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Enemy Swim District
Accounting Policies and Procedures
Approved on (INSERT DATE)

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I. Purpose Statement

This manual sets forth the official Accounting Policies and Procedures of the Enemy Swim District (“ESD” or “District”). These policies, procedures, and the financial duties of the ESD Treasurer are consistent with the provisions of the ESD Constitution and By-Laws. It has been adopted by the District; therefore, all elected officials, officers, and employees are bound by its terms.

This manual will encompass many different financial aspects of the ESD. The main focus will be on maintaining accounts and the upkeep of the financial records and less audit findings.

This manual is designed to assist in providing complete, accurate, and timely financials recordkeeping to the ESD membership. In the future, having up-to-date accounts will give financial direction to the District as it will be clear where funds are coming in and where they are being spent. This will also create accountability to those who have a vested interest in the District financials. Those who may have vested interest are the ESD Chairman, Secretary, Treasurer, and/or individual ESD members. Therefore, any approvals or amendments to this manual require at least (10) percent of the ESD vote and the Sisseton Wahpeton Oyate Tribal Council’s approval.

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II. Financial Recordkeeping

The financial recordkeeping will encompass how the financial records are kept at the District level. To ensure that all accounts are up to date, the following procedures must take place.

A. Depositing of Funds

All funds are required to be deposited in the appropriate checking account(s) within on business day, weather permitting. The ESD check register should be up dated by the end of the week, showing that a deposit was made, while reflecting the new balance of the account. A receipt of the deposit from the bank must be kept and filed. This file must show all deposits, a copy of the check(s), and a deposit slip, all are required. For year-end tracking, it is required that a folder is created for each month and stored per year.

B. Accounts

In order to best keep track of all financial records, all accounts must be reconciled on a monthly basis. If additional accounts must be opened for a particular reason, the treasurer must have District membership approval. Since payroll has tax liability issues they should always have their own account. Part of the taxes owed/paid are paid by the District while the other portion is paid by the employee.

The ESD Elderly ("Elderly") have their own governing board and have their own bank accounts. They are responsible for their own finances, including budgets and expenditures. The Elderly receive a monthly allocation from the tribal distribution. This amount is a percentage that is approved by the District. Each fiscal year, the Elderly will be required to submit a budget. Any requests for increase must have written justification. The amount allocated to the Elderly must have District membership approval. The Elderly must also provide a monthly report at the regular District meeting and include a report on their financials. **The ESD Elderly must adhere to all aspects of this accounting manual.**

The ESD Youth ("Youth"), like the ESD Elderly, has their own governing board and have their own bank accounts. Along with having their own bank accounts, they also have policies and procedures in place. As with the Elderly, the Youth will receive a monthly allocation from the tribal distribution, which is a percentage that has been approved by the District. The Youth must have a budget that is approved by the District. Each fiscal year, the Youth will be required to submit a budget, along with justifications for any requests for increase in allocation. The amount allocated to the Youth must have District approval. The Youth must also provide a monthly report, which includes their financials, at the regular District meeting. If the Elderly or Youth fail to complete monthly reports, they may have their portion of the distribution sanctioned. **The ESD Youth must adhere to all aspects of this accounting manual.**

If after the ESD has funds left over after all accounts are reconciled should be documented as carryover. Any type of carryover that is there shall be placed into a Capital Reserve account and must be done by the 10th day of the following month. For example, if March has a \$4,000.00 carryover, then these funds must be deposited by no later than April 10th.

