PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

DOCUMENTATION OF INTERNAL CONTROL STRUCTURE

AS OF JANUARY 1, 2005

COVER

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

DOCUMENTATION OF INTERNAL CONTROL STRUCTURE

APPROVAL

This document consist of the Internal Control Structure of the Tribe as of January 1, 2005.

Signed by Chairman of
the Tribal Council

INDIAN TOWNSHIP TRIBAL GOVERNMENT
DOCUMENTATION OF INTERNAL CONTROL STRUCTURE
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The Pleasant Point Passamaquoddy Tribal Council 's control environment represents the collective effect of various factors on establishing, enhancing, or mitigating the effectiveness of specific policies and procedures. Such factors include the following:

: Management's philosophy and operating style.

: The Tribe's organizational structure.

: The functioning of the Tribal Council.

: Methods of assigning authority and responsibility.

: Management's control methods for monitoring and following up on performance.

: Personnel policies and practices.

: External influences affecting the Tribe's operations and practices.

This control environment reflects the overall attitude, awareness, and actions of the Tribal Council, Tribal Governor, and other Tribal officials concerning the importance of control and its emphasis on the Tribe.

MANAGEMENT'S PHILOSOPHY AND OPERATING STYLE

The Pleasant Point Passamaquoddy Tribal Council operates under a Tribal Council form of government. Decision making is separated accordingly. Day to day management of the Tribe is delegated to the Tribal Governor. Policy decisions are made at the Tribal Council's regular meetings. Legislative decisions at Tribal Meetings include budget adoption, ordinance adoption, and major policy issues. The Pleasant Point Passamaquoddy Tribal Council 's Constitution is the basis for allocating authority.

In carrying out Tribal business, it is the Tribe's intent to stress professionalism in all cases. Employee training is conducted both in house and through outside seminars. Although duties are assigned to specific individual to encourage accountability, cross training is conducted. This allows flexibility during employee absence or turnover.

The Tribe attempts to adopt clear policies delineating authority at each staff level. For instance, purchasing policies dictated whether competitive price solicitation or sealed bids will be required for specific purchases.

To the extent possible, the Tribe attempts to schedule revenues and expenditures to provide a stable cash flow throughout the year. Idle funds are invested to the maximum possible, through the use of sweep accounts. In investments, the Tribe places security of funds as its first priority, with rate of return as a secondary concern.

The Tribe considers prompt, accurate financial information to be necessary in making, appropriate decisions. Through the use of the computer, this information is distributed monthly to the Tribal Council, Program Directors (only their applicable program).

The Pleasant Point Passamaquoddy Tribal Council endeavors to provide quality services and accountability to its Tribal members in a professional and businesslike manner. It is our intent to encourage this philosophy among the levels of staff.

Any violation or conduct unbecoming deemed to be detrimental to the Tribe or any Tribal business affairs by a Tribal Council member shall be punishable to the fullest extent as outlined in the Tribal Constitution.

