permitting process versus leasing process initiatives.
Recommendation	Review all delegations of authority and delegate to the maximum extent possible but also provide better controls and oversight of such delegations.