C. General Assistance

When individuals request assistance through general assistance, the following must take place. An application for general assistance must be filled out, no exceptions. However, a completed application for general assistance does not necessarily mean that it has been approved and/or will be paid. The guidelines for general assistance, as approved by the ESD membership, as follows:

1. To be eligible for assistance, the applicant must be an ESD Member on the voting roster for a minimum of six months. Honorary members are not eligible for general assistance.
2. The ESD member will be referred first to outside programs for assistance, e.g., South Dakota social services, general assisted programs established by the Sisseton-Wahpeton Oyate, or any other type of program that provides emergency financial assistance. Enemy Swim District Members cannot receive assistance from another service agency, such as Human Service Agency, and the District for the same need within a one (1) year period. This is to ensure that as many District members are assisted as possible. Only if found to be ineligible for reasons other than having already received assistance from another agency the Enemy Swim District Member will be eligible.
3. Only one (1) member per household will be eligible for General Assistance in a calendar year, dating back to the last instance an Enemy Swim District Member received assistance. Example: if a member received assistance in July of the current year, they would not be eligible until July of the next year.
4. A completed General Assistance application must be submitted along with all documentation requested by the Enemy Swim District. This must be done before the application will be considered complete and ready for review.
5. All approvals for general assistance requests will be contingent upon availability of funds and severity of need, which will be determined by the ESD executives. Any emergency situation maybe decided on and approved the ESD Executives.
6. The ESD Executive Council shall be bound by these guidelines. They shall not deviate or make exception to the guidelines except where that authorization is expressly granted within the guidelines.
7. In a case where a check has been lost and a request to re-issue a check has been received a \$30.00 service charge will be deducted from the assistance amount to cover the stop payment order and to reissue a check.

The Enemy Swim District has the right to assist its own members with financial support at any time, budget permitting. For recordkeeping purposes, the following must take place:

1. First, all Enemy Swim District Executives: District Chairman, Vice- Chairman, Secretary, and Treasurer must vote to spend "any" revenue generated by the District.
2. Each check will require at least two (2) signatures.
3. Each check must be put into the accounting system that the District is using.
4. By the end of work on Friday of each week; all filings must be completed for all accounts and line items.

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Any monthly report generated for the General Assistance expenses will not include the district member's medical information. While that information may be requested the information will be kept in the members file. Reports will only indicate that it was a medical emergency. Approval is required for all expenditures.

III. Budgeting

The Enemy Swim District is made aware in each quarter what it will receive in gaming revenue for the upcoming quarter. For example during the first quarter the ESD will be notified in March what they will be receiving in gaming revenue for the 2nd quarter. Any adjustments needed to the budget for the 2nd quarter should be completed no later than 15 days prior to the next quarter to begin. This allows the ESD to approve the budget for the following quarter during their monthly meeting. Any changes to the budget must be made by the Treasurer and voted on by at least three ESD Executives. This is in accordance with the annual budget that is passed. The annual budget allows the District to know the percentages that are attached to what line items. The monthly and quarterly budgets are in line with the annual budget. The main purpose of monthly and quarterly budgets is that gaming revenues can go up or down in amounts.

A. Monthly financial statements

The purpose of having monthly financial statements is for weekly, monthly, and annual recordkeeping. Funds that are to be taken out of the budget must be reflected. For instance, if the Higher Education budget has \$3000.00 and a student graduates or receives grades that make them eligible for \$500.00; then at the end of the week the financial report should reflect \$2,500.00 and who received the funds.

It is recommended that weekly reports are done in order to make the required end of monthly report easily compiled. Compiling weekly reports will also allow all District Executives know how much is in each line item while also assisting with the end of the month report. The end of the month report is due no later than the 15th calendar day of the following month. If an extension is needed it is asked that the extension be submitted by no later than the 5th day of the calendar month.

The end of the year report is due no later than October 31st of each fiscal year. If the Enemy Swim District is in need of an extension it must be requested by no later than June 1st of each calendar year. For example if the end of year report is due on October 31, 2010 then by no later than June 1, 2010 it must have submitted a request for extension. The ultimate goal of doing monthly reports is to make the end of year report easier to compile.

With expenditures such as general assistance, medical assistance, and higher education, line items must be created. The membership of the Enemy Swim District should vote annually as to what they want to assist with. Once the ESD decides on what they want to assist individual members with, these expenses must be carefully tracked.