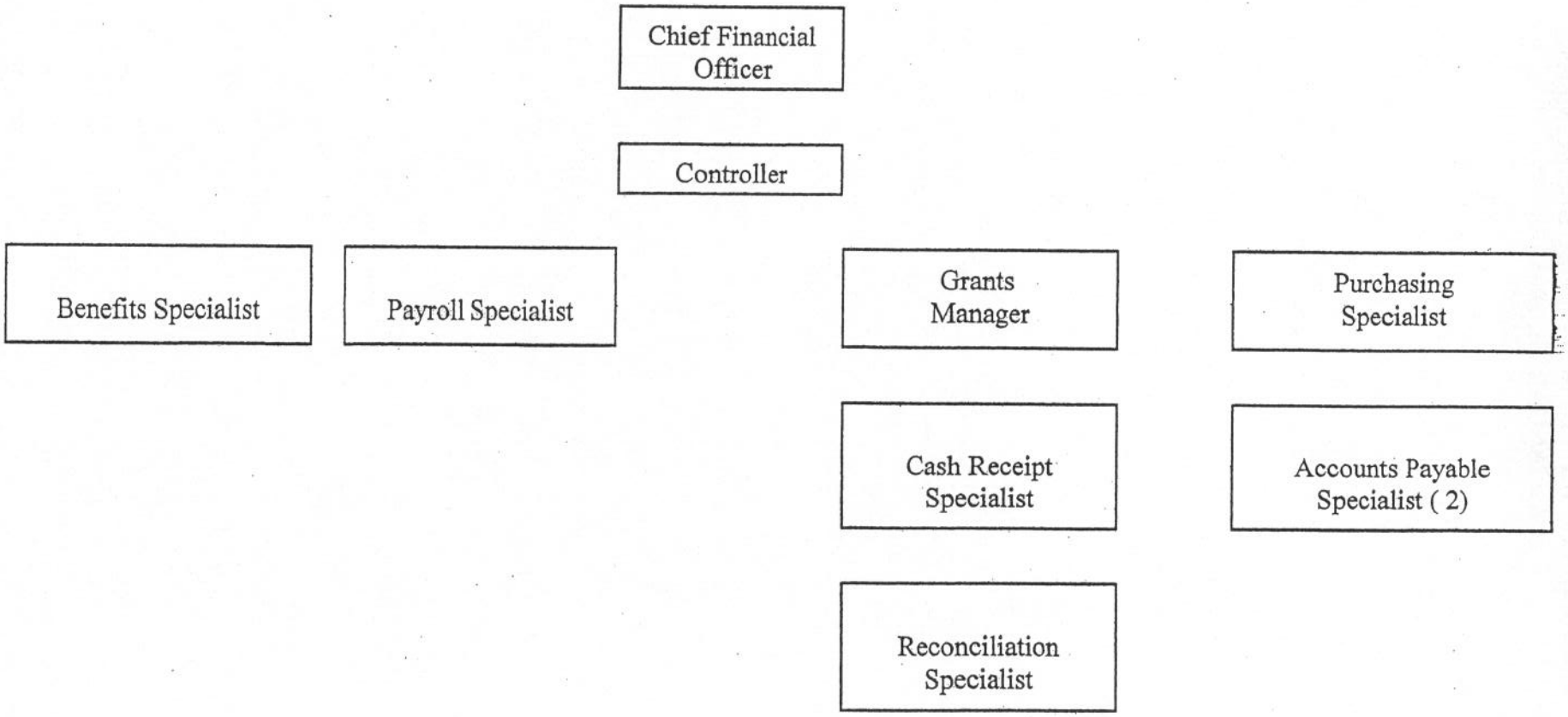
PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL
ORGANIZATIONAL CHART

INDIVIDUALS AT EACH LEVEL OF TRIBE DEPARTMENTS
AT JANUARY 1, 2005

PLEASANT POINT PASSAMAQUODDY TRIBE

ORGANIZATIONAL CHART

JANUARY 1, 2005



PLEASANT POINT PASSAMAQUODDY TRIBE

FINANCE DEPARTMENT

JANUARY 1, 2005

CHIEF FINANCIAL OFFICER -	CLIV DORE
CONTROLLER -	ADELE ALTVATER
PAYROLL SPECIALIST -	VANESSA SEGUIN
BENEFITS SPECIALIST -	BARBARA NEWELL
GRANTS MANAGER -	DEBORAH NICHOLAS
CASH RECEIPT SPECIALIST -	MAGGIE DANA
PURCHASING SPECIALIST -	SUSANNE LEWEY
ACCOUNTS PAYABLE SPECIALIST (2) -	INEZ NICHOLAS RACHEL PAUL
RECONCILIATION SPECIALIST -	RENA NEWELL

THE FUNCTION OF THE TRIBAL COUNCIL

The Tribal Council serves as the final policy and decision officials of the Tribe. Some of the primary responsibilities of the Tribal Council according to the Tribal constitution include:

1. Exercising all administrative and executive powers of the Tribe, dealing with the administrative services solely through the Tribal Governor, not giving orders to any subordinates of the Tribal Governor, either publicly or privately.

2. Electing and appointing certain key Tribal officials upon office, vacancy, except for Tribal Council, Governor and Lt. Governor.

3. Sign the Tribal warrant which will call each Tribal meeting. This warrant will specify the time and place of the meeting.

4. Serve as overseers of the poor when others have not been elected.

METHODS OF ASSIGNING AUTHORITY AND RESPONSIBILITY

The Tribal Constitution clearly defines the chain of command from the Tribal Council to the Tribal Governor, Tribal Lt. Governor and Program Directors. Responsibilities for each employee's position are outlined in job descriptions accepted by the Tribal Council.

Program Directors are authorized to hire subordinates within their department, with the final selection subject to the Tribal Governor's approval.

