

RESOLUTION OF THE
BUDGET AND FINANCE COMMITTEE
OF THE NAVAJO NATION COUNCIL

22ND NAVAJO NATION COUNCIL - Fourth Year, 2014

AN ACTION

RELATING TO BUDGET AND FINANCE; APPROVING THE NAVAJO NATION PURCHASE
CARD POLICIES AND PROCEDURES SUBMITTED BY THE OFFICE OF THE
CONTROLLER

BE IT ENACTED:

The Navajo Nation hereby approves the Navajo Nation Purchase Card Policies and Procedures as submitted by the Office of the Controller, attached hereto as Exhibit A.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Budget and Finance Committee of the Navajo Nation Council at a duly called meeting held at Window Rock, Navajo Nation (Arizona), at which a quorum was present and that the same was passed by a vote of 5 in favor, 0 opposed, this 29th day of December, 2014.


Jonathan Nez, Vice Chairperson
Budget and Finance Committee

Motion: Mel R. Begay

Second: Nelson S. BeGaye

THE NAVAJO NATION PURCHASE CARD POLICIES

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THE NAVAJO NATION PURCHASE CARD POLICIES

LEGAL AUTHORIZATION

The Budget and Finance Committee has the authority to oversee and regulate the fiscal, financial policies of the Navajo Nation pursuant to 2 N.N.C. §372. The Controller is responsible for the creation of total financial policy and procedures for the Navajo Nation Council and will take such action as is necessary for the execution and prosecution thereof pursuant to 12 N.N.C. §203.

PURPOSE

The Navajo Nation Purchase Card Policies ("Policies" or "Policy") establish guidelines for the management and use of the Purchase Card ("P-Card") to guarantee that Navajo Nation funds are reasonably and ethically expended for legitimate government purposes and that the use of such funds are properly documented and accounted for.

INTRODUCTION TO THE PURCHASE CARD PROGRAM

The Purchase Card program was created to manage and monitor p-cards on behalf of the Navajo Nation. The p-card provides a more cost-effective payment method but is not intended to bypass proper procurement and travel procedures.

GENERAL POLICIES AND REQUIREMENTS

All employees participating in the P-Card program are expected to comply with the following Navajo Nation laws, policies and procedures:

1. Navajo Nation Procurement Rules and Regulations
2. Navajo Nation Employee Travel Policy and Procedures Handbook
3. Navajo Nation Appropriations Act
4. Navajo Nation Business Opportunity Act
5. Navajo Preference and Indian Preference Act
6. Navajo Nation Ethics in Government Act
7. Title 17 of the Navajo Nation Code

P-Cards are required to be used in accordance with the requirements of the specific funding source as specified on the P-Card application.

THE NAVAJO NATION PURCHASE CARD POLICIES

ELIGIBILITY

1. Regular status Navajo Nation Employee, Navajo Nation At-Will employee, Navajo Nation President and Vice President, Navajo Nation Political Appointee, and Navajo Nation Council Delegate.
2. Applicants must complete:
 - Purchase Card Application
 - Obtain appropriate signatures defined in the p-card procedures
3. Applicants must be current on all financial obligations to the Navajo Nation as set forth in Navajo Nation Business Procurement Act.
4. Employees must certify knowledge and understanding of the following:
 - P-Card Policies & Procedures
 - Navajo Nation Travel Policies & Procedures
 - Navajo Nation Procurement Policies & Procedures
5. CCER users must complete the p-card navigation training.
6. Complete Cardholder Agreement form.
7. Funds available in primary Business Unit.

ROLES AND RESPONSIBILITIES

Program Administrator (PA)

- Manage and monitor the use of all p-cards.

P-Card holder (CH)

- Responsible for all p-card charges incurred.
- Attend periodic training and testing.

Reconciler

- Ensures expenditures are properly coded.
- Attend periodic training and testing.

Approver

- Final approval of all transactions.
- Attend periodic training and testing.
- Immediately notify the P-Card Section of cardholder separation from employment.

