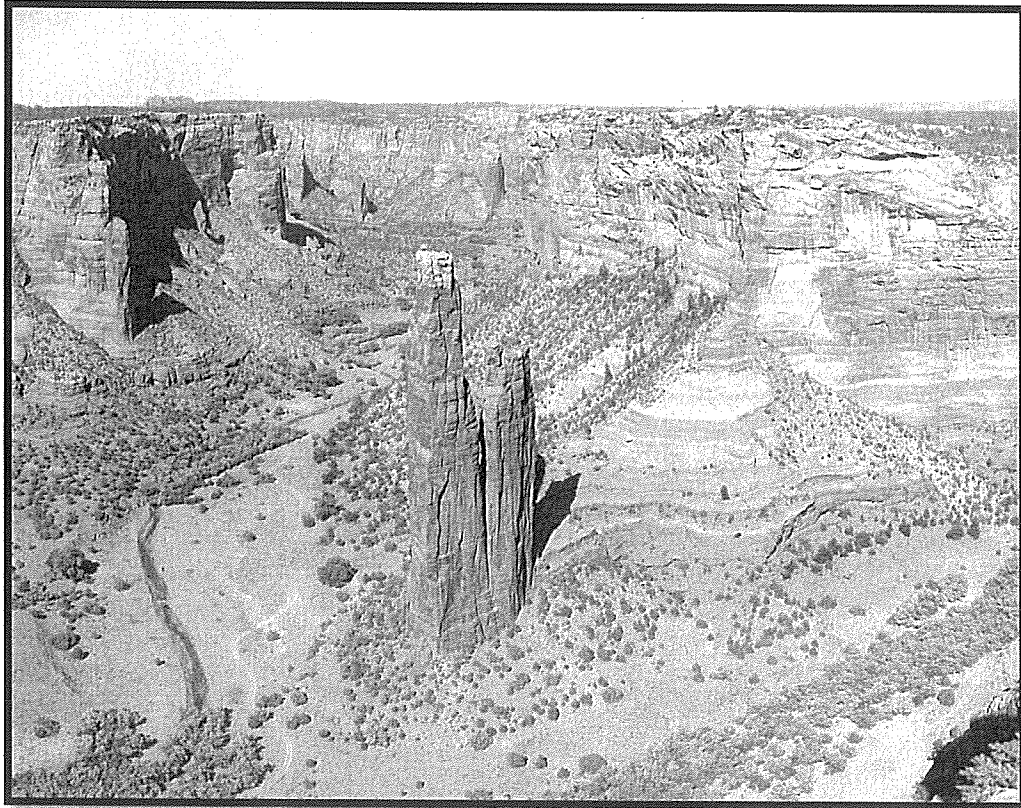


CHINLE CHAPTER GOVERNMENT



FIVE MANAGEMENT SYSTEM POLICY AND PROCEDURE MANUAL

APPROVED BY DOJ & ATTORNEY GENERAL'S OFFICE JUNE 07, 2010

PROPERTY
MANAGEMENT
SECTION

**CHINLE CHAPTER
PROPERTY MANAGEMENT POLICIES AND PROCEDURES
TABLE OF CONTENTS**

I.	AUTHORIZATION	
	A. 26 N.N.C., Section 101 (A)	1
	B. Chapter Resolution #: <u>CHIN-JULY-10-043</u>	1
II.	PURPOSE AND SCOPE OF POLICY	
	A. Set Forth Authority, Principles, and Policies & Procedures	1
	B. Applicable To All Employees and Members	1
	C. Ensure Handling of Chapter Property.	1
	D. Provide Adequate and Accurate Information	1
	E. Ensure Proper and Accurate Documentation	1
III.	APPLICABLE LAWS	1
IV.	GENERAL STATEMENT OF POLICIES	
	A. Individuals and Employees Responsibilities	2
	B. Individuals Responsible for Property Remotely Located	2
	C. Disposition of Chapter Property Not Authorized	2
	D. Unauthorized Disposition of Property	2
	E. Marking/Tagging of Property.	2
	F. Chapter Property Records	2
	G. Location of Property	2
	H. Abandoned Property	2
	I. Rewards, Gifts or Other Form of Remunerations	2
	J. Property of Significant Value.	2
	K. Non-Capital Expenditures.	3
	L. Compliance with Policies and Procedures	3
V.	GENERAL DUTIES AND RESPONSIBILITIES	
	A. Chapter Administrative Responsibilities	3
	1. Chapter Manager	3
	2. Administrative Assistant	4
	B. Chapter Officials' Responsibilities	4
	1. Chapter President	4
	2. Chapter Vice President	4
	3. Chapter Secretary/Treasurer	5
VI.	PROPERTY ACQUISITION	
	A. Policy	5
	B. Compliance with Policies and Procedures.	5
	C. Procedures	5