The Tribal Governor may delegate specific authority to Program Directors such as in the case of the Chief Financial Officer and the Social Service Director. In these cases, the Tribal Governor is technically in charge of the department but does not generally carry out the departments day to day functions. This is left up to the Program director.

MANAGEMENT'S CONTROL METHODS FOR MONITORING AND FOLLOWING UP ON PERFORMANCE

The Tribe monitors and follows up on performance through the following methods:

1. Daily contact between supervisors and employees.
2. Initial six month probation period for new and promoted employees.
3. Written and verbal performance evaluations.
4. Regular meetings for setting goals and objectives.

See Pleasant Point Passamaquoddy Tribal Council Personnel Policy dated January, 2004.

External influences consist of any outside sources which have a direct bearing on certain Tribe decisions necessary to keep the Tribe running smoothly and efficiently in both the operations and practices of the Tribe. They include monitoring and compliance requirement's imposed by legislative and regulatory bodies. External influences are ordinarily outside an entity's authority. Some examples are:

1. United States Government
2. State of Maine
3. Tribal Members
4. Banks

The Pleasant Point Passamaquoddy Tribal Council 's accounting system consists of the methods and records established to identify, assemble, analyze, classify, record, and report the Tribe's transactions and to maintain accountability for the related assets and liabilities. This effective accounting system gives appropriate consideration to establishing methods and records that will

: Identify and record all valid transactions.

: Describe on a timely basis the transactions in sufficient detail to permit proper classification of transactions for financial reporting.

: Measure the value of transactions in a manner that permits recording their proper monetary value in the financial statements.

: Determine the time period in which transactions occurred to permit recording of transactions in the proper accounting period.

: Present properly the transactions and related disclosures in the financial statements.

The accounts of the Tribe are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements, into generic fund types and broad fund categories, as follows:

Governmental Funds

General Fund - The General Fund is the general operating fund and indirect expenditures of the Tribe. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for revenues derived from specific taxes or other earmarked revenues.

Capital Project Funds - Capital Project Funds are used to account for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). Principal sources of revenue are Tribal long-term debt proceeds and interest income.

Fiduciary Funds

Trust Funds - Trust Funds are used to account for assets received by the Tribe and held in the capacity of trustee, custodian, or agent. The Tribe does not account for other funds maintained by Tribal LLC's, Tribal elders, or other Tribal programs deemed not to be used for every day Tribal affairs.

Long-term Liabilities

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-term Debt Account Group, not in the governmental funds.

This account group is not a "fund". It is concerned only with the measurement of financial position. It is not involved with measurement of results of operations.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-term Debt Account Group.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting related to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Miscellaneous Revenues are recorded when received in cash because they are generally not measurable until actually received. Intergovernmental revenues, and interest income are accrued, when their receipt occurs soon enough after the end of the accounting period so as to be both measurable and available.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Budgets and Budgetary Accounting

At a Tribal meeting, the Tribal Council vote on various articles, on which amounts for appropriations have been recommended by the Governor and/or the Program Directors. The trial balance will have the approved budget built into it, showing the budget amount, and actual amount to each corresponding line item by department.

Inventories

Inventories of supplies are considered to be expenditures at the time of purchase and are not included in the general fund balance sheet.

General Fixed Assets

The Tribe has included general fixed assets within its balance sheet. This practice is in conformity with generally accepted accounting principles and Governmental Accounting Standards Board Statement No. 34. All purchases of general fixed assets are recorded as expenditures and then capitalized.

Transactions must be clearly identifiable in journals or original entry and must be accumulated throughout the system using references and identifying codes so that all elements of financial statements and reports can be followed to source transactions. A summary of the levels of accumulation follows:

FINANCIAL STATEMENTS

TRIAL BALANCE

LEDGERS

JOURNALS

SOURCE DOCUMENTS

Monthly financial statements of the Tribe are computer generated and provided to the Tribal Council, Tribal Governor, Tribal Lt. Governor, and every Program Director within 25 days of every month-end by the Controller.

These financial statements consist of:

1) Summary Trial Balance - By Fund (or program)
2) Revenue and Expense Statement Budget to Actual- By Fund (or program)

A yearly audit is performed by an outside independent qualified auditing firm on the financial statements of the Tribe. These financial statements, which are the responsibility of the Tribe's management, are then provided to governing agencies of the Tribe and presented in the annual Tribal Report.