Department Approval Authority

- Approve Purchase Requisition (PR) prior to operational purchase.

Financial Bank Institution

- Credit card, reporting and monitoring.

THE NAVAJO NATION PURCHASE CARD POLICIES

OPERATIONS P-CARD

- One Operation p-card will be issued to an Administrative/Support staff per Department/Program.
- P-Card holder must comply with all applicable Navajo Nation laws, policies and procedures as set forth above in the General Policies and Requirements section of these Policies.
- Only the cardholder named on the card is authorized to make purchases.

Authorized

- Purchase Requisitions (“PR”) signed and approved by the Department Approval Authority **prior** to incurring p-card charges.

Unauthorized

- Items for personal use, Contractual Services, Gifts cards, and Alcoholic beverages.
 - Cancellation of p-card privileges for the cardholder.
 - Payroll deduction for the full amount of the unauthorized use.
 - Suspension of p-card use privileges for the Reconciler and Approver.

TRAVEL P-CARD

- P-Card holder must comply with all applicable Navajo Nation laws, policies and procedures as set forth above in the General Policies and Requirements section of these Policies.
- P-Card holder will not be permitted to receive a travel advance.
- Only the cardholder named on the p-card is authorized to make purchases.
- Meals exceeding GSA per diem rate will be subject to Income and Employment Tax, unless a payroll deduction is in place for exceeded amount.
- Lodging exceeding GSA per diem rate without written justification will be subject to Income and Employment Tax, unless a payroll deduction is in place for exceeded amount.

Authorized

- Mileage reimbursement will be made in accordance to rates established by the Federal Travel Regulations.
- **All actual meal, lodging and other allowable travel** expenses require **original itemized receipts**.

Unauthorized

- Items for personal use, Gifts cards, Alcoholic beverages, and Non meal snacks.
- Cardholder **cannot** claim the difference of per diem rates.
- Paying on behalf of another employee without prior authorization and notification to P-Card section.

THE NAVAJO NATION PURCHASE CARD POLICIES

- Penalties for unauthorized use include, but are not limited to, the following:
 - Cancellation of p-card privileges for the cardholder.
 - Payroll deduction for the full amount of unauthorized use.
 - Suspension of p-card use privileges for the Reconciler and Approver.

P-CARD TRANSACTIONS AND CREDIT LIMITS

The Purchase Card Section has established daily transaction and monthly credit limits. The Purchase Card Section Accounting Manager will make the final determination on the credit limit increase request.

- A credit limit increase will only be considered by written request and must include proper Department Approval.
- Cardholder with delinquent CCER packets will **not** be considered for credit limit increases until all delinquent CCER packets have been received.

MONTH END RECLASSIFICATION AND APPROVAL

Completed CCER packet(s) shall be submitted to the Purchase Card Section by the end of the download period. Failure to do so will result in temporary suspension of p-card privileges for the Cardholder, Reconciler and Approver until all delinquent CCER packets have been received.

Cycle-To-Date Period

- Cardholder is required to reclassify p-card transactions and add reimbursement.
- Forward CCER packet to the Reconciler by the start of the Review period.

Review and Grace Period

- Reconciler ensures expenditures are properly coded.
- Forward CCER packet to the Approver by the start the Approval period.

Approval Period

- Approver is required to approve all p-card transactions and reimbursement by the end of the Approval period.

LOST / STOLEN P-CARDS

Lost and/or stolen cards must be reported immediately to the Financial Institution and P-Card Section.

FRAUDULENT AND DISPUTED CHARGES

Fraudulent and disputed charges must be reported immediately to the Financial Institution and P-Card Section.

