

**WAGANAKISING ODAWAK STATUTE 2019-\_\_\_\_\_**  
**TRIBALLY ACCEPTED ACCOUNTING PRACTICE STATUTE**

**SECTION I.           PURPOSE**

The purpose of this statute is to protect Tribal assets controlled by Tribally chartered corporations, companies and other Tribal sub-entities that are wholly owned or majority owned by the Tribe, in order to standardize accounting practices and reporting requirements. This Statute does not apply to the Tribal governmental accounting and practices.

**SECTION II.         DEFINITIONS**

- A.**     “Board” means the authorized and governing entity that provides management and oversight of the Tribally chartered corporations, companies and other Tribal sub-entities.
  
- B.**     “Capital Expenditure” (CAPEX) means funds used to acquire, upgrade, and maintain physical assets such as property, industrial buildings, or equipment.
  
- C.**     “Generally Accepted Accounting Principles” (GAAP) means a collection of commonly-followed accounting rules and standards for financial reporting that are established and administered by the American Institute of Certified Public Accountants (AICPA) and the Financial Accounting Standards Board (FASB).
  
- D.**     “Gift” means property, money or assets that a person transfers to another while receiving nothing or less than fair market value in return.
  
- E.**     “Profit and Loss Statement” means a financial report that provides a summary of the revenues, expenses, and profits/losses over a period of time.
  
- F.**     “Operating Capital” means the funds required for running the daily operations of the company.
  
- G.**     “Political Contributions” means any funds, service or other means that benefits any campaigns initiative, referendum, recall, petition or other election related activities.

**H.** “Tribe” or “LTBB” means the Little Traverse Bay Bands of Odawa Indians.

### **SECTION III. APPLICATION**

The following will apply to all Tribally chartered corporations, companies and other Tribal sub-entities:

**A.** The utilization of General Accepted Accounting principles (GAAP) is required.

**B.** The designation of the following mandatory accounts, along with their purpose, requirements and restrictions:

**1.** Tribal distributions.

**a.** Profits above the maximum amount set for operating capital will be transferred to a Tribal Revenue account monthly.

**b.** On a quarterly basis, any balance of the Tribal Revenue account shall be transferred to the Tribe, unless otherwise approved by Tribal Council.

**2.** CAPEX.

**a.** On a yearly basis, each board shall determine CAPEX use and amounts for each site or operation.

**b.** Any additional revenues utilized for CAPEX shall require board approval prior to funds being used.

**c.** If funds are utilized for any other purpose than the original annual determination of CAPEX, Tribal Council shall be notified of the variance of the use and/or amounts.

**d.** If there is more than one site or operation, each site or operation shall have a separate CAPEX account.

**3.** Operating capital.

**a.** Operating capital consists of investments and cash not in other required account.

- b.** The board shall establish the minimum and maximum level for the account annually. Such minimum and maximum levels shall be reported to Tribal Council. The board, in its discretion, may modify the minimum and maximum levels. Any modifications to the levels shall be reported to Tribal Council.
- c.** Any amount of funds over the maximum shall be transferred to the Tribal Revenue account monthly.
- d.** Any amount of funds less than the amount approved by the board shall require Tribal Council notification.

**4.** Profit funded construction.

- a.** Any construction project requires approval of the board.
- b.** The board shall appropriate funding required for the project and shall notify Tribal Council of the project and the funding amount and source.
- c.** Any payments made in conjunction with the project shall require a designated board member(s) signature.

**5.** Loan funded or Tribal Council appropriated funded construction.

- a.** Any construction project requires approval of the board.
- b.** The board shall notify Tribal Council of a loan funded project or if it is a Tribal Council appropriated funded construction, then the board will provide Tribal Council monthly updates on expenditures.
- c.** Any payments made in conjunction with the project shall require a designated board member(s) signature or a loan officer's signature.