Monthly Detailed Trial Balances are run off of the computer and are filed away in a trial balance file. Each month's trial balance must balance. Total debits must equal total credits.

The trial balance is generated from a standard Pleasant Point Passamaquoddy Tribal Council chart of Accounts, which is programmed into the Tribe's computer.

(a) The chart of accounts is a list of accounts which is arranged in sequence by assets, liabilities, equity, revenue, and expenditures. It is a uniform and systematic way to record the information necessary to produce the balance sheet, and statement of revenues, expenditures and changes in fund balance for all Tribe funds, and other records, which make up necessary financial information provided to governing agencies.

The ledgers represent stored information about a particular asset, liability, revenue or expense broken down by department. The Tribe ledger system is comprised of the following:

1. Detailed Trial Balance - A computer generated ledger. This is the controlling ledger for each particular fund. A detailed trial balance shows current month activity, and year to date totals on every account. A ledger is run for each month.

2. Accounts Receivable Aging - A computer generated ledger. This ledger shows every debtor with an unpaid balance for ambulance services, travel advances, etc.

3. Accounts Payable Open/Paid Invoice List By Vendor - A computer generated ledger. This ledger shows every vendor with an outstanding balance. This ledger must be run on the last day of every month.

The journals are a detailed listing of transactions and events of the Tribe which are organized chronologically. The journalizing process produces a summary of items of debits and credits to all ledger accounts. The Tribe's journals are comprised of the following:

1. Cash Receipts Journal - This journal consists of three separate journals used to record daily cash receipts. These are:

    1. Cash Receipt Journal – Tribal Clerk
    2. Cash Receipt Journal – Grants Manager
    3. Accounts Receivable Cash Receipts Journal – Accounts Receivable Specialist

    Each journal is run at the end of every day and lists receipts accordingly.

2. Cash Receipts Proof – Tribal Clerk - A summary of the journal entry to be created and is updated at the end of each day.

3. A/P Cash Disbursement Journal - This journal lists all checks written by check number sequence.

4. Warrant List - This journal lists all invoices entered into the system, in alphabetical order.

5. Payroll Journal - The payroll journal consists of two separate computer generated books detailing the Tribe's payroll information. The books comprising the payroll journal are as follows:

    1. Payroll Warrant

    2. Payroll Distribution Journal

6. General Journal Entry Proof - Used to record all transactions and events that do not involve regular activity processed in other special journals, such as adjusting, reversing, and correcting entries.

7. Current Period Transactions - By Journal - This journal list all journal entries created by the above processes.

Voucher - This is comprised of a prenumbered voucher sheet, an invoice and a purchase order.

Payroll Cards - All employees must submit to each Program Director a payroll time card summarizing that specific individuals total hours worked for that particular week. (See Control Procedures Page 37 for a complete outline on the Tribe's payroll structure).

Employee Files - All Tribe employees will have an employee file to be maintained under lock and key in the payroll department. All files shall contain:

1. Rate of pay authorization
2. W-4 - signed by employee
3. Authorization for deductions
4. Program Director in charge
5. Job description

The Pleasant Point Passamaquoddy Tribal Council's control procedures are those policies and procedures in addition to the control environment and accounting system that management has established to provide reasonable assurance that specific entity objectives will be achieved. Control procedures have various objectives and are applied at various organizational and data processing levels. They may also be integrated into specific components of the control environment and the accounting system. Generally, they may be categorized as procedures that pertain to:

: Proper authorization of transactions and activities.

: Segregation of duties that reduce the opportunities to allow any person to be in a position to both perpetrate and conceal errors or irregularities in the normal course of his duties - assigning different people the responsibilities of authorizing transactions, recording transactions, and maintaining custody of assets.

: Design and use of adequate documents and records to help ensure the proper recording of transactions and events, such as monitoring the use of prenumbered shipping documents.

: Adequate safeguards over access to and use of assets and records, such as secured facilities and authorization for access to computer programs and data files.

: Independent checks on performance and proper valuation of recorded amounts, such as clerical checks, reconciliations, comparison of assets with recorded accountability, computer-programmed controls, management review of reports that summarize the detail of account balances (for example, an aged trial balance of accounts receivable), and user review of computer-generated reports.

CHECKING AND SAVINGS

The general fund will have two checking accounts and one savings account. Descriptions are as follows:

1. General Checking - Used to pay all invoices of the approved Tribal warrant. The general fund checking account will be reconciled every month. A reconciliation will take place within 25 days of receipt of the bank statement and be performed by the Reconciliation Specialist.