VII.	PROPERTY IDENTIFICATION, CLASSIFICATION AND RECORDS	
	A. Policy	8
	B. Procedures	8
VIII.	INVENTORY OF PROPERTY	
	A. Policy	10
	B. Procedures	10
IX.	LOST, STOLEN OR DAMAGED PROPERTY	
	A. Policy	11
	B. Procedures	11
X.	PROPERTY MAINTENANCE AND STORAGE	
	A. Policy	12
	B. Procedures	12
	1. Maintenance of Facilities	12
	2. Maintenance of Equipment	12
XI.	LOAN, RENTAL AND USE OF CHAPTER PROPERTY	
	A. Policy	13
	B. Procedures	14
	C. Use of the Chapter House	14
XII.	PROPERTY AND EQUIPMENT INSURANCE	
	A. Policies	16
XIII.	PROPERTY DISPOSITION	
	A. Policy	16
	B. Procedures	17
	1. Types of Disposal	17
	2. Surplus Property	17
	3. Sale of Property	17
XIV.	DEFINITIONS	
	Definitions of Terms	18
XV.	APPENDICES	
	Exhibits (A-C).	20

**THE CHINLE CHAPTER
PROPERTY MANAGEMENT POLICIES AND PROCEDURES MANUAL**

I. AUTHORIZATION

- A. Pursuant to 26 N.N.C. § 101 (A), the Chapter hereafter referred to as Chapter is required to formulate, implement and operate under a Five Management System to ensure accountability. Accordingly, The Chapter has developed policies and procedures for the Five Management Systems consistent with applicable Navajo Nation Law.
- B. Pursuant to Chapter Resolution CHIN-JULY-10-043 the Property Management Policies and Procedures Manual (hereafter “Property Manual”) is hereby approved.

II. PURPOSE AND SCOPE OF POLICY

- A. These policies sets forth the authority, principles and policies governing the accounting for all chapter property in terms of dollar value, units and their location(s); and prescribes the chapter administrative functions and chapter officials' policy-making functions within the Chapter. These policies also provide the basis for the implementation of the general supervision over procedures necessary to organize and protect all chapter assets, through the maintenance of records and performance of inventories, thereby ensuring the provision of adequate and economical warehousing, receipt and delivery of chapter property.
- B. This Property Manual is applicable to all employees and members of the Chapter, including Chapter officials, who shall monitor property management to ensure that property records are maintained and that this policy is enforced.
- C. This Property Manual shall apply to all employees and members of the chapter, including Chapter officials, who shall ensure that all handling of Chapter property is done accordance with the principles detailed in the manual.
- D. These policies and procedures are intended to provide adequate and accurate information for chapter reporting activities, help justify how resources are utilized, serve as an important internal control measure, help document important decisions, and provide a history of the operation and maintenance of Chapter property.
- E. These policies and procedures shall ensure that all activities are supported with proper and accurate documentations, serve as an efficient and effective tool to minimize duplication of property acquisition, and provide adequate safeguards for Chapter property.

III. APPLICABLE LAWS

The Chapter shall comply with all applicable State, Federal and Navajo Nation law.

- K. All non-Capital expenditures shall be included in a Chapter-approved budget and recorded as an expense in the year of their purchase. At year-end, the capitalized asset shall be transferred to the Capital Assets Account Group ledger.
- L. All individuals shall comply with the Procurement Policies and Procedures Manual for any and all acquisitions of property.

V. GENERAL DUTIES AND RESPONSIBILITIES

A. Chapter Administrative Responsibilities:

The Chapter administrative staff shall follow the duties and responsibilities prescribed in their Property Manual or other applicable policies and plans of operation and shall comply with all administrative policies and procedures enacted by the Chapter, in accordance with applicable law.

- 1. The Chapter Manager shall:
 - a. Be entrusted and accountable for all Chapter property and shall be the designated property custodian.
 - b. Co-sign all checks for payment to vendors, along with the Chapter Secretary/Treasurer, and the Chapter President if the Secretary/Treasurer is not available.
 - c. Verify all purchase requisitions to assure purchase costs are reasonable, that materials are suitable, and that the quantity and intended use of any property purchased by the Chapter is in the best interest of the Chapter.
 - d. Keep both general and subsidiary ledgers for all Capital Assets owned, and which should permit a reconciliation of the detailed subsidiary ledger account amounts with the summary amounts and other accounts in the general ledger.
 - e. Reconcile the chapter inventory list maintained by the Administrative Assistant on an annual basis, and the re-sale inventory on a monthly basis.
 - f. Have the discretion of maintaining a separate inventory for assets not meeting the capitalization requirements, which will be expensed when purchased.
 - g. Acquire Chapter property on an installment plan, with the approval of the Chapter membership.
 - h. Be responsible for assuring rental equipment is used for its approved purpose and that the Chapter approved rental fees are enforced.

3. The Secretary/Treasurer shall:
 - a. Monitor the maintenance of an accounting system to ensure accountability of all funds and expenditures, and shall report all financial activities to the Chapter President and membership on a monthly basis.
 - b. Ensure that the chapter administration prepares monthly financial reports of all transactions and expenditures of the chapter by categories.
 - c. Co-sign Chapter checks along with the Chapter Manager.
 - d. Monitor and review the Chapter's property control records on a monthly basis.
 - e. Work towards resolving any discrepancies, irregularities, or illegalities in the property control process.

VI. PROPERTY ACQUISITION

A. Policy:

The Chapter may acquire personal and real property through purchase, donation, transfer, or abandoned property found within the Chapter's premises or jurisdiction.

B. All property purchases shall follow the Chapter's Procurement Policies and Procedures Manual where applicable.

C. Procedures:

The following procedures will apply for all property acquisitions:

1. Property:

a. Procedures:

- (1). The Chapter Manager may acquire or purchase property and equipment through use of cash and/or credit, or on an installment/lease plan, with the approval of Chapter Officials and membership.
- (2). The Administrative Assistant shall prepare all the necessary documents (Refer to Procurement Policy and Procedures) to initiate the purchase of property and equipment.
- (3). The Chapter Manager and Chapter President shall sign property acquisition documents on behalf of the Chapter upon approval of the Chapter membership.

a. Policy:

It shall be the policy of the Chapter that any and all property found and/or abandoned shall become the property of the Chapter, at the discretion of the Chapter Manager in consultation with the Chapter Officials.

b. Procedures:

- (1). The Administrative Assistant shall inform the Chapter Manager and Chapter Officials about the found property immediately, and if the owner can be identified, request that the owner claim the property within thirty (30) calendar days.
- (2). The Chapter Manager, in consultation with the Chapter Officials, shall determine whether the property or equipment found or abandoned within the boundaries and jurisdiction of the Chapter shall become the property of the Chapter in the event there is no claim.
- (3). Upon acquisition of any abandoned or found property, the Chapter Manager shall estimate the value of said property based on its fair market value at the time of discovery.
- (4). If the property or equipment is unacceptable as Chapter property, the property will be turned over to the local police department or otherwise disposed of by the Chapter.
- (5). The Administrative Assistant shall tag and record the property in the appropriate general and subsidiary ledgers along with all Capital Assets owned.

4. Property and/or Equipment Transfer:

a. Policies:

1. A suggestion for transfer of property and equipment to the Chapter shall be addressed in writing to the Chapter.
2. The Chapter Manager shall be responsible for the acceptance or rejection of the transferred property or equipment offered to the Chapter.

b. Procedures:

1. The Chapter Manager shall assess the proposed transfer and consult with the Chapter Officials concerning the costs or

- (2). Furniture
 - (3). Equipment
- d. Real property (Capital Assets, value at \$5,000 or more):
- (1). Improvement
 - (2). Building
 - (3). Land
2. The Administrative Assistant shall record the proper classification of chapter property on the Capital Asset Inventory sheet which shall contain the following information:
- a. Property numbers
 - b. Description
 - c. Classification
 - d. Serial number
 - e. Acquisition cost
 - f. Value
 - g. Condition
 - h. Last inventory
 - i. Date acquired
 - j. Procurement documents
 - k. Invoice number
 - l. Vendor
 - m. Fund Source
 - n. Date of disposition
 - o. Method of disposition
 - p. Amount of proceed
 - q. Account credited
 - r. Deposition posted by
3. The Administrative Assistant shall assure that the property identification, availability, and location of Capital Assets are recorded on the Capital Assets Inventory Sheet, and filed securely in a locked safe.
4. If the date of purchase or purchase price is unknown, the beginning fiscal year date shall be utilized, with a specific notation regarding the substituted date. If the date of purchase price is unknown, it will be estimated at the current fair market value. Also the value of donated equipment shall be estimated based on fair market value at the time of acquisition and the total value of all listed property and equipment shall be recorded in the Capital Asset account.
5. The Chapter Manager shall record in the Chapter's accounting records and financial report statements on the Chapter's Capital Assets in accordance with the following example:

a. The General Ledger – Capital Assets

DATE	ITEM	REF	DEBIT	CREDIT	BALANCE
12/1	Beg. Bal.				35,000
12/31	Machinery & Equipment	GF	45,000		
12/31	Office Equipment	GF	20,000		100,000

Subsidiary Ledgers are detailed records and amounts of individual property items listed as Capital Assets (buildings, infrastructure or improvements other than buildings, machinery and equipment, and construction in progress). These ledgers permit for the reconciliation between the General Ledger and Subsidiary Ledgers. The following are examples of Capital Assets subsidiary ledgers.

b. Fixed Asset Subsidiary Ledger-Machinery & Equipment:

2. The Administrative Assistant shall ensure that all pertinent records and documentation of all Chapter property are kept on file including invoices, warranties and titles.
3. At the beginning of each fiscal year the Chapter Manager shall provide a copy of the most current inventory listing to the Navajo Nation Risk Management Department, or whenever there is any new acquisition or disposition of any property covered by the Risk Management Department, including any equipment, vehicles, etc., and any real property such as land, buildings and improvements.
4. The Chapter Manager shall consult with the Navajo Nation Risk Management Department annually as part of the budget process, to determine insurance costs and available appropriations, and to ensure that the Chapter's entire inventory is properly insured at all times and that property identification requirements are sufficient to meet replacement requirements.
5. The Chapter Manager shall reconcile and adjust the inventory count and listing for accuracy and completeness on an annual basis or at the time of acquisition or disposition.

IX. LOST, STOLEN OR DAMAGED PROPERTY

A. Policy:

Pertinent records and documentation of all Chapter property shall be kept on file including invoices, warranties and titles to ensure protection against property lost, stolen or damaged.

1. To prevent loss, theft or damage of any Chapter property, all property shall be secured in its proper place at all times.

B. Procedures:

1. The Administrative Assistant shall check all locations to ensure the asset has not been misplaced, loss, stolen or damage.
2. The Chapter Manager or Administrative Assistant shall immediately notify law enforcement and obtain a written police report on the missing, stolen or vandalized asset.
3. The Chapter Manager shall immediately notify the chapter officials of the incident.
4. The Chapter Manager shall submit a memorandum and a copy of the police report along with all essential information regarding the property to the Navajo Nation Risk Management Department, Window Rock, Arizona.

a. Preventive Maintenance

- (1). The Administrative Assistant shall schedule and requisition for servicing of all equipment including, but not limited to, any computers, the photocopy machine, printer, fax machine, and vehicles.
- (2). All Chapter office equipment shall have a monthly preventive maintenance schedule. If the product is on lease to the Chapter, any agreement with the lessor shall provide that the lessor supply the routine maintenance.
- (3). The Chapter Manager shall monthly inspect all equipment for proper maintenance and compliance with the maintenance schedule.
- (4). The Chapter Manager shall ensure for reasonable security to safeguard Chapter property.
- (5). The Administrative Assistant shall date and log all maintenance performed on the Monthly Inspection and Maintenance form.

b. Repairs:

- (1). The Administrative Assistant shall be responsible for the scheduling and requisitioning of routine repairs of equipment in accordance with the Chapter's Procurement Policies and Procedures.
- (2). The Chapter Manager shall be responsible for emergency repairs, in accordance with Section VI of the Chapter Procurement Policies and Procedures.
- (3). The Administrative Assistant shall date and log all repairs of any equipment.

XI. LOAN, RENTAL AND USE OF CHAPTER PROPERTY

A. Policy:

No Chapter property or equipment shall be loaned or rented without the approval of the Chapter Manager on a Chapter House Usage Form (Exhibit D) and after establishment of a standard rental fee for each type of Chapter property and equipment. The Chapter shall also require a deposit to cover cleaning, damage or loss of equipment and shall not be responsible for any liability or damages whatsoever caused by the Lessee's negligence or failure to comply with the applicable standard of care for any activities under the Lessee's control, or for the Lessee's failure to comply with any applicable Chapter policies or Navajo Nation law. . Any liability of the Chapter or the Navajo Nation shall be strictly limited

the facility, which can be obtained from the Navajo Nation Risk Management Department.

c. If an individual(s) or group request to utilize the kitchen facility to sell food or other items, either on behalf of the Chapter or privately, the Chapter Manager shall approve these requests on a Chapter House Usage Form (Exhibit "D"). No person shall handle food to be prepared for consumption by the public without a valid food handler's permit, a copy of which shall be filed with the Chapter Administration.

c. _____ The Chapter shall not assume any responsibility for loss or theft of any valuables of the Lessees or their Invitees, nor for any liability or damages whatsoever caused by the Lessee's negligence or failure to comply with the applicable standard of care for any activities under the Lessee's control, or for the Lessee's failure to comply with any applicable Chapter policies or Navajo Nation law. Any liability of the Chapter or the Navajo Nation shall be strictly limited to those damages available under the Navajo Sovereign Immunity Act, 1 N.N.C. §§ 551 et seq.

d. The Lessee is responsible for making sure that all Chapter property remains on the premises and that the area is clean before leaving. It will be the Lessee's responsibility to pay for any damaged property, and if the Chapter House is not cleaned, the Lessee will forfeit the deposits and future utilization of the Chapter house facilities. The Chapter Manager shall be responsible for making that determination depending on the circumstances and damage done.

e. The Lessees shall abide by the maximum number of occupancy established for the facility.

f. The Chapter administration staff shall be authorized to establish rules and regulations pertaining to telephone calls, water hauling and other incidentals for the community members.

g. The Chapter Manager shall be the sole authority to approve any waiver of fees, based on proper documentation and policies for waiver of fees established by the Chapter membership.

h. The Chapter Manager and/or Chapter Officials shall reserve the right to refuse any individual(s) the usage of the Chapter facility if the individual(s) is behaving unprofessionally and using vulgar language or profanity.

i. Facility usage for any political functions shall be subject to all applicable fees and deposits with no refunds. .

2. Procedures:

It shall be the policy of the Chapter to properly dispose of its property and equipment that will involve not only the physical disposition, but also the reconciliation of the accounting records to reflect such disposal. Capital Assets may be disposed of in a sale, retirement, or replacement transaction.

1. The Chapter Manager shall update property records to reflect disposal and to ensure that insurance policies are updated as appropriate.
2. The Chapter Manager in consultation with the Chapter Officials shall approve any disposal of Chapter property and/or equipment.
3. All disposal of Chapter property shall be reported to the Chapter membership via public notice or at Chapter meetings by the Chapter Manager.

B. Procedures:

1. Types of Disposal:

- a. Ordinary disposal includes property disposed of through ordinary means (sales, trade-in, wear and tear, obsolete, etc).
- b. Extraordinary disposals include property that is stolen, lost, damaged or destroyed, and which require an inventory report.

2. Surplus Property:

Surplus property is supplies or equipment for which there is no longer a need within the Chapter. If the Chapter identifies surplus property, the Chapter Manager shall inform the Chapter membership that such property exists so that the Chapter membership may have first opportunity to purchase such surplus property.

3. Sale of Property:

- a. When a sale of Chapter property is to be made, the Chapter Administration shall post a notice of sale in conspicuous places for thirty (30) days prior to said sale. Such property shall be sold at a price reflecting the property's fair-market value.
- b. The Chapter Manager shall be responsible for assuring that all documents verifying the sale are provided in order that the proceeds of such a sale will be credited to Other Revenue in the fund that generated the original purchase. If information on the fund source is not available, the proceeds will be credited to Other Revenue in the General Fund. The Cash Receipt Control policy and procedures will be applied for proper reporting and recording pursuant to Section VIII (A) of the Chapter Fiscal Policy and Procedures Manual.

without damaging the usefulness of the structure. It does not include installed building equipment.

- F. **Expendable Property** - is Chapter property that is of relatively low monetary value, is consumed in the performance of a function, or is incorporated into an end product. Examples of property under this description include operating supplies, office supplies, janitorial supplies, building material, hay and feed, firewood, fencing material, small tools, and so forth.
- G. **Fair Market Value** - is the price at which a willing seller will sell and a willing buyer will buy, in an arm's length transaction, when neither is under compulsion to sell or buy and both have reasonable knowledge of relevant facts.
- H. **General Fixed Assets** - is a classification of Chapter property that includes land, buildings, infrastructure, improvements other than building, machinery, equipment, and construction-in-progress, meeting items 1) and 2) or 3) of the following criteria: Non-expendable.
- 1) Value of \$500.00 or more.
 - 2) Non-expendable.
 - 3) Classified as a Sensitive Property Item by the Chapter Manager or elected officials.
- I. **General Fixed Assets Account Group** - is a self-balancing group of accounts, set up by the Chapter to account for the general fixed assets of the Chapter.
- J. **Historical Cost** - is an accounting principle requiring all financial statement items to be based on original cost. It is usually based upon the dollar amount originally exchanged in an arm's-length transaction; an amount assumed to reflect the fair market value of an item at the transaction date.
- K. **Installed building equipment** - are the items of Chapter equipment and furnishings, including material for installations, which are required to make a Chapter facility useful and are fixed as a permanent part of the structure. Examples of items included under this description are plumbing fixtures and equipment, fixed heating, cooling, ventilation, or fire protection, and counters and cabinets.
- L. **Non-expendable Property** - is an item of personal property of the Chapter of any dollar value that retains its identity throughout its useful life. For classification purposes, a minimum dollar value is assigned and the amount is significant enough to warrant maintaining of item accountability. The items of property under this classification, for property management and accounting purposes, will be carried on the Chapter property records as general fixed assets until disposed of by the Chapter through transfer, sale or other means.
- M. **Real Property** - is any interest in Chapter land, together with improvements, structures and fixtures that are located on it. The Chapter Planning and Zoning Council, aka: Hoyee' Bikayah Binataha, may be consulted for property land and

THE CHAPTER PROPERTY IDENTIFICATION SHEET	
Property No. _____ Serial No. _____ Value FY2001 \$ _____ Date of Service _____ Assigned To _____	Description _____ Classification _____ Condition _____ Useful Life _____ Last Inventory _____
Acquisition Data	
Date Acquired _____ Method of Acquisition _____ Acquisition Cost \$ _____ Vendor _____	Acquisition Document _____ Invoice No. _____ Fund Source _____ Account No. _____
Disposition Data	
Date of Disposition _____ Method of Disposition _____ Amount of Proceed \$ _____	Account Credited _____ Date Record Removed _____ Posted By _____

**THE CHAPTER INSURANCE
PREMIUM SCHEDULE**

COVERAGE	DEDUCTIBLE	RATE
Contents	\$ 500.00	.250
Contractors Equipment	\$ 1000.00	.580

i. Rates are per \$100 of Value

EXAMPLE

(Total Contents Value divided by 100) x Rate = Premium

$$\frac{\$25,000.00}{100} = 250 \quad \times \quad .250 = \$62.50$$

(Total Equipment Value divided by 100) x RATE = PREMIUM

Premium for Vehicle Coverage

Chapter Owned Auto

Auto Physical Damage	\$ 275.00
Auto Liability	\$ 267.31
PL 93-638 (Leased) GSA Vehicle	\$ 275.00

DEDUCTIBLES

Vehicle Under One (1) Ton	\$ 500.00
Vehicle One (1) Ton and Over	\$ 1,000.00
PL-93-638 Leased GSA Vehicles	\$ 500.00