**6.** Gifts and bonuses.

- a.** All bonuses shall be approved by the Board.
- b.** Any gifts or bonuses in the amount of one thousand dollars (\$1,000.00) or more shall have Board approval and Tribal Council shall be notified as to the nature and amount of the gift or bonus.
- c.** Any Political Contributions require TC notification

**C. Statements.**

**1.** Monthly, each board shall submit to Tribal Council a Profit and Loss Statement along with a balance statement.

- a. Financial Notes are to include:
  - i. Appropriations
  - ii. Tribal Council requires notifications

**2.** Annually, each board shall submit to Tribal Council a detailed Profit and Loss Statement along with a balance statement.

- a. Financial Notes are to include:
  - i. Appropriations
  - ii. Loans
  - iii. Tribal Council requires notifications
  - iv. All bonuses
  - v. All construction and capital expenditures with source of capital
  - vi. Payments to board members
  - vii. Gifts
  - viii. Bonuses

**3.** Each board shall prepare an annual report that includes a summary overview and financial statements that will be presented to the Tribal Membership at the Tribe's Annual Meeting.

**D.** Other requirements

**1.** The Legislative Office of Finance and Revenue shall have access to all financial books and accounts of all Tribally chartered corporations, companies and other Tribal sub-entities with "read only permission" access.

**2.** Any Loans applications for seven-hundred and fifty thousand dollars (\$750,000.00) or more require Tribal Council approval, unless otherwise indicated by separate resolution, statute or charter.

**3.** Grant applications. Unless otherwise indicated by statute, any grant application shall require notice to Tribal Council. Grant applications for one-hundred thousand (\$100,000.00) or more, shall require Tribal Council approval.

**E.** Gaming related enterprises have the following requirements:

1. Establish separate CAPEX accounts for each site.
2. Establish separate financial statements and books for each site.
3. No form of free play may ever be used as revenue or win/unit/day accounting.
4. Monthly report shall include, but not limited to:
  - a. Slot revenue at each
  - b. Number of slots at each site
  - c. Win/unit/day at each site
5. Transfers from one set of books to another require board approval and cannot be reversed without notification to Tribal Council.

#### **SECTION IV. SEVERABILITY**

If any section, subsection, paragraph, sentence, phrase or portion of this Statute is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions thereof.

#### **SECTION V. EFFECTIVE DATE**

Effective upon signature of the Executive or thirty (30) days from Tribal Council approval whichever comes first or if the Executive vetoes the legislation, then upon Tribal Council override of the veto.

## CERTIFICATION

As the Tribal Council Legislative Leader and Tribal Council Secretary, we certify that this Statute was duly adopted by the Tribal Council of the Little Traverse Bay Bands of Odawa Indians at a regular meeting of the Tribal Council held on February 21, 2019 at which a quorum was present, by a vote of 7 in favor, 0 opposed, 0 abstentions, and 2 absent as recorded by this roll call:

	In Favor	Opposed	Abstained	Absent
Frank Bernard	X	_____	_____	_____
David Harrington	X	_____	_____	_____
Dexter McNamara	X	_____	_____	_____
Emily Proctor	_____	_____	_____	X
Julie Shananaquet	X	_____	_____	_____
Leroy Shomin	X	_____	_____	_____
Marcella Reyes	_____	_____	_____	X
Tamara Kiogima	X	_____	_____	_____
Fred Harrington, Jr.	X	_____	_____	_____

Date: \_\_\_\_\_  
\_\_\_\_\_  
Fred Harrington, Jr., Legislative Leader

Date: \_\_\_\_\_  
\_\_\_\_\_  
Tamara Kiogima, Tribal Council Secretary

Received by the Executive Office on \_\_\_\_\_ by \_\_\_\_\_

Pursuant to Article VII, Section D, Subsection 1 of the Little Traverse Bay Bands of Odawa Indians Constitution adopted on February 1, 2005 the Executive concurs in this action of the Tribal Council.

Date: \_\_\_\_\_  
\_\_\_\_\_  
Regina Gasco Bentley, Tribal Chairperson

Received from the Executive on \_\_\_\_\_ by \_\_\_\_\_