2. Payroll Checking - Used for all Tribe payroll disbursements from approved payroll warrant. The account is funded weekly from the general account for the gross payroll of that week. It is the duty of the Reconciliation Specialist to see a check is written from the general checking over to the payroll clearing. A monthly reconciliation will take place within 25 days of receipt of the payroll bank statement and will be performed by the Reconciliation Specialist.

3. Tribal Census Checking - Used to pay all invoices of the approved Tribal warrant for census. The Census checking account will be reconciled every month. A reconciliation will take place within 25 days of receipt of the bank statement and be performed by the Reconciliation Specialist.

4. Money Market/Sweep - Used to hold all excess Tribe cash. A monthly reconciliation will take place within 25 days of receipt of the money market bank statement and will be performed by the Reconciliation Specialist.

The Trust Fund will have various Tribal accounts. The accounts are to be used to deposit funds and pay bills of the Tribe. A monthly reconciliation will take place within 25 days of receipt of the individual trust bank statements and will be performed by the Reconciliation Specialist.

PETTY CASH

The Governors office will have an imprest petty cash fund. This is a $100.00 fund.

The Health Center will have an imprest petty cash fund. This is a $100.00 fund.

The Tribe will reimburse the petty cash fund in such a manner:

Disbursements from the fund are only for payments supported by vouchers. All vouchers are to be marked PAID, and date of payment, to prevent duplicate payment.

The fund will provide a listing of current expenditures and appropriate receipts to support all expenditures.

The Tribe will write a check to the petty cash fund for that same amount. The payee of the check will be the person responsible for the fund.

No cash receipts will be added to the petty cash fund.

No personal checks will be cashed from the petty cash fund.

CASH RECEIPTS

GENERAL

Mail Receipts

All mail, including cash receipts mail, is opened by the Accounts Payable Specialist. Restricted endorsement is immediately placed on all checks. The cash receipts are directly entered into the on line computer system. Any money directly through the mail is so noted when posted. All cash receipts are entered into the computer system and maintained in the Accounts Receivable Specialist Drawer.

Over The Counter Receipts

All over the counter receipts such as car excise tax, fines, etc. are collected by the Tribal Clerk and Tribal Court Clerk. The money is recorded into the computer system and each Clerk has the same drawer for physical receipt of money. Each clerk is responsible for the drawer and a cash up at the end of day. The cash in the drawer must be equal to the total of a) Cash Receipts Journal Proof, b) Accounts Receivable Cash Receipts Journal.

After each clerk has reconciled the drawer, the individual reconciliations are then given to the accounts receivable specialist for approval. The reconciliation is then consolidated by the accounts receivable specialist and taken directly to the bank. Weekly bank deposits are mandatory. At the discretion of the Chief Financial Officer, more frequent deposits may be done especially during unusually busy times at the Tribe where the collection of money is necessary. This reconciliation process is standard for all cash receipts.

CASH DISBURSEMENT

GENERAL

All cash disbursements are approved for payment by the applicable program director. All vouchers are then sent to finance for payment. The Tribal Council, through a Tribal disbursement journal (warrant), shall approve the vouchers for payment. A copy of all invoices shall accompany the vouchers to be paid. All computer checks are prenumbered.

All manual checks are prenumbered.

Voided checks are destroyed in signature area and filed numerically.

Signing checks in advance is prohibited.

The Tribe forbids making checks payable to:

a) Pleasant Point Passamaquoddy Tribal Council
b) Cash
c) Bearer

OFFICE

Checks are signed by only the Tribal Treasurer or Deputy Tribal Treasurer.

A signature stamp is available. It is used for both payroll and payables.

The accounts receivable consists mainly of ambulance receivables, travel advances, third party billings which are owed to the Tribe. Other miscellaneous receivables consists of debt owed to the Tribe by outside organizations for purchased police services.

The Accounts Receivable Specialist are in charge of handling all ambulance billings over the counter and mail receipts. At the time of receipt, it will be entered into the computer and recorded on the register at the counter.

It is the responsibility of the Accounts Receivable Specialist handle all over the counter receipts for ambulance billings. After receipts are received and recorded at the counter cash register, each receipt is entered into the on line computer system.

It is the responsibility of the accounts Receivable Specialist to reconcile the Accounts Receivable Aging and Accounts Receivable Other subsidiary ledgers to the trial balance within the first fifteen days of the new month. These two totals must agree.