If an Enemy Swim District member needs assistance, the following must take place. The individual must first fill out the General Assistance application and provide all documentation, i.e., an original copy of

the electric bill. See steps 1-7 of the general assistance guidelines. The application must be approved, at minimum, by two (2) out of three (3) Enemy Swim District Executives. Once the approval is made, the following steps should take place:

- 1.) A copy of the check must be made before issuing the check for record keeping purposes so that there are at least two copies of each check.
- 2.) A check stub is needed for record keeping purposes (if using a three (3) part check).
- 3.) The original application and a copy of the check should be filed in the District members file; and a copy of the application with an attached copy of the check should be filed in the General Assistance folder for the month.
- 4.) Minutes from an executive meeting or a regular district meeting approving all expenditures needs to be also placed in the file.
- 5.) A folder and filing system must be in place.

IV. Auditing

The cost(s) associated of completing an annual audit shall be the sole responsibility of the Sisseton-Wahpeton Oyate in accordance with Chapter 74. The Enemy Swim District is deemed a local government, and it shall conduct annual audits. Funds that must be auditable are any funds that are received by the District from any type of Tribal revenues, including gaming revenues. These revenues as outlined in the District Audit Ordinance must be complete in order to receive gaming revenue.

As outlined in chapter 74, all districts will collaborate together to select an auditor by no later than September 1st of each calendar year. This will run in accordance with the fiscal year which start on January 1st and end on December 31st. if an extension is needed, it must be requested by the last Friday of August.

V. Wage Reporting

When reporting wages, there are two ways that the district and payee can file them. One way is to fill out a W-4 form and the other is to use a 1099-MISC. Below you will find information on both:

In compliance with the Internal Revenue Service (IRS), the following must take place. Anyone receiving \$600.00 or more per year from the district in wages or stipends must have a completed W-4 on file with the District and it must be updated annually. This applies to all ESD Executives, part-time and full-time employees, and board/committee/commissioner members. The Form 941 is due by the last day of the month that follows the end of the quarter to the IRS. For example the first quarter ends on March 31st, the form 941 will be due by April 30th. The Form 941 can be printed off of the IRS website. The District may also file electronically. The SWO Tribal Audit and Compliance Specialist is also able to assist ESD with filing 941's. At the time of the filing the Form 941, federal taxes must also be paid.

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A W-2 form showing wages and taxes withheld must be sent to the employees address and postmarked no later than January 31st. Failure to do so will lead to fines, penalties, and interest; and possibly lead to ESD being audited by the IRS.

In order for all wages/stipends to be accounted for, 1099's must be issued and postmarked by January 31st of each year. The 1099-MISC must have the amount that was paid to the district executive or board member, titled Miscellaneous Income. The district must have their EIN number, Social Security Number as the recipients ID number, amount of money paid titled "non-employee compensation." If the District withheld funds, the funds also need to be reported. To complete the 1099, the District must have contact information for the district, the recipient's name and information. Copy B and Copy 2 of the 1099-MISC should be mailed to the recipient no later than January 31st of the year following the one during which the payments were made to the recipient. Copy 1 must be sent to the tax revenue department of the worker's home state by February 28th. Copy A is sent to the IRS along with Form 1096 by February 28th.

VI. Sanctions

In the event that the ESD financial records are not current within 30 days, corrective action must be taken. Since all funds are to be accounted for herein, it is essential for the finances to be updated. With this manual/set of instructions, the Audit and Compliance Specialist position, and the ESD Treasurer working together budgeting/record keeping should never become an issue. However there will be times that the ESD will need assistance with recordkeeping on a monthly basis. It is recommended that weekly and monthly updates are given to the Audit and Compliance Specialist by the District Treasurer. At the end of the year, the ESD is still responsible for an internal and external audit.

In the even the ESD will be late with a monthly submission it must have approval from the SWO Tribal Vice-Chairman. The submission/memo needs to include the Treasurers signature along with either the District Vice-Chairman or Chairman. The submission/memo notifying the SWO Vice-Chairman must also include reasoning as to why it is going to be late. For instance the March deposits/expenditures must be turned into the audit and compliance specialist on April 15th. If an extension is needed the submission and request must be turned into the SWO Tribal Vice-Chairman by the 1st day of the month.