THE NAVAJO NATION PURCHASE CARD POLICIES

PENALTIES FOR NONCOMPLIANCE

Responsibilities

The P-Card section is responsible for ensuring compliance with these Policies and any underlying procedures. The P-Card Section has the authority and responsibility to immediately suspend, cancel, and/or terminate p-card privileges for violation of these Policies and any underlying procedures, as well as to seek reimbursement of any unauthorized expenditures and associated costs. The P-Card section shall immediately notify the cardholders' Supervisor of violations of these Policies and any underlying procedures. In addition, when the P-Card section suspects fraudulent use and/or intentional misuse, the P-Card Section shall notify the Office of the Prosecutor and Ethics and Rules Office.

The Cardholders' Department/Division/Branch and Supervisor, if any, are responsible for pursuing disciplinary action, which may include suspension or termination pursuant to the Navajo Nation Personnel Policies Manual, for violations of these Policies and any underlying procedures.

The Office of the Prosecutor and/or Ethics and Rules Office are responsible for pursuing appropriate prosecution for violations of these Policies and any underlying procedures that are also violations of Title 17 of the Navajo Nation Code or the Navajo Nation Ethics in Government Law.

General Penalties

- Suspension, cancelation or termination of P-Card privileges, depending on degree of severity and number of occasions, in instances of unauthorized use.
- Termination of P-Card privileges in instances of fraudulent use or intentional misuse.
- Reimbursement of all incurred unauthorized charges and any costs related to the collection of such charges, will be deducted from any money that would otherwise be due to the employee, including salary or wages and annual leave pay-out to the extent allowed by law.
- Privileges in the P-Card Program will be revoked when a P-Card holder is suspended or terminated from employment
- The Approver and Reconciler for a P-Card holder will be held responsible for the P-Card holders, as well as their own, lack of compliance with these Policies and any underlying procedures. Continued lack of compliance will result in a permanent revoking of all P-Card privileges for the Approver and Reconciler.
- Any employee or appointee terminated for fraudulent use or intentional misuse of a p-card or any appointee or official found guilty of or admitting

THE NAVAJO NATION PURCHASE CARD POLICIES

guilt for fraudulent use or intentional misuse of a p-card will not be reissued a p-card within any branch of the Navajo Nation.

Specific Policy Offenses and Penalties

1. Failure to obtain prior approval from the Department Authority for making operation related purchases on behalf of the Department.
2. P-Card holder making unauthorized travel expenses of another employee.
3. Failure to reconcile CCER packets within the Review and Grace period allowed.
4. Failure to approve CCER Packets within the Approval period.
5. Failure to submit completed CCER packets to the Office of the Controller within 5 business days after month end.
6. Reoccurring abuse, i.e., three or more occasions, resulting in money orders reimbursing the Navajo Nation.
7. Reoccurring replacement cards, i.e., three or more occasions, due to lost/misplaced p-card.

Penalties:

- 1stOffense
 - 30-day suspension of the p-card
 - 30-day suspension of privileges for Reconciler and Approver
 - Mandatory refresher course related to use of p-card
- 2nd Offense
 - 90-day suspension of the p-card
 - 90-day suspension of privileges Reconciler and Approver
 - Mandatory refresher course related to use of p-card.
- 3rd offense
 - Cancellation of p-card privileges.

**LAW AND ORDER COMMITTEE
22nd NAVAJO NATION COUNCIL**

FOURTH YEAR 2014

COMMITTEE REPORT

Mr. Speaker,

The **LAW AND ORDER COMMITTEE** to whom has been assigned:

Legislation # 0028-14: Relating To Budget And Finance; Approving The Navajo Nation Purchase Card Policies And Procedures Submitted By The Office Of The Controller. *Sponsor: Jonathan Nez; Co-Sponsor: Danny Simpson.*

Has had it under consideration and report the same with a **DO PASS** with the no amendment

and thereafter referred to Resources and Development Committee.