Each month, the Chief Financial Officer and the Accounts Receivable Specialist will review the outstanding accounts receivable listing and prepare a list of accounts doubtful of collection. Upon approval of the Tribal Council, the accounts balances will be written off. Controller will make the necessary entry into the computer from a standard Pleasant Point Passamaquoddy Tribal Council general journal entry form.

One of the Accounts Payable Specialists opens all mail. The sorted invoices are then sent to the Accounts Payable Specialist, who attaches a voucher slip and performs the steps on the voucher sheet.

STEPS TO ENTERING ACCOUNTS PAYABLE INTO THE SYSTEM

Invoices must be prefaced with a voucher slip. The voucher slip documents that:

a) The invoice was matched with the proper purchase order
b) The invoice was ADD CHECKED
c) Voucher date
d) Coded for debit posting
e) Vendor account coded
f) Approved for payment
g) Initialed by data entry

PAYMENTS ON ACCOUNTS PAYABLE

It is the policy of the Tribe to pay as many invoices as possible, through the Tribe's accounts payable cash disbursement system. Payments are made for payables according to invoice due dates.

All payments are with computer generated accounts payable checks only.

It is the Tribe's policy to take advantage of all 2% net 10 day discounts.

Payments are from approved vouchers only. Payments from vendor statements is forbidden.

MONTH END

At month end, an accounts payable register is to be run.

It is the responsibility of the Accounts Payable Specialist to reconcile the subsidiary ledger to the trial balance within the first fifteen days of the new month. These two totals must agree.

PERIODICALLY

Periodically, vendor statements are compared with the recorded liability.

A file of these reconciliations is to be maintained.

CONTROLS OVER TRAVEL ADVANC ES

Whereas the Tribe recognizes that Travel will be an everyday part of doing business at the Tribe, travel advances will be allowed to eligible Tribal employees who will be traveling representing the best interest of the Tribe for business. Eligible employees shall submit a travel advance request voucher for payment prior to travel. The following will outline the Tribes travel advance process:

1) All Tribal employees will submit a travel Advance Request Voucher for payment prior to travel to the program director for approval. The travel advance will be paid using the daily per diem rate established by the Tribe. The program director will submit the travel voucher to the accounts payable department within finance for payment. All program directors travel shall be approved by the Governor prior to payment and the same process shall be followed above.
2) After processing the voucher for payment, the accounts payable specialist shall submit a copy of the travel voucher for each employee to the cash receipt specialist. The cash receipt specialist shall enter the amount of the travel voucher for each employee within the Accounts Receivable module of the tribes accounting software. The cash receipts specialist shall keep a file folder by employee for all travel advances.
3) Upon returning from Tribal business travel, the employee shall have ten business days from the date of the travel check to reconcile the applicable travel with the cash receipt specialist. All travel vouchers must be accompanied by a legible copy of a receipt paid by the employee for travel during business travel, and the itemized travel log if a personal vehicle was used. The travel log for the vehicle shall include:

    1) The total business miles driven – by trip.
    2) A description of the reason for the business conducted to support those miles.

4) Upon reconciling the travel advance with the cash receipt specialist, the employee shall make a check payable to the Tribe for any balance due (if necessary) not supported with business receipts or a travel log at the time of reconciling.
5) If the employee fails to reconcile the travel advance within the allotted time frame with the cash receipt specialist, the cash receipt specialist will submit to the payroll department of the Tribe a wage attachment for the applicable employee. From the employee paycheck, shall be deducted in week one an amount representing half of the travel advance. If the travel advance is still not reconciled by the issuance of the next employee paycheck, the remaining amount due to the Tribe for that employee for travel will be deducted. The Tribe shall agree to reimburse the employee upon adequate documentation for travel if wage attachments are necessary by the reconciled amount owed to the employee.
6) The Tribal Council shall be provided a list monthly for all outstanding travel advances by the Controller for each employee and the amount due the Tribe.

Travel Advance Voucher

Employee Name:_____

Employee Department:_____

Nature of Trip:_____

Destination:_____

Trip Departure Date:_____

Estimated arrival Date Back to Tribe:_____

Total Number of Business Travel Days:_____

Travel Voucher Amount:$_____

I understand that this travel advance represents a loan by the Tribe to me and that within ten days of the date of the check issued for my travel, I will submit to the cash receipt specialist a reconciliation of my travel including eligible copies of all business receipts paid for during the course of this trip. I agree to and recognize that failure to adequately reconcile my travel within the allotted time shall result in wage attachments to my paycheck as outlined in the Tribal Travel Advance Policy.

_____ _____

Employee Signature **Date**

_____ _____

Program Director Approval **Date**

Each separate fund balance account will remain untouched throughout the entire year. No adjustments or transfers will be made to this account.

The Pleasant Point Passamaquoddy Tribal Council will receive grants from outside agencies. Some examples of these agencies are as follows:

1. United States Government
2. State of Maine

The funds, shall be deposited into the appropriate accounts and applied to its own budget line item labeled in revenues. These funds are designated to be spent according to the correspondence agreement between the outside agency and the Pleasant Point Passamaquoddy Tribal Council . It is the responsibility of the Grants Manager to see these procedures are carried out.

The Accounts Receivable Specialist receives money from four other departments which are outside of the accounting department. They are:

1. Tribal Clerk -

2. Tribal Court Clerk -

EMPLOYEE FILES

Employee files shall contain:

1) Job application
2) Payroll deduction authorization
3) W-4 Forms
4) Rate of pay/distribution authorization
5) Job description

The following procedures will apply to all weekly pay periods:

1. Program Director shall submit a summary sheet of each hourly department employee. Summary sheet shall have the department head signature prior to submission to the Payroll Specialist.

2. Controller shall review all payroll summary sheets submitted to the Payroll Specialist and verify with his authorized signature.

3. Payroll Specialist will then enter payroll summary sheets into the computer and process each employees payroll check.

4. Payroll warrant is then approved by the Tribal Council.

5. Payroll Specialist will stamp all payroll checks with the signature stamp.

6. Payroll Specialist distributes checks accordingly. Program Directors shall receive their corresponding department payroll checks. All administrative employee checks are handed to the employee personally by the Payroll Specialist.

7. Any unissued payroll checks are stored in the vault until proper distribution to the pertaining employee.

The Tribe utilizes a special payroll bank account, restricted for payroll use only.

All quarterly payroll returns and other payroll reports are prepared from computer generated reports and filed by the Payroll Specialist, upon approval by the Controller.

All general journal entries are to be manually documented on the standard Pleasant Point Passamaquoddy Tribal Council journal entry form.

Appropriate documentation supporting the journal entry is to be attached to the Journal Entry Form.

The Chief Financial Officer must approve and initial such Journal Entry Form prior to its input into the computer system.

It is then the responsibility of the Controller to input these entries into the computer system.

After the budget has been approved by the Tribal Council, the Controller will enter into the computer the entries needed for each corresponding line item to each department. These entries will be entered into the computer within fifteen days of the approved budget, and will remain untouched throughout the course of the year unless approval by the Tribal Council allow a department to adjust a specific line item accordingly. Upon approval, the Controller will enter in the necessary adjustment.

All electronic transfer of funds are to be handled only by the Bookkeeper.

These transfers are to be documented on the standard Pleasant Point Passamaquoddy Tribal Council electronic fund transfer sheet and the Tribe requires each applicable bank at the origination of the transfer to fax back an answer sheet to the Chief Financial Officer for receipt the transfer is complete.

The Tribe utilizes a multi-user computer systems to perform electronic data processing. It has incorporated the Advanced Data System to record and process all of the necessary financial information within its accounting system.

A password system is used as a control procedure to insure that only authorized personnel are able to access the accounting records.

All administrative positions within the Tribe office have computer terminals at their desk. The only people having access to the computer accounting records are the Chief Financial Officer, and Controller. These people all have a specific password to access certain applications.

The breakdown of applications of the multi-user system which requires passwords are as follows:

Application	Authorized Users
General Ledger/Main Menu	CFO/Controller
Accounts Payable/Main Menu	CFO/Controller/A/P Specialist
Payroll/Main Menu	CFO/Controller/Payroll Specialist
Accounts Receivable/Main Menu	Accounts Receivable Specialist
Cash Receipts/Main Menu	Tribal Clerk & Tribal Court Clerk

All designated carry forwards must be approved by the Tribal Governor prior to recording. It is the responsibility of the Controller to record the necessary entries to process this.

All inter-fund transfers will require prior approval by the Tribal Governor. It is the responsibility of the Chief Financial Officer to carry out all transfers upon approval of the Tribal Governor.