Respectfully submitted,



Edmund Yazzie, Chairperson
Law and Order Committee of the
22nd Navajo Nation Council

Date: December 8, 2014
Motion: Alton Joe Shepherd
Second: Elmer P. Begay
Vote: 2-0

**COMMITTEE REPORT
OF THE
RESOURCES AND DEVELOPMENT COMMITTEE**

22 nd Navajo Nation Council Fourth Year – 2014	LEGISLATION 0028-14 Presenting Sponsor: Honorable Danny Simpson, Council Delegate
An action relating to Budget and Finance; approving the Navajo Nation Purchase Card Policies and Procedures submitted by the Office of the Controller	

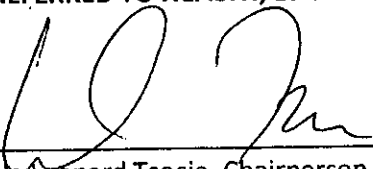
Mr. Speaker:

The Resources and Development Committee, to whom has been referred Legislation 0028-14, has had it under consideration and reports a **DO PASS** recommendation with **one (1) amendment**.

1. Amendment #1 : Exhibit A – **Delete** Section VIII. Operations P-Chard for Authorized Purchases in its entirety

Reason: Purchase Card usage must be strictly limited for travel purposes

Thence **REFERRED TO HEALTH, EDUCATION AND HUMAN SERVICES COMMITTEE** on this 16th Day of December, 2014.



Honorable Leonard Tsosie, Chairperson Pro Tem
RESOURCES AND DEVELOPMENT COMMITTEE

COMMITTEE ACTION

Motion to Support Legislation: Honorable Leonard Pete
Second: Honorable Roscoe D. Smith
Vote: 5-0-0

Amendment # 1
Motion to Delete Section VIII: Honorable Katherine Benally
Second: Leonard H. Pete
Vote: 4-0-0

COMMITTEE REPORT

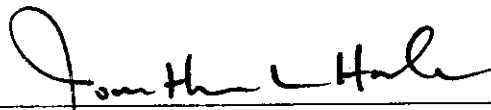
THE HEALTH, EDUCATION AND HUMAN SERVICES COMMITTEE OF THE NAVAJO NATION COUNCIL to whom has been assigned;

LEGISLATION NO. 0028-14

An Action Relating to Budget and Finance; Approving The Navajo Nation Purchase Card Policies And Procedures Submitted By The Office Of the Controller

Has had under consideration and report the same with the recommendation that it **PASS** with no amendment and no directive;

And therefore referred the same to the **BUDGET AND FINANCE COMMITTEE OF THE NAVAJO NATION COUNCIL**



Honorable Jonathan L. Hale, Chairperson
Health, Education and Human Services Committee

Dated: December 17th, 2014

Main Motion

Motion: by: Honorable Walter Phelps

Seconded by: Honorable Joshua Lavar Butler

Vote: 4 in favor: 0 Opposed and 0 Abstain

22nd NAVAJO NATION COUNCIL

Fourth Year 2014

Mr. Speaker:

The **BUDGET & FINANCE COMMITTEE** to whom has been assigned

NAVAJO LEGISLATIVE BILL # 0028-14:

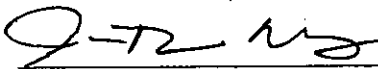
An Action Relating to Budget and Finance; Approving the Purchase Card Policies and Procedures as submitted by the Office of the Controller, attached hereto as Exhibit A *Sponsored by Jonathan Nez, Alton Joe Shepherd, Danny Simpson and Dwight Witherspoon, Council Delegates*

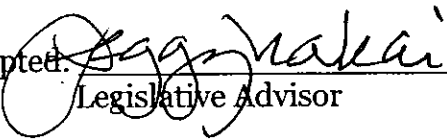
has had it under consideration and reports the same with the recommendation that It **Do Pass** with one (1) amendment.

Replace and insert a new Exhibit "A"; strike language on Page 4 of Exhibit "A" "*Unauthorized*"

- "*POV Fuel*"

Respectfully submitted,


Jonathan Nez, Vice Chairman

Adopted: 
Legislative Advisor

Not Adopted: _____
Legislative Advisor

29 December 2014

The vote was **5** in favor **0** opposed

Excused:

Absent: