

**RESOLUTION OF THE
BOARD OF REGENTS OF
NAVAJO TECHNICAL UNIVERSITY**

Rescinding Resolution NTU-AUG-1324-15, the Navajo Technical College Fiscal Management Policies & Procedures approved on August 1, 2015, and Approving the Navajo Technical University Fiscal Policies, attached hereto as Exhibit A and Authorizing the Navajo Technical University Finance Director to Develop and Implement Procedures Necessary to Implement these Fiscal Management Policies.

WHEREAS:

1. The Board of Regents of the Navajo Technical University is responsible for the administration, operations and the development of policy as stated in Navajo Nation Council Resolution, CO-58-16, enacted on November 10, 2016, that amended the University's enabling legislation, codified at 15 N.N.C. §§1201-1210; and
2. Pursuant to the University's enabling legislation, Navajo Technical University (NTU) is organized as an institution of higher learning for the primary purpose of providing post-secondary and post-graduate education programs that serve both the academic and vocational/technical needs of the Navajo Nation and its citizens, 15 N.N.C. §1203(A); and
3. Pursuant to the University's enabling legislation, the Board of Regents of Navajo Technical University is authorized to review and approve all administrative and instructional policies, and procedures, and all publications setting forth such policies and procedures, 15 N.N.C. §1205 (I); and
4. On August 1, 2015, the Board of Trustees of Navajo Technical College, now known as the Board of Regents of Navajo Technical University, approved the Navajo Technical College Fiscal Management Policies & Procedures that contained fiscal policies and procedures for the fiscal management and operations of the college, attached as Exhibit B; and
5. The Navajo Technical University administration, faculty and strategic planning stakeholder groups have all participated in the development of Navajo Technical University Fiscal Policies; and
6. During this development process, it was determined that the Navajo Technical University Fiscal Management Policies had to be completely rewritten and replaced with Navajo Technical University Fiscal Policies that appropriately meets the needs of Navajo Technical University and its fiscal operations; and
7. The Navajo Technical University Fiscal Policies explains policies that pertain specifically to Navajo Technical University fiscal; and
8. The Administration of Navajo Technical University hereby recommends the Board of Regents of Navajo Technical University rescinds its Navajo Technical College Fiscal Management Policies & Procedures, approved on August 1, 2015 (Exhibit B), and approve the Navajo Technical University Fiscal Management Policies, attached hereto as Exhibit A and authorizes the Navajo Technical University Finance Director to develop and implement procedures necessary to these fiscal management policies.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board of Regents of the Navajo Technical University hereby rescinds resolution NTU-AUG-1324-15, approval of the Navajo Technical College Fiscal Management Policies & Procedures, approved on August 1, 2015, (Exhibit B) and approve the Navajo Technical University Fiscal Management Policies, attached hereto as Exhibit A and authorizes the Navajo Technical University Finance Director to develop and implement procedures necessary to these fiscal management policies.
2. The President of the Navajo Technical University is hereby authorized and directed to do all things necessary to effectuate the purpose of this resolution.

CERTIFICATION

I hereby confirm that this resolution was discussed and considered by the Board of Regents of the Navajo Technical University at a duly called meeting held in Albuquerque, New Mexico at which a quorum was present and that this resolution was passed by a vote of **5** in favor, **0** opposed and **0** abstained on the 15th day of July, 2023.



Tom Platero, Chairperson
NTU Board of Regents

EXHIBIT A



NAVAJO TECHNICAL UNIVERSITY

Fiscal Policy

Adopted on: July 15, 2023

TABLE OF CONTENTS

1. Summary.....	2
2. General Accounting Policy.....	3
3. Budget Policy.....	6
4. Capital Asset Policy.....	9
5. Internal Control Policy.....	12
6. General Ledger Account Reconciliation Policy.....	17
7. Financial Management of Sponsored Projects Policy.....	20
8. Procurement Policy.....	22
9. Collection & Write-Off of Student Accounts Receivable Policy.....	30
10. Cash Handling Policy.....	31
11. University Credit Card Policy.....	33
12. Wire Transfer Policy.....	34
13. Business Expense Policy for Reimbursement.....	37
14. Travel Policy.....	42
15. Contract Management.....	48
16. Acknowledgment.....	50

Summary

These policies are established in accordance with the applicable Navajo Nation, federal and state laws. It provides a detailed outline of the various aspects of the University's financial policies. These policies consider the finance department's operations, and will set the appropriate processes to be followed. They will minimize the risks of any error or fraud. The policy's standards and rules must be followed at all organizational levels.

This policy document will be a reference for Navajo Technical University staff members in carrying out their functions. We have tried to cover all aspects in this policy, but certain situations give rise to developing new policies or revising the existing ones as, and when, necessary. Integrating these policies will ensure that your financial processes are streamlined.

The policies are intended to bring greater transparency and control over the organization's financial system.

This policy ensures that the funds are used appropriately. It aims to streamline the financial operations of the Navajo Technical University. It aims to establish the proper controls in place for budget, expenses, cash handling, and other key areas of fiscal management. The appropriate management of the organization's funds is essential to delivering quality education for students.

General Accounting Policy

Policy Statement

This policy governs the accounting and financial reporting of the Navajo Technical University.

The financial statements of the University are prepared on an accrual basis in accordance with generally accepted accounting principles (GAAP) outlined by the Governmental Accounting Standards Board (GASB).

Community members must be committed to the highest ethical standards of conduct and integrity. University policies and procedures provide guidance for making decisions and memorialize the institution's commitment to responsible behavior.

Departments must ensure that accounting transactions are entered accurately and timely in the Jenzabar software by employees who have access to initiate and/or approve transactions.

All departments must ensure transactions:

- follow the principles of fund accounting.
- align revenues and expenses with the appropriate activity.
- are following the University's policies.
- ensure donor restrictions and/or regulations are followed.
- are recorded correctly in Jenzabar.
- are recorded to the correct account codes.
- are completed based on established deadlines.
- include required documentation for the transaction type.

To fairly present the university's financial position and results of its financial operations in conformity with GAAP, as well as determine and demonstrate compliance with finance-related legal and contractual provisions.

- The finance department is responsible for accounting for the university's financial activities in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The university provides educational services, primarily for students at the undergraduate, graduate, professional and postdoctoral levels and performs research, training and other services under grants, contracts and similar agreements with sponsoring organizations, primarily departments and agencies of the United States Government.
- Accounts will be maintained, and reports prepared on the accrual basis of accounting.
- Revenues will be recorded when earned.

- Expenditures will be recorded when materials or services are received or when an obligation or the impairment of an asset has occurred.
- The finance department is responsible for maintaining a system of internal controls adequate to safeguard the university's assets. This includes delegation of responsibilities to the appropriate operating organizations.

Accrual Accounting

The accounts and funds of the University are maintained on the accrual basis of accounting in accordance with GAAP and with provisions of the AICPA's Audit and Accounting Guide. The University's funds are received from a variety of sources and may have associated restrictions. Restricted funds are tracked individually and are a separate accounting entity with their own assets, liabilities, and fund balance within the general ledger.

The Jenzabar accounting system houses the University's ledger of record, known as the general ledger. All financial transactions of the University are recorded in the general ledger within Jenzabar. Each transaction is coded with a chart string, which is made up of several unique elements known as chart fields. Chart field names and brief explanations follow:

- **Fund** — Identifies source or use of funds
- **Year** — Identifies tracking of year of transaction, administration cost center and campus location code.
- **Department** — Identifies unit or individual department spending or receiving funds and academic program for each school.
- **Object Code/Account Number** — Identifies transactions as assets, liabilities, revenues, expenses, transfers, or fund balance.
- **Product Code** — Identifies a specific type of activity as assigned by the user
- **Project** — Identifies a grant or capital project

The finance department is responsible for maintaining the integrity of the chart fields and for assigning chart field elements for use by departments.

Accounting and Financial Reporting

1. Financial Accounting & Reporting Standards

- a. The university's annual financial statements follow a fiscal year from June 1- May 30.
- b. The university's financial accounting records are maintained in accordance with US Generally Accepted Accounting Principles (GAAP), as prescribed in applicable pronouncements of the Governmental Accounting Standards Board (GASB).
- c. The university follows the cost principles required by the Office of Management & Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Management Responsibility

Management is responsible for overseeing financial activities and ensuring that all financial records are accurate, complete, and comply with applicable laws and regulations. Management's responsibility for accounting at the Navajo Technical University involves ensuring that the university's financial operations are managed efficiently, effectively, and in compliance with applicable laws and regulations.

The following are the key responsibilities of management in accounting:

1. **Financial Planning:** Management is responsible for developing and managing the university's financial plan, which includes preparing budgets, forecasting revenues and expenses, and developing financial policies and procedures.
2. **Financial Reporting:** Management is responsible for generating timely and accurate financial reports, such as income statements, balance sheets, and cash flow statements, to provide the university's Board of Regents and stakeholders with a clear picture of its financial position and performance.
3. **Audit Compliance:** Management must ensure that the university's financial records comply with Generally Accepted Accounting Principles (GAAP) and other regulatory requirements, and that they are subject to periodic audits by internal and external auditors.
4. **Cash Management:** Management must ensure that the university has adequate cash reserves to meet its obligations, manage cash flow, and make investment decisions.
5. **Asset Management:** Management must ensure that the university's assets, such as buildings, equipment, and investments, are properly managed and accounted for.
6. **Risk Management:** Management must identify and manage financial risks associated with the university's operations, such as currency risk, interest rate risk, and credit risk.

Electronic Operational Systems

Navajo Technical University utilizes Jenzabar's electronic operational systems (e.g., financial, procurement, fixed assets, human resources, etc). The payroll system is outsourced. Many operational transactions are processed through these systems. Operational transactions processed through these systems carry the same requirements as all other operational transactions.

Access to these systems and review of that access should be governed. Only those members properly authorized to access these systems may execute operational transactions within the systems.

Budget Policy

Policy Statement

The Navajo Technical University (NTU) budget and business planning process aims to achieve a balanced budget while maximizing resources and allocating those resources to align with the university's strategic mission. Budgeting involves all segments of the university and is a continuous process designed to ensure the best use of available funding. Budget management requires short-term and long-range planning and involves:

- Setting up program priorities.
- Requesting funding.
- Allocating available funds to various programs and projects.
- Preparing and maintaining the budget.
- Reporting on the use of funds and intended use of any unexpended funds.

This policy applies to budget management and the use of fund balances for current unrestricted funds at the Navajo Technical University (NTU), with a special emphasis on instruction & general funds.

Navajo Technical University is committed to effective resource management and accountability. Budgeting is a critical tool to help achieve its strategic goals by managing financial resources more effectively.

All potential resources (including any carry forwards, expected revenue for the fiscal year, and transfers in) and all planned uses (including expenditures and transfers out) must be included in the budget for budget planning to be comprehensive and effective.

By requiring that all current, non-sponsored funds be included for planning and budgeting, NTU can better manage its resources and hold itself to a consistent standard of accountability, regardless of the source of funding or category of expenditure.

The Board of Regents' approval enhances accountability, provides proper financial oversight, and helps align the university's financial resources with its strategic goals. Ongoing budget oversight ensures that resources and expenditures are occurring in general conformity with the budget plan.

This policy outlines the university's annual budget process and describes the budget components and other related procedures integral to the process.

Budget Development

The budget development process should be the primary vehicle for determining priorities among expenditures and resources available to individual programs within departments. Departments must work with the budget manager to develop annual fiscal year operating budgets.

Grant budgets must be developed and maintained by sponsor guidelines outlined in the Sponsored Project Agreement and monitored by the Contracts & Grants Accountant/Specialist and Principle Investigator (PI).

The finance department will enter budgets into Jenzabar before the fiscal year begins. The Board of Regents has final approval authority for the annual operating budget.

Budget Oversight

Responsibility for managing the department budgets rests with the academic/administrative heads: vice presidents, department heads & chair, and deans.

- Year-to-date resources and expenditures are occurring in a manner consistent with the budget plans.
- Resource shortfalls and/or expenditure overruns are identified and addressed as soon as possible.
- Emerging or incurred deficits are identified, elimination plans are established, and incurred deficits are actively resolved.
- Appropriate budget adjustments are reviewed and entered into the university's financial system.

Throughout the fiscal year, managers must monitor resources and expenditures to determine whether the financial status of their cost center is on target or is changing significantly. If significant changes are detected, the underlying reasons for the changes must be identified and, if needed, appropriate corrective action must be taken.

Allocation of Fund Balances

It is critical to the fiscal integrity of the university that adequate central reserves be available to address unexpected and/or critical needs of the university. The Regents will determine how these funds will be allocated in support of the mission of the university. This process incentivizes budgetary units to build balances for future use while recognizing that cost savings throughout the university must be available to address institutional priorities.

Responsible Management

The university has limited funds, and department heads are responsible for ensuring the most effective, efficient use of those funds. Budgets are valuable tools for measuring performance, and department heads should review their budgets regularly to identify positive and negative variances between expected expenditures and actual costs. These variances will help the department head determine if goals and objectives are being met and if unanticipated events negatively impact the department's ability to meet its goals and objectives.

Budget Preparation

The annual budget preparation process is a holistic assessment effort that involves deans, faculty, staff, and students. Through this process, the university's finance department work to identify and fund institutional and department-specific strategic goals and address resource constraints. This process also serves as an early warning system to identify and address potential deficits within departments, campuses and offices.

Robust information and data are combined with forecasting tools and consultative processes to ensure sound programmatic and fiscal vitality for departments and the university as a whole. The annual budget development process align the departments' use of resources with strategic plans and the university's priorities.

It also identifies each department's long-range financial plans and institutional-level goals. Throughout this process, the finance department continues its work to identify, analyze, and resolve existing and forecasted deficits within the funds it monitors, as part of the university's overall efforts to ensure that all departments are operating within the available budget.

Budget Monitoring

Budgets are monitored for compliance with line-item amounts and budget justification. The budget manager or project director is responsible for being aware of allowable and unallowable costs, line-item restrictions, and budget balances with oversight by the Contracts & Grants Accountant and the Finance Director. Budget monitoring ensures that resources and expenditures are occurring in general conformity with the budget plan.

Capital Asset Policy

Policy Statement

Navajo Technical University (NTU) has a significant investment in capital equipment, representing long-term commitments to fulfill its mission. This policy sets forth the requirements for acquiring, disposing of, and accounting for these assets. The NTU owns and controls all equipment purchased with university funds unless otherwise stipulated by the funding source. Custody and use of all assets is the responsibility of the various departments across the university.

Safeguarding the university's capital equipment assets shall be a high priority for each custodial department and those individuals responsible for those assets. Attentiveness must be maintained to ensure that the risk that assets are not lost, stolen, or vandalized is managed. Assumption of security and complacency regarding possible risk are the two most significant factors leading to asset loss.

NTU's business office administers capital equipment assets through centralized accounting and reporting procedures. To depreciate their value properly over time, amortizing over the useful life of the asset, physical assets must be recorded and capitalized in accordance with generally accepted accounting principles.

This policy was established to ensure that:

- Capital equipment assets are properly acquired and retained by NTU;
- University financial reports are accurate regarding asset values, depreciation, and categorization.

Asset values are reported on the university's financial statements, subject to external examinations, and provide the means of allocating costs to accounting periods to establish the university's facilities and administrative (F&A) rate. This policy establishes various requirements to help ensure the accuracy of asset values; that equipment duties are segregated; off-campus use is restricted; and that ongoing verification is made.

Types of Capital Assets

Capital assets are an item that has a useful life of more than one year and a value of more than \$5,000. Capital assets are permanent, tangible, and held for purposes other than investment or resale.

- **Moveable Equipment**
These assets are neither permanently affixed to nor part of a building.
- **Fixed Equipment**
These assets are permanently affixed to a building but are separate from the building itself. Fixed equipment includes light fixtures, wall-to-wall carpeting, raised computer flooring, fire control apparatuses, laboratory benches, fume hoods, auditorium seats, and built-in display cabinets.

- **Buildings**
These assets are roofed structures used to shelter people, animals, plants, or equipment permanently or temporarily.
- **Land**
These assets are the solid part of the earth's surface, whether improved or unimproved.
- **Improvements Other Than Buildings**
These assets are modifications to outside areas with a capital threshold as set by the board. Examples include sidewalks, parking lots, utility lines, fuel farms, retaining walls, fences, yard lighting, and signs.

Equipment purchases must meet the following requirements to be considered a capital asset.

- The cost of the equipment must be as per the threshold set by the Office of Management and Budget.
- The university must have title or ownership rights of the equipment.
- The equipment must have a useful life of one year or greater.

Any purchase not meeting the above criteria must be recorded as a non-capital asset.

Equipment upgrade expenses must meet **all** of the following requirements to be considered a capital equipment upgrade:

- The expense must be as per the threshold set by Office of Management and Budget.
- The expense must increase the productivity or capacity of the asset beyond its original intent.
- The expense must extend the useful life by one year or greater. Any asset expense not meeting the above criteria must be recorded as repairs and maintenance.

Recording Capital Assets

The following asset details must be recorded to verify the existence, location, and condition of the equipment and ensure the accuracy of university records.

- Brief description of the asset
- Manufacturer's name
- Model number, if available
- Serial number; if no serial number is provided
- Barcode tag number
- Acquisition cost/value and date acquired
- Funding source; specifically, the account number(s) used for the acquisition of the item, and the amount charged to each account
- Condition code if not purchased new. The system defaults to excellent for any new purchases.
- Official building code where the asset is located, as designated by the facilities inventory
- Room number where the asset is located, as designated by the facilities inventory.

Barcode Tagging

Barcode tags must be affixed to all new, moveable capital equipment to identify ownership and complete the physical inventory process. A barcode tag is a unique number that the unit can scan electronically to update the inventory records. All units should maintain a supply of barcode tags.

Administration of Capital Assets

To comply with federal cost allocation regulations, location information for all movable equipment must be kept current.

In case of relocation of an asset, update the location information in the records.

- Departments must receive approval from the Finance Director before a sale, transfer, or donation of university capital equipment assets to an entity external to the university is conducted.
- Capital equipment assets must be fully depreciated to be donated.
- Units must dispose of all equipment consistent with agency funding guidelines, public law, and the university's interests.
- Whenever possible, capital equipment assets within the university must be re-used or reassigned for another university purpose when the original project or need for which it was acquired has been completed, unless otherwise restricted by the funding source.
- Off-campus use of university capital equipment assets will be permitted only when it is for a business-related purpose contributing to the NTU's mission.
- Departments should internally track non-capital equipment when being used off campus.
- Departments must retain capital equipment donated to the university for a minimum of three years from the "in-service date" prior to disposal.

Internal Control Environment Structure

Policy Statement

Navajo Technical University members participating in university operations are expected to conduct their activities with integrity, in accordance with the university's sound and ethical internal control environment. Every member is responsible for adhering to stated university policy.

University leadership is responsible for establishing and reinforcing expectations regarding the importance of internal control, including expected standards of conduct. The leadership structure begins with the Board of Regents and cascades down through the president, finance director, senior vice presidents, deans, vice presidents and other senior faculty and staff.

Central offices, and departmental offices all have roles in establishing and supporting the university's operational framework, which encompasses a sound and ethical business and internal control environment. These offices, as well as individuals in management positions throughout the university (including both faculty and staff) share responsibility for demonstrating leadership behavior that promotes internal control and individual accountability. Expectations of these offices, as well as individuals in management positions, include, but are not limited to, the following:

- Promote an environment that demonstrates and reinforces ethical values and business practices and compliance;
- Promote an environment consistent with NTU's mission and its commitment to a inclusive, positive, and respectful culture;
- Communicate to employees that university policies and procedures are important and must be followed;
- Communicate training requirements to employees so they are fully aware of their responsibilities, including compliance with internal controls;
- Communicate to employees that fraud, conflicts of interest, waste and abuse, and non-compliance will not be tolerated; and
- Monitor the internal control processes under their authority on an ongoing basis.

Internal control environment structure provides necessary checks and balances to deter fraud, detect errors, and prevent concealment of irregularities. It limit an employee or group from having overall controlling over university transactions. Thus, ensuring smooth and fair operations of the finance department.

Segregation of Duties

Segregation of duties is critical to maintain an effective internal control environment. It demarks the roles of employees and ensure no employee or group of employees are in a position to perform all key functions of a transaction or event. Combinations of two or more of the following functions are considered incompatible duties and must be segregated:

- Initiating/requesting;
- Asset custody;
- Accounting/reconciling; and
- Approval.

To achieve appropriate segregation of duties, no one person should perform any of the following combinations of tasks for a transaction:

- Request/prepare transactions and reconcile balances;
- Order, approve, and receive goods;
- Handle cash and verify deposits;
- Request/prepare and approve the same transaction;
- Request/prepare or approve supplier invoice requests and have the check returned to them; or
- Handle assets and reconcile perpetual records to physical counts.

Roles & Responsibilities

Approvers

- Perform critical function of reviewing transactions for which they hold approval authority.
- Review and, as appropriate, approve appropriate transactions.

Central Office

Responsible for the policies and/or processes under their authority, as enumerated below:

- Establish policies and procedures supporting the business processes under their authority, in compliance with the laws, regulations, sponsor requirements, donor specifications, and other applicable documentation.
- Implement effective and efficient internal controls specified by the policies and procedures.
- Train members to assist them in understanding their responsibilities and in making informed decisions.
- Authorize appropriate members to execute transactions within the business processes under their authority.
- Establish support structures (e.g., published documentation, help desk, contact lists) for the business processes under their authority.
- Conduct quality assurance assessments for the business processes under their authority.
- Exercise approval authority, when appropriate, over high-risk and/or major transactions.

Deans, Chairs, Directors, and Equivalent-Ranking Employees

- Responsible for the operations of their respective schools, departments, units, or other organizational units.
- Prepare annual budget proposal for their respective schools, departments, units, or other organizational units.
- Along with the appropriate institutional financial oversight supervisor, establish and enforce guidelines for expenditure of the university's funds, consistent with the approved annual budget and university's policies.
- Hold approval authority for all operational transactions within their respective schools, departments, units, or other organizational units.

- Delegate Approval Authority for non-financial transactions to administrators or other appropriate individuals within their respective schools, departments, units, or other organizational units.

Departmental Business Offices

- Responsible for providing operational support for their respective schools, departments, units, or other organizational units.
- Departmental business offices request, prepare, and/or approve transactions for their respective schools, departments, units, or other organizational units.
- Responsible for compliance with applicable university policies regarding transactions they request, prepare, and/or approve.
- Responsible for enforcing accountability for the university involved with the transactions they request, prepare, and/or approve.

Institutional Financial Oversight Supervisor

- Responsible for oversight of the financial operations of the respective schools, departments, units, or other organizational units under their authority.
- Along with the appropriate dean, chair, director, or equivalent-ranking employee, establish and enforce guidelines for expenditure of university funds, consistent with the approved annual budget and university policies.
- Hold approval authority for all financial transactions within the respective schools, departments, units, or other organizational units under their authority.
- Delegate approval authority for financial transactions to lead administrators or other appropriate individuals within the respective schools, departments, units, or other organizational units under their authority.

Lead Administrators

- Exercise authority over, and responsible for oversight of, the departmental business office(s) under their authority.
- Hold approval authority for all operational transactions within their respective schools, departments, units, or other organizational units (with non-financial authority emanating from their respective dean, chair, director, or equivalent-ranking employee and financial authority emanating from their respective institutional financial oversight supervisor).
- Delegate approval authority for operational transactions to other appropriate individuals within their respective schools, departments, units, or other organizational units.

Preparers

- Create operational transactions, either as the requestor or at the direction of the requestor.
- Provide (and obtain from the requestor, as needed) all necessary information to complete operational transactions and verify that transactions are complete.

Requestors

- Identify a need for the initiation of operational transactions and request such initiation.
- Confirm, with personal knowledge, that the transaction complies with university policies and procedures, as well as any applicable laws, regulations, sponsor requirements, donor specifications, and other applicable documentation.
- If the transaction is financial, confirm availability of funds.
- Supply all necessary information and/or documentation to complete the transaction, either directly or to the preparer acting on their behalf.
- May direct appropriate individuals to serve as preparers on their behalf. Requestors remain accountable for the transactions initiated, even when another individual serves as the preparer.

NTU Community Members

- Responsible for understanding and complying with their roles and responsibilities within university operations.

The Navajo Technical University is committed to establishing an internal control environment that fosters effective and efficient financial operations and reliable financial reporting, while complying with applicable laws and regulations. The university has an internal control framework and maintain an adequate system of internal controls. Moreover, internal controls are expected by the public and play a key role in good management and governance practices. The university's internal control framework is dependent upon a number of individual operating units which are characterized by separate and distinct sets of operational objectives and financial operations. These decentralized operations make it imperative that each operating unit develops, documents, and maintains an effective system of internal controls.

Control Environment

The control at the top is the most important component of an internal control program because the right tone in the control environment allows the organization to demonstrate a commitment to integrity and ethical values. Leaders can delegate authority but not responsibility. Furthermore, an effective control environment requires adherence to the following principles:

- The Board of Regents demonstrates independence from university's management and oversees internal control development and performance.
- University senior leadership establishes, with board oversight, the structures, reporting lines, and appropriate authority and responsibility in the pursuit of objectives.
- The university demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives.
- Unit heads or designees are accountable for the internal controls within their units.

Control Activities

Internal control activities are the day-to-day management practices within operating processes to help ensure that risks are sufficiently addressed, thereby increasing the likelihood of achieving organizational objectives. The following principles apply to control activities:

- Develop, document, and implement university-wide, customized internal control standards based on the risk.
- Department management selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels, based upon materiality thresholds and risk tolerance.
- The university deploys control activities that establish what is expected and put control activities into action.
- The Finance Director must ensure that everyone who touches a financial transaction has read and understood the control standards applicable to that transaction.
- Attend training and ensure staff members complete required training.
- Provide written annual management representation letters to the office of the Finance Director, attesting to the presence and functioning of an effective system of controls, and disclosing any identified control deficiencies.

Monitoring Activities

These activities are conducted by department heads on a continual basis, by certain central functions as part of functional responsibilities, and by the university's finance office, throughout the fiscal year. All levels of management must follow these principles of monitoring financial activities:

- Select, develop, and perform ongoing and/or separate evaluations and oversight to ascertain whether the components of internal control are present and functioning in a consistent and effective manner.
- Evaluate and communicate internal control deficiencies in a timely manner to those parties responsible for taking corrective action.

General Ledger Account Reconciliation Policy

Policy Statement

This policy governs reconciling, verifying, and substantiating financial information used by university personnel for administrative and programmatic decision-making.

Reconciliation of period-end balances in the accounting system is a critical and fundamental internal control over financial reporting, and is necessary to help ensure the accuracy and reliability of data in the university's accounting system.

This policy addresses the requirement for periodic reconciliation of general ledger accounts in the university's accounting system to supporting schedules and data, and the need to understand and address in a timely manner any reconciling differences. In addition, this policy addresses the need for periodic attestation of compliance including -

- All balance sheet accounts must be reconciled to appropriate supporting detail or other subsidiary system reports.
- Reconciliations are to be performed monthly.
- Each general ledger reconciliation shall be reviewed and approved by someone other than the person preparing the reconciliation. The reviewer must have the appropriate technical skills and familiarity with the data and processes underlying the reconciliation in order to understand the data and reconciling items, and detect any possible errors.
- Reconciling differences between university financials and the supporting detail and data must be identified, investigated, and resolved in a timely manner.

Responsibilities by area are as follows:

Departments

- Review and reconcile financial information from university financials for completeness and accuracy.
- Assign accountability to departmental employees and ensure reconciliation procedures are in place and followed within the department.
- Consider materiality, compliance risk, transaction detail volume, knowledge and experience of personnel performing analyses, in the design and implementation of account reconciliations and the subsequent review process.

Finance Department

- Review relevant financial data and information and related operating activities to ensure accuracy and completeness of divisional financial statements.
- Perform regular and timely reconciliations of general ledger accounts as assigned by central finance.
- Monitor reconciliations performed by departments within the division to ensure reconciliations are completed regularly, timely, consistently and to ensure all reconciliation items are corrected timely.
- Assist departments within the division on financial records inquiries and resolving reconciliation issues timely.

Reconciliation

A balance sheet ledger account reconciliation is the comparison of an asset or liability balance in the general ledger to another source of financial data, such as a bank statement, a sub-ledger, or another system. The purpose of a balance sheet ledger account reconciliation is to verify the accuracy, completeness, and validity of ledger accounts included on NTU's statement of financial position (a.k.a. balance sheet) at a given point in time.

Reconciliation, verification, and substantiation are essential for an effective internal control environment to help ensure:

- Accumulated general ledger account balances can be substantiated by supporting detail records;
- The accuracy and completeness of transactions that have been posted to general ledger account balances;
- The information transmitted to, contained in, and reported from the university's financial systems is accurate, complete, and recorded in a timely manner;
- The information can be relied upon for making financial and administrative decisions;
- Efficient and effective audit process; and
- Fraud, theft, compliance violations, and other irregularities are quickly detected and reported to the appropriate authorities.

The difference between asset and liability balances recorded in the general ledger and other sources of financial data are reconciling items. Reconciling items may be caused by timing differences, general ledger errors (e.g., sub-ledgers errors, manual journal entries), or errors in the other sources of financial data (e.g., bank errors). A critical element of the account reconciliation process is the resolution of differences. This includes ensuring account balance reconciliations contain adequate supporting documentation and maintaining appropriate approval and segregation of duties. The same individual should not prepare and approve a reconciliation. Reconciliation preparation and approval should only be performed by individuals with knowledge of the account balance and an understanding of the reconciliation purpose. Reconciliation approvers are responsible for ensuring that reconciliation preparers are adequately trained and possess the skills, experience and competence for preparing the reconciliation.

General Ledger

The account code structure has been designed to provide a common language for use in planning, recording and reporting the results of all funds accounted for through the university computerized accounting system. It has been designed around the parameters as established in the Jenzabar software program.

Journal Entries

All general ledger entries that do not originate from a subsidiary ledger must be supported by journal vouchers or other documentation, which must include a reasonable explanation of each such entry. Each journal entry will be numbered - the journal entry number must be a combination of numbers or letters related to the year, month and number of the entry. A program director may request a journal entry to correct any deficiencies in expense or charging from one fund to another. All requests for a journal entry must be documented in writing to the accounting department.

Each journal voucher must be printed, signed and approved by the accounting manager or finance director, and filed in the accounting department with appropriate supporting documentation attached.

Financial Management of Sponsored Projects

Policy

Policy Statement

The university has established sound financial practices for financial reporting in accordance with applicable laws and regulations. Navajo Technical University follows Generally Accepted Accounting Principles (GAAP) for recording financial transactions and preparing the university's financial statements. As a recipient of grants and awards from the federal government and other third-party sponsors, NTU must provide accurate, timely, and complete disclosure of the financial results of sponsored awards and programs. The United States Office of Management and Budget (OMB) Uniform Guidance requires an adequate internal control structure to be in place at the university to support appropriate and prudent spending of sponsor funds. This policy sets forth the internal control requirements for principal investigators and project directors involved with the financial management of individual awards.

Reason for this policy is to ensure proper recording of financial transactions and makes sure final deliverables are submitted on time. Federal agencies have become increasingly stringent about the timely submission of required reports, as this is considered a key mechanism reflective of proper accountability and good stewardship of funding. Non-compliance with sponsored project reporting terms and closeout of award record has adverse consequences, including but not limited to forfeiture of final payment, delayed or reduced future funding, less favorable award terms and conditions, and audit finding risks. The submission of final financial, performance and other reports to the sponsor and the closeout of completed projects within 90 days of expiration help mitigate risks and negative consequences.

General Policy

The president and Finance Director are responsible for reviewing and approving all financial statements of NTU. No external reporting of financial records shall be done without the prior approval of the president and Finance Director. This includes financial reporting on sponsored awards, which are prepared and reviewed by the grants and contracts accountant.

The grants and contract accountant is responsible for preparing financial reports and invoices based on financial information reflected on the Jenzabar general ledger and ensuring expenses posted to the ledgers are under the terms and conditions of the OMB Uniform Guidance. The general ledger data represents the official record supporting all required financial statements.

Principal Investigator (PI) or Project Director (PD) Duties and Responsibilities

The PI or PD is ultimately responsible for:

- (1) overseeing the administration of his or her award;
- (2) ensuring compliance with sponsored award financial management practices;
- (3) work with grants accounting in reviewing and directing financial transactions; and
- (4) monitor the financial status of each sponsored project.
- (5) have access and training in Jenzabar.

These responsibilities are required to ensure that the costs charged to each award:

1. Comply with sponsor and university policies and procedures, meaning the costs are:
 - Allowable under the terms and conditions of the award.
 - Necessary for completion of project objectives.
2. Do not exceed the proportionate benefit received by the award, meaning:
 - Personnel costs are consistent with the effort as certified by the individuals working on the award.
 - Other costs are allocated appropriately.
 - Are made in a timely manner.
 - Are limited to funds awarded.
 - Are adequately documented.

The policy also outlines the responsibilities of the principal investigator (PI), department administrator, and Finance Director, who together are responsible to submit reports timely and ensure:

- Reports are submitted timely within the reporting deadline set forth in the award agreement/contract.
- Financial reports accurately reflect the actual use of sponsored funds as recorded in the financial records of NTU.
- Awards are closed-out timely to avoid the risk of financial activities posting to the awards general ledgers after the award performance period.

Procurement Policy

Policy Statement

This policy outlines the procurement practices for purchasing goods and services at the Navajo Technical University (NTU). The policy addresses competitive bidding and supplier selection, approval and issuance of purchasing transactions, purchasing methods, authorizations, required documentation, and ethical practices. The university shall establish organizational procedures to ensure adequate and continuing sources of supply consistent with the legal, budgetary, and delivery requirements of organizational units. To provide the necessary assistance to acquire such supplies and services on a timely and economic basis. To assure compliance with all applicable state, tribal and federal laws and university regulations during the procurement process.

With the university's diverse and decentralized operations, it is appropriate to establish an overarching policy to guide procurement transactions. Responsible stewardship in the expenditure of the university funds entails the proper combination of price, quality, and reliability. This requires that employees involved at every step of the process take full responsibility for understanding the university's policies and procedures regarding purchasing and vendor relations. This policy is meant to support the need to get products and services in a timely and cost-effective manner, while ensuring appropriate business processes are followed. This policy is meant to provide guidance to end users making purchases on behalf of the university.

Ethical Standards

It is the policy of the university that its employees conduct the affairs of the university in accordance with the highest ethical, legal, and moral standards. An employee must not be able to decide for the university if his or her personal, professional, or economic interests (or those of his or her immediate and extended family members) may be directly influenced or affected by the outcome.

University employees shall not solicit or accept, directly or indirectly, anything of material economic value as a gift, gratuity, favour, entertainment, or loan, which is or appears to be designed to influence official conduct in any manner, particularly from a person who is seeking to obtain contractual or other business or financial arrangements with the university.

Purchasing decisions should be made free from any actual, potential, or perceived conflicts of interest.

Purchasing decisions should be made with integrity and objectivity.

Purchasing Authority

The President, assisted by the Finance Director and Program Directors/Principle Investigators/Chairs/Deans, etc., are responsible to the Board of Regents for the acquisition of goods and services for university programs, in accordance with approved budgets.

1. All purchases made by the university are to be made through the use of purchase requisitions, purchase orders and in extenuating circumstances, university credit card.

Purchases made out of pocket may or may not be reimbursed depending on supervisor approval and business justification. Approved purchase requisitions initiate the preparation of purchase order(s) by the Purchasing Technician. Consultant(s) are not allowed to have access to purchase requisition entry.

2. Purchase Orders – Purchase orders shall be issued in compliance with the program budgets (contracts). If a proposed purchase is not authorized in the budget, it must be approved by a memo (email) from the funding source attached to the purchase order. Purchases of Services will also require a Professional Services Contract (PSC).
3. Credit Cards – Purchases made from vendors who do not accept purchase orders may be made using the University’s credit card(s) with approval of the Finance Director and a properly approved purchase requisition.
4. The Purchase Order must be signed by the Finance Director or designee.

Administrative Procurement Authority Levels.

Cost Per Vendor	Policy
\$ 0.00 to \$99,999.00	<p>The following identified positions shall have authority to approve procurement requests and procurement instruments at the following levels:</p> <ol style="list-style-type: none"> 1. Department Chairs – Approval up to \$2,500.00. 2. Program/Department Managers/Deans – Approval up to \$10,000.00. 3. VP of Operations/Provost – Approval up to \$50,000.00. 4. President – Approval up to \$99,999.00.
Over \$100,000.00	<p>Prior approval through resolution of the BOR shall be required for all procurements over \$100,000.00 except for procurements over \$100,000.00 made by the President in exigent circumstances. The BOR shall ratify by resolution procurements over \$100,000.00 made by the President in exigent circumstances at the meeting of the Board following the procurement.</p>
Textbook & Instructional Supplies Ordering (For Resale)	<p>Textbooks and Instructional Supplies for resale must be ordered through the Bookstore using approved forms at least six weeks prior to the beginning of the semester. Textbook orders will Require Department Chair, Dean of Instruction and Dean of Business Affairs approval in addition to procurement level approvals.</p>
Construction	<p>All construction/renovation will follow NTU procurement and bidding requirements.</p>
Procurement Processing Authority Levels	<p>The identified positions shall have authority to sign off on certain official procurement instruments at the following levels:</p> <ul style="list-style-type: none"> • Finance Director shall have authority to sign Purchase Orders. • President and/or the Finance Director shall sign all financial documents: credit applications, bank documents and those accompanying purchase order agreements. • President and/or the Finance Director shall sign all Procurement Contract agreements.

All procurements authorized under this provision shall comply with all requirements of the Procurement Policies for NTU and the applicable laws and regulations of the Navajo Nation including preference for Navajo / Native American vendors.

Preferred Suppliers

In order to streamline the supplier selection process, the university should establish contracts with preferred or contract suppliers for the most commonly purchased goods and services or in those areas where these agreements are deemed in the best interest of the university. Preferred or contract suppliers should be used whenever possible. Suppliers without university contracts should only be considered if preferred or contract suppliers do not provide the good or service or if the pricing is not competitive.

1. **Federal Funds** - Purchases using sponsored funds must be made in accordance with OMB's Uniform Guidance, 2 CFR 200, which requires:

- The basis for vendor selection,
- Justification for selected or non-competitive purchases, and
- The basis for the price of the purchase.

When acquiring goods and services under federally sponsored programs, the university will not contract with a vendor who is currently either debarred or suspended from doing business with the federal government. All vendors will be reviewed annually for their suspension and debarment status. The page shall be printed to be used as documentation that the company awarded the contract, bid, or proposal is not suspended or debarred.

2. **Navajo Nation Vendors** - Purchases using Navajo Nation vendors should comply with the rules set forth by the Navajo Nation Procurement Laws and Code.

Grant first opportunity and contracting preference to qualified Navajo-owned or Indian-owned businesses for all contracts issued by the University. In order to promote the economic self-sufficiency of the Navajo Nation by granting "first opportunity" and/or preference in contracting to Navajo or Indian owned and operated businesses; and increase Navajo business and employment opportunities for the Navajo people, as per the prescribed priority:

(1) Priority #1: Contract shall be granted to any 100% Navajo-owned and controlled business, having its principal place of business on or off the Navajo Nation.

(2) Priority #2: Contract shall be granted to any 51% to 99% Navajo or 51% to 100% other Indian owned and controlled business or 100% Navajo Nation owned and controlled economic enterprise having its principal place of business on or off the Navajo Nation.

3. **Other Vendors** - Grant second opportunity and contracting preference to State Co-Ops approved vendors (Cooperative Educational Services in New Mexico and Mohave Educational Services in Arizona) and General Services Administration (GSA) approved vendors for all contracts issued by the university.

Vendor selection under State Co-Ops will be accepted as a direct purchase. All bid documents are available through the state's web portal.

Purchasing Thresholds

All requests for the purchase of goods and/or services must be governed by the procurement rules of federal, state and tribal agencies and have an original purchase requisition (PR) form as well as the Jenzabar PR form. The purchasing threshold as set by the Board of Regents must be followed, and must be approved by the Finance Director or designee and Purchasing department for every purchase.

No.	Purchase Request Amount	Quote(s) Required
1.	\$ 5,000 or less	At least one quote.
2.	\$ 5,001 - \$50,000	Requires at least (2) competitive quotes.
3.	\$ 50,001 - \$99,999	Requires at least (3) competitive quotes.
4.	\$100,000 or more.	Sealed Bid, Request for Proposal and at least (2) competitive quotes.

Approval Limitations

1. The President shall have the authority to approve purchase requisitions of \$100,000.00 or less.
2. All purchase requisitions exceeding \$100,000.00 from a single vendor must have Board of Regent (BOR) approval, except for the following:
 - a. All payroll / payroll tax transfers and employee benefit transactions.
 - b. Monthly utilities – electric, water, wastewater, propane/natural gas, communication, fuel charges, exterminating charges, trash pickup, etc.
 - c. Books and supplies for resale, including food and cafeteria supplies.
 - d. Risk Management Insurance Premiums.
3. The BOR shall approve an entire project or cost prior to payment. When a project or a payment schedule is approved by the BOR subsequent payments do not need to be approved by the BOR unless it is a renewal or a change order.
4. If a purchase requisition was approved for less than \$100,000.00 but is invoiced for more than \$100,000.00, the purchase requisition and invoice shall be brought to the BOR for approval for payment at the increased amount prior to payment being processed.
5. When a requisition/contract is approved with a payment schedule, each payment does not have to be approved by the Board.

Unauthorized Purchases

Unauthorized purchases will be at the employees' expense, and the university must be reimbursed within ten (10) business days of notification or the amount of the purchase will be deducted from the employee's next pay.

Payment of Accounts Payables

Payments to vendors will not be made until the invoice is matched with the receiving report and Purchase Order. The Accounts Payable Technician will match the documents, verify computations, partial payments noted, and apply any credit memos.

Any prepayments to vendors prior to the receipt of goods and/or services must be approved by the Finance Director or designee.

Employees and BOR members shall acquire goods and services by following the approved purchasing procedures. Employees and BOR members are prohibited from obtaining goods and services on behalf of the university without prior approval.

Checks and Check Signers

All disbursements shall be made by pre-numbered checks.

1. All checks shall require two signatures. Authorized check signers must be approved by the BOR and shall include the President, Vice President of Operations, Provost, the Dean of Instruction, Dean of Students, Accounting Manager, and the Finance Director. Signing checks in advance of approval and the practice of drawing checks to cash are prohibited.

An electronic check signature is installed within the Jenzabar purchasing system. The Finance Director and Accounting Manager will monitor invoice entry and ensure all check requests are reviewed prior to check printing.

2. A list of checks outstanding ninety days or longer shall be prepared monthly by the Senior Accountant. The list shall be reviewed by the Finance Director for determination of actions to be taken.
3. "Void after 90 days" shall be printed on the checks.
4. When checks are voided before being distributed, the signature line shall be cut out and the word 'void' placed on the front of the check. The voided check shall then be placed on file in a voided check file.

Methods of Procurement

- **Micro-Purchases: \$5,000 or less (\$2,000 or less for construction awards where the Davis-Bacon Act applies)** - Competition and/or cost/price analysis are not required if the price is considered reasonable by the buyer.
- **Small Purchase/Simplified Acquisition: Greater than \$5,000 – less than \$99,999 –** Price and rate quotes must be obtained via informal methods and documented on a Purchasing Checklist & Summary Form from a minimum of two (three or more are recommended) qualified sources to establish competition, if not utilizing a preferred supplier.

- A. Purchase requests from \$5,001- \$50,000 - requires at least two (2) competitive quotes.
- B. Purchase requests from \$50,001.00 - \$99,000.00 - requires at least three (3) competitive quotes.
- **Seal Bids: \$100,000 and above (recommended method for construction)** Bids must be formally solicited and documented from two (three or more recommended) or more responsible bidders by or in conjunction with Purchasing Services. A firm fixed price contract is awarded principally based on price to a responsible bidder.
- **Competitive Proposals/Requests for Proposals (RFP): \$100,000 and above** Used when a sealed bid is not appropriate or the sealed bid conditions cannot be met, such as the condition to award only based on price to a responsible bidder. RFP are used with competitive proposals, must identify all evaluation factors and their relative importance and be solicited from two or more qualified sources by or in conjunction with Purchasing Services. Contracts must be awarded to the responsible firm whose proposal is most advantageous to Navajo Technical University by scoring the identified evaluation factors.
- **Noncompetitive Proposals (i.e., sole-source or single source procurements)** Procurement that meets the requirements for competition (above micro-purchase threshold), but a bid or proposal is solicited from only one non-preferred source. Non-competitive proposals are used only if the good or service is available from one source, the need for the requirement will not permit a delay resulting from competitive solicitation, the government or sponsoring awarding agency or pass-through entity expressly authorizes noncompetitive proposals and/or after solicitation of several sources, competition is determined inadequate.

If the required number of quotes is not received, the request may be re-bid a second time in lieu of at least two (2) competitive quotes.

Sole Source Justification

Sole source justification is the rationale of the decision to use sole source solicitation as a procurement process. Sole source justification should be thoroughly documented. The burden of proof to justify sole source procurement falls to the requester who should prepare a document called Sole Source Justification and Approval.

The Federal Acquisition Regulation (FAR 6.302, Circumstances permitting other than full and open competition) describes the seven exceptions that can be invoked as sole source justification:

1. Competition Requirements (FAR Part 6)
2. Other Than Full and Open Competition (FAR Subpart 6.3)
3. Circumstances permitting other than full and open competition (FAR 6.302):
 - a. Only one responsible source and no other supplies or services will satisfy agency requirements.

- b. Unusual and compelling urgency.
- c. Industrial mobilization; engineering, developmental, or research capability; or expert services.
- d. International agreement.
- e. Authorized or required by statute.
- f. National security.
- g. Public interest.

The most frequently invoked justification for adopting a sole source procurement process is the first exception (FAR 6.302-1), i.e. when there is only one responsible source and no other supplies or services satisfy requirements usually defined in the statement of work (SOW). Under this exception, sole source purchase must meet one of the following criteria:

- Unicity, i.e. the item is only available from one single supplier (one-of-a-kind, parts maintenance, compatibility, standard compliance); or
- Immediacy, i.e. delivery date or delays resulting from competitive solicitation are not acceptable; or
- Emergency, i.e. delays resulting from other methods of solicitation are not bearable; or
- legitimacy, i.e. specific contexts (geographic, contractual, political, legal, military, security, etc.) may allow such a non-competition of sources; or
- Inadequacy, all sources are qualified as inadequate (compatibility, compliance, price, quality, service, support, etc.); or
- Exigency, i.e. any other specific reason dictating the choice of a given provider.

Sole Source justification is also known as: source justification, sole source justification, sole source justification letter, sole supplier justification

Non-Competitive Purchases

Certain purchases are exempt from the above competitive bid requirements. Exempt purchases are those that meet at least one of the following conditions:

- Items are sold through the manufacturer only, where no comparable unit is available.
- Used or demonstration equipment available at a lower-than-new cost. Must match the existing piece of equipment and be available only from the same source as the original equipment.
- Repair and Maintenance service requires expertise in operations on the unit.
- Necessary parts are unavailable from any source except the original equipment manufacturer or their designated servicing dealer.
- The service (s) provided by the vendor is unique.
- Preferred suppliers are available but do not meet end-user requirements.
- Purchases for certain professional services as categorized by the purchasing department and approved by a university officer.

Inappropriate Sole Source Justification

Sole sourcing is not appropriately justified and justifiable when used as a method of selecting a preferred vendor.

Notwithstanding the fact that they could be voided by potential sole source solicitation protests, purchases of this kind, when put under scrutiny, will surely attract auditors' interest in their quest for details suggesting a bit of favoritism, partiality, and other bias.

Emergency Purchasing

When an emergency situation occurs, an authorized purchasing department representative may make a commitment to a vendor without a formal purchase order. Such transactions would include, for example, an unanticipated and sudden life-threatening or catastrophic event.

Collection & Write-Off of Student Accounts **Receivable Policy**

Policy Statement

This policy promotes oversight and accountability for uncollectible costs by ensuring that all costs incurred are managed responsibly. To maximize NTU's cash flow through the timely collection of receivables, minimize the risk of uncollectible receivables, and increase the integrity of the financial statements through consolidation of receivables and revenues. Timely movement of uncollectible costs will result in proper classification of expenses, which will lead to more accurate and complete financial information and increased compliance with regulations regarding costs and cash management.

Communication

The following methods in the collection of outstanding receivables that have not been paid in full within 60 days for invoices generated in the university's ERP system Jenzabar:

- Dunning emails
- Telephone calls
- Third-party collection agencies

Definition of Student Receivable

A student account receivable is defined as monies owed to NTU for the cost of attending the university. Student accounts receivable are created primarily from deferred tuition and fees.

When a student account receivable becomes delinquent, NTU shall take various steps to collect the debt. The first step is to place a "hold" on the student's record, thus preventing further registration and the issuance of transcripts and diplomas. If the student is a university employee, the amount due is deducted from pay or another university-issued check.

When internal collection efforts fail, the account is placed with an outside collection agency. The collection agency charges a collection fee in addition to the balance owed to the university and reports the receivable to various credit reporting agencies.

Bad Debt and Allowance for Doubtful Accounts

Management and the Board of Regents shall review student account receivable balances for written-off after all collection efforts fail after one academic year. The account is inactive, with the student record "hold" remaining indefinitely.

Calculating the estimate for uncollectible balances requires a rational estimate that follows Generally Accepted Accounting Principles (GAAP). At the end of each fiscal year, an allowance for doubtful accounts will be calculated based on various percentage rates of aged receivables. The calculation will be evaluated each year by the Finance Director or Accounting Manager to ensure the calculation method produces a "net receivable" balance that is deemed collectible. The formula used in the calculation will be adjusted when needed to ensure accountable amounts are included in the university's financial statements.

Cash Handling Policy

Policy Statement

The Board of Regents must approve the opening and closing of any NTU bank accounts. The Finance Director is responsible for controlling and maintaining all bank accounts for university funds, including funds to be held by the university as custodian or fiscal agent.

All funds relating to university functions, sponsorships, and activities, or funds to be held by the university as custodian or fiscal agent, must be deposited into the university's bank accounts.

Prudent management practices regarding cash management and the bank provide a stable financial structure NTU relies on to facilitate and meet its financial obligations. To ensure control over its financial assets, NTU has instituted a centralized process for establishing and maintaining proper oversight.

General Policy

University units that collect revenue from any source :

1. Should have the responsibility for collecting monies in connection with university activities is delegated to the Finance Director. The Finance Director should be contacted regarding any deviations from the policies stated herein. All funds received from any source for any university activity must be deposited with the financial services manager or Finance Director.

"University activities" include, but are not limited to:

- Revenue-producing activities using NTU facilities or personnel acting on behalf of the university.
 - Research or research-related activities, both government and private, including:
 - Grants, contracts, and/or drug studies.
 - Fixed price contracts and/or indirect cost recovery funds.
 - Income from investments.
2. Departments that are authorized to perform cashiering functions and require a change fund to deal in cash with customers must have approval from the department head and Finance Director. To establish a change fund, a purchase requisition and promissory note must be completed. The custodian's signature indicates an intent to comply with the policies set forth in this section. Change fund promissory notes expire on May 31 each year and must be renewed by the fund's custodian if the activity is to continue. When the change fund is approved, accounts payable will issue a check to the custodian.
 3. The university President and/or Finance Director is authorized by the NTU Board of Regents (BOR) to conduct business with approved banks and to provide authorization for the opening and closing all bank accounts.
 4. Any university employee (change fund custodian, staff, or student) performing any part of the cashiering function must attend a cash handling and receiving training.
 5. Money losses resulting from fraudulent or dishonest acts committed by a university employee are the department head's responsibility. Fraud includes the following:

- a. Corruption- Dishonest or illegal behaviour. The process of causing someone else to do something wrong.
 - b. Misappropriation of Assets- The act of stealing the company's property or using it for personal gain.
 - c. Financial Statement Fraud- A common method of deception in which a company's financial data is intentionally misrepresented to mislead people.
6. Misuse of University Equipment - No university equipment, to include facilities equipment and vehicles, may be removed from campus for personal use, unless included as part of the employee's employment contract.
 7. Employee Responsibility - If any employee knows or suspects that other university employees are engaged in theft, fraud, embezzlement, fiscal misconduct, or violation of university financial policies, it is their responsibility to immediately notify the Finance Director (who is responsible for Internal Audits), the Director of Human Resources and the President.

Reporting Fraud

All Navajo Nation and contract employees are responsible for combating fraud, waste, and abuse in all departmental programs. As such, employees are encouraged to report matters involving fraud, waste, and mismanagement in any Navajo Nation program(s) to the Hotline and email provided.

- a. Phone number is 1-844-747-2767.
- b. Email address is fraudline@nnooc.org

Criminal charges may be filed depending on the severity of the offense.

Each department must maintain supporting documentation when operating a change fund. Forms required include over and short ledger; cash register tapes; daily balance sheets; monthly verification of cashier's money (surprise cash count); and a direct deposit log, with a validated university cash receipt copy attached. Contact the financial services office for further information.

University Credit Card Policy

Policy Statement

Navajo Technical University (NTU) will provide authorized employees with a credit card at the university's expense to purchase selected goods and materials and/or university business travel expenses. Participation in the credit card program is considered a privilege and convenience that carries responsibilities. Inappropriate use of the card may result in the loss of the privilege. The credit card is issued in the name of the employee but is considered university property and should be used with good judgment.

Compliance

Departments responsible for credit card processing must maintain accurate documentation of their cardholder data environment and PCI compliance activities, including, but not limited to, current cardholder data flow diagrams, authorized devices and locations where those devices are securely stored, and all related policies, processes, and procedures.

Departments must also create, maintain, and test business continuity, disaster recovery plans, and security incident response plans annually.

General Policies

1. Navajo Technical University will issue credit cards to its employees as approved by the President or Finance Director. The Finance Director, in collaboration with department supervisors, will set credit card limits.
2. Employees will not use school credit cards for personal expenses at any time. Charging personal expenses is considered a misuse of funds and may result in revocation of their credit card privileges, disciplinary action, and/or termination.
3. Card spending and transaction limits must be demarcated for each card/user by the concerned department manager.
4. Purchasing cards must be within the budget approved by the Board of Regents. Purchases outside of budgeted limits may not be made without the prior approval of the budget manager.
5. Unapproved charges made by the cardholder are the responsibility of the individual, and Navajo Technical University must be reimbursed. All charges not business-related, will be payroll deducted.
6. Cardholders are responsible for purchasing supplies and services on behalf of NTU in accordance with the company's purchasing policies.

Authorization

1. Any university credit card transaction must be approved by the authorized to confirm the charges are appropriate and comply with university policies.
2. Expense reports containing travel and expense card transactions are first routed to a supervisor of the cardholder for managerial (default) approval. This managerial (default) approval occurs prior to the submission of the expense report to the Finance Director or finance designee for approval.

Wire & Bank Transfer Policy

Policy Statement

The primary goal of this policy is to ensure that wire transfer and electronic funds transfers (EFTs) are initiated, executed, and approved in a secure manner. This policy provides authoritative guidance to the Navajo Technical University staff for outgoing wire transfers. This policy applies to all departments that need to make payments via wire transfers. This policy sets forth the university's written policies prescribing the control under which the funds are allowed to be moved electronically.

It helps identify the risks and establishes the policies dealing with wire transfers. Covers how to accurately process requests made in person, by phone, or by other electronic means, with emphasis on regulatory requirements.

General Policies

A wire transfer of funds in payment of an obligation of the Navajo Technical University will only be used when the situation requires immediate good funds to settle a transaction. If a more inexpensive mechanism can be utilized to effect payment of the obligation (i.e., ACH or paper check), which is valid for most domestic payments, the Finance Director or designee shall reserve the right to approve the wire transfer. All other policies and procedures in relation to the purchase of goods and/or services must be adhered to.

“Wire Transfer” (WT) refers to a method of electronic funds transfer sent directly between two bank accounts. Wire transfers present a higher risk for errors, as they occur immediately and are irreversible. Since they present greater risk and cost than other methods of funds transfer, all other payment methods should be considered first and must be reviewed carefully to ensure they are accurate and necessary.

Wire Transfers Are Most Appropriate for:

- Very large financial or real estate transactions, or
- Payments to any foreign bank, or payments made in a foreign currency,
- Situations where a contract dictates immediate, irreversible payment; charter aircraft services, for example.

Payments made by wire transfer should be limited. Because of the risk and costs associated with wire transfers.

General Guidelines

- The department making the payment must initiate the wire transfer process by processing a voucher.
- A wire transfer authorization form must be submitted with the voucher before the wire can be executed.
- Wire transfer payments will not be executed without proper authorization of affected parties in accordance with federal, state, and tribal statute and accepted business practices.
- When a wire transfer is executed, the total cost of the wire transfer shall be borne by the operating/business unit requesting the wire transfer.

- Once a wire transfer request is made and accepted by the Finance Director, the requesting business/operating unit cannot cancel or modify the wire transfer request.
- The following information is required to make domestic wire transfers:
 - a. Bank Name
 - b. Bank Address
 - c. ABA/Routing Number
 - d. Name on the Account (Payee)
 - e. Address of Payee (not required, but highly recommended)
 - f. Account Number
 - g. Amount in USD
- The following information is required by the Office of the Treasurer to make international – U.S. Dollar or Foreign Currency – wire transfers:
 - a. Bank Name
 - b. Bank Address
 - c. SWIFT Code (if available)
 - d. IBAN (generally for Euro payments)
 - e. Bank, Branch or Sort Code (if applicable)
 - f. Name on the Account (Payee)
 - g. Address of Payee (not required, but highly recommended)
 - h. Account Number
 - i. Amount in Currency Requested (Euro, Yen, Pound, USD, etc.)

(Note: Do not convert currencies, as currency rates fluctuate constantly.)

Internal Transfer

Internal transfers must be processed as soon as possible after the related expenses have been incurred or income has been earned. In particular, internal transfers must be processed within the proper quarterly and fiscal year periods.

The transferring unit should include in the journal line description sufficient identifying information so the receiving unit can research the transaction; ideally this information should include a description of the transaction, and the first initial/last name of a contact person.

Transfers of monies between Navajo Technical University units must not increase total university income or expenses. Therefore, whether operating or non-operating, all transfers must either:

- Debit and credit the same income object code; or
- Debit and credit the same expense object code; or
- Debit and credit the same non-operating transfer object code.

Responsibilities

1. Purchasing Coordinator or Accounts Payable:
 - a. Obtain wire transfer instructions, including the wire instructions from the payee's bank. If the payee's bank has multiple wire transfer choices, confirm the correct choice with the payee.
 - b. Complete the wire transfer form (please type for clarity).
 - c. Attach the completed wire transfer form and payee's bank instructions to the invoice.
 - d. Complete and submit the invoice.

2. Finance Director or Designee:
 - a. Review and authorize the invoice, ensuring all required wire transfer information is attached.

3. Accounting Manager:
 - a. Review invoice and the wire transfer form for completeness.
 - b. Process wire transfer request.

Business Expense Policy for Reimbursement

Policy Statement

Business expenses are business-related purchases where the goods or services generally do not require an official university purchase order. Most of these expenses should be purchased through university-approved purchasing paths and not purchased directly by the employee or student. In certain circumstances, it may be acceptable to reimburse the employee or student for funds expended on behalf of the university.

The university will reimburse employees / students for the costs of events involving faculty, staff, students, or guests of the university, of which a substantial purpose of the event is business entertainment. Social activities such as fundraising, recruitment, employee appreciation, holiday gatherings, and other similar functions may be reimbursable as business expenses. Certain gifts may also be reimbursed. Specific conditions must be met for reimbursement to occur:

- If the event involves external parties, the parties must have an actual or potential business relationship with the University.
- The event must provide some documented benefit to the university.

Due to budgetary constraints, some university departments have instituted more restrictive reimbursement guidelines. In cases where there is a discrepancy between this policy and a department, granting agency, or donor policy, the more restrictive policy will apply.

Documentation

The employee is expected to obtain receipts for all expenses for which they will request reimbursement.

If the payee cannot obtain a receipt containing all the required information, documentation should be submitted to demonstrate as many items as possible. A copy of the payees' credit or debit card statement identifying the date, location, and amount of the expense, or a rental agreement, may be submitted along with a description of the purchase, identifying the amount of any expenses to be segregated.

Receipts for all air, lodging, and rental car expenses must be provided. Otherwise, payee justification and financial approval are required, and a missing receipt affidavit must be completed.

Business Purpose

All expenses must be for a valid business purpose necessary and reasonable to conduct university business. A business purpose must be documented for all expenditures an individual reconciles or requests reimbursement.

Business purpose must be specific enough that a third-party reviewer can understand it. "Dinner with the donor to discuss alumni event ideas" is an appropriately documented business purpose. "Dinner with the donor" is not. The business purpose of an expense may be obvious to the payee but not to a third-party reviewer.

Reimbursement Request

Any expenses paid for as an out-of-pocket expenses should be occasional and must be submitted for reimbursement within 30 days of incurring the expense. Departments may require employees to receive prior written approval for any out-of-pocket expenses. Employees must process expenses incurred near the end of the fiscal year in accordance with the year-end accounting calendar or before the end date of the grant, depending on which deadline is sooner, to ensure reporting in the correct accounting period.

Reimbursement for parking and mileage may be submitted on a monthly basis (as long as it does not cause hardship to the employee) to reduce the administrative burden of processing this sort of reimbursement.

Campuses, colleges, and vice presidential units may receive requests not meeting the requirements for documenting and requesting reimbursements on time. Business expense reimbursement requests not adequately documented or submitted within 30 days should be denied. In rare circumstances, reimbursements may not meet the requirements for adequate documentation or submission within 30 days due to legitimate extenuating circumstances which impaired the employee from meeting the requirements. In those situations, the reimbursement may be approved after consultation between the employee's unit and the finance director for the campus, colleges, or vice presidential unit. The rationale for determining that the circumstances warranted approving the request must be documented.

When reimbursement requests do not meet the requirements for documentation or timely submission, and there are no extenuating circumstances. Still, denial of the request would impose a financial hardship on the employee, and the reimbursement request may be approved as a taxable reimbursement to the employee. The amount of the taxable reimbursement must be reported to the payroll department for inclusion in the employee's calendar year taxable compensation. Taxable reimbursements should be rare and approved only after consultation between financial management in the employee's department and the finance director for the campus, college, or vice presidential unit.

Some expenses, such as standard or professional services, capital equipment, or individual payments, must not be paid for as an out-of-pocket expenses. In addition, any expense that may cause a financial hardship should receive approval prior to incurring the cost.

Food and Refreshments

Food and refreshments may be provided in connection with business activities involving university employees that are reasonable and appropriate to the purpose of the activity. Purchase of food/meals is allowable solely as a convenience to the employer and in those instances where:

- meetings are infrequent
- employees may not leave for a normal meal due to the time constraints associated with the meeting or training session or
- an employee is conducting business on a different system campus other than their own.

Food at regularly scheduled meetings may be provided occasionally or infrequently (quarterly or semi-annually). Any business activities held at an individual's home must follow the policy and applicable limits.

University policy does not permit payment or reimbursement when two or more employees choose to have a meal together to continue their business as an incidental part of the meal, when the meal is reciprocal, or when the meeting could have been scheduled during regular working hours.

Total expenses must be calculated based on the planned number of attendees and must be well documented in advance, despite actual attendance.

The Finance Director must establish meal limits or business expenses for the following :

- Light Refreshment
- Breakfast
- Lunch
- Dinner

Meals with paid consultants should be infrequent and have a business purpose.

Special Events

Special events, which have extraordinary significance and are important to the university's mission, are allowable. Special events generally occur only once or twice a year and are determined or approved by campus, college, and vice presidential unit leadership.

Receptions

Events to recognize significant university (awards) or individual (graduation and tenure) professional achievements typically involve or include non-employees. Individual meal costs (per meal event) must not exceed \$150 per attendee (the limit includes food, beverages, taxes, tips, etc.). Prior approval must be taken from the Finance Director.

Retirement/Employee Recognition

Departments are encouraged to recognize employees for their contributions to the university, either at an individual or group level. Some examples may include the following:

- New Employee Welcome Lunch
- Years of Service Award
- Retirement
- Milestone Accomplishment (Project)
- Retreats
- Annual Recognition

Reimbursement for family members is not permitted unless there is a specific business purpose for the family member's attendance at the event, such as a retirement or professional recognition event.

In allowable situations, the employee will be reimbursed for actual mileage traveled or other allowable transportation expenses incurred, such as fleet vehicle rentals, Uber, public transportation, etc.

Cell Phones and Data Plans

The university will provide cell phone, data plan allowances, and internet connectivity expense reimbursements to faculty and staff that is used in the course of performing university job-related business. Exceptions will be granted for business use in special situations identified below or in other situations where cell phones, data plans, or other equipment are necessary to conduct a specific activity. Such exceptions must be allocated and charged directly to the benefitting program(s) or project(s). The President and Finance Director will work with Human Resources department for review and approval through a purchase requisition.

Special Situations

1. **Public Safety and Disaster Preparedness** - Departments involved in public safety, disaster preparedness, or emergency response are encouraged to use departmental contracts when cellular equipment or communications are required (see #2 below).
2. **Departmentally-Owned Contracts** - Certain units may have special needs that justify departmental ownership of cell phones for temporary assignment or rotation among employees. Examples of this situation include delivery drivers, on-call medical or technical personnel, security, facilities management personnel, and parking personnel. Departments may incur expenses for cell phones in these situations. Departmentally-owned cell phones are strictly for business use only and cannot be used for personal use.
3. **Research** - Where cell phone expenses are allowed and approved in conjunction with a specific grant, such expenses are allowable. All expenses must be charged to the grant in accordance with sponsor requirements and university policies governing sponsored projects.
4. **International Expenses** - Units may reimburse employees for incremental expenses incurred when international cell phone or data plan usage is required for official business and the employee's existing cell or data contract does not cover international calling. Units cannot reimburse employees when an employee's standard cell phone plan includes international communications.

Professional Dues/Memberships

Professional dues/license fees specifically required or customary for a faculty member's academic discipline or an employee's job may be allowable. Other relevant dues may be allowable when a business connection and a justification for how it will benefit the university can be provided and depend on budget availability.

Lifetime memberships are generally not allowable unless the lifetime membership cost is equal to or less than a normal five-year annual membership.

Dues for organization's unrelated to the employee's job responsibilities or academic discipline, especially those where personal benefits are included, are not allowed (for example, Sam's Club, Delta Sky Club, or social club).

Publication Costs

Costs to publish research in professional journals, reprints of articles published, and other publication costs are allowable. Costs to publish research manuscripts/books are allowable only if the publisher has a peer review process.

Applicability of this Policy to Students

If meetings or events include students and employees, this policy must be followed for student engagement, except for the frequency (maybe more frequent) of events where food is provided.

Travel Policy

Policy Statement

The purpose of these guidelines is to establish standards to reimburse reasonable travel and entertainment costs while complying with federal regulations regarding reimbursement for business expenses. The policy is designed to ensure consistency and fair treatment for members of the NTU community, employees, student and Board of Regents whose travel will be reimbursed or paid for by the university and for visitors (i.e., speakers and candidates) whose travel is at the university's expense. This policy applies to all travel and entertainment, regardless of the funding source.

This policy aims to guide all faculty and staff regarding the implementation of the statutory authority and the resulting responsibility to establish travel policies for all university-paid business travel and a schedule for the payment or reimbursement of travel-related expenses incurred in the course of university business.

NTU has secured the services of an on-line travel agency, AM-TRAV to facilitate university travel. Travelers are not required to utilize AM-TRAV but are encouraged to do so. Booking travel and lodging through AM-TRAV will result in the costs being charged directly to a University credit card

Requirements

All expenses must be for a valid business purpose that is necessary and reasonable to conduct university business. A business purpose must be documented for all expenditures for which a traveler reconciles or requests reimbursement.

Responsibility

The traveler is responsible for completing the expense report per university policy and procedure. If an individual other than the traveler prepares the expense report, the traveler is responsible for providing the preparer with the appropriate information to complete the expense report for the accuracy of all information.

Travel Authorization

Who and What Qualifies for Travel

1. Travel reimbursement for food and lodging is only for travel over 100 miles from the employee's duty post.
2. Foreign travel and travel to Hawaii and/or Alaska require the President's authorization regardless of the funding source.
3. Individuals who are eligible to be paid through the travel process are employees, students, volunteers and other affiliates traveling for university business purposes.

Any individual who is eligible to be reimbursed for travel expenses who is a visitor or an independent contractor, needs to be paid on a Purchase Requisition.

Only current employees are covered with insurance under the Worker's Compensation program through the Navajo Nation. Non-Employees are responsible for obtaining their own health and accident insurance.

Receipts

The traveler is expected to obtain receipts for all expenses for which they plan to have reimbursed. A receipt may take many forms (i.e., cash register receipt, copy of an order form, web receipt, or confirmation).

Receipts must be provided for all air, rail, lodging, and rental car expenses. Otherwise, payee justification and financial approval are required, and a missing receipt affidavit must be completed and submitted to the Finance Director for approval.

Air Travel

Domestic travel includes travel within the United States and its territories, and all other destinations are considered international travel.

Economy/coach class is permitted aboard a regularly scheduled commercial carrier when booking domestic or international air travel. Travel must be booked utilizing the Lowest Logical Fare (LLF). It is the least expensive non-refundable fare for non-stop flights (or the minimum number of stops if non-stop flights to a destination do not exist), which allows the traveler to achieve their business objective without prolonging the trip.

For example, if two non-stop flights depart from the origin city around the same time and arrive at the destination city around the same time, the lower-cost flight option would be considered a Lowest Logical Fare (LLF). However, if there is a connecting flight that has a less expensive fare but requires a longer travel time, it would not be considered a Lowest Logical Fare (LLF). While some restrictions or penalties may apply, reservations should be made 14 days or more in advance of the trip to secure the lowest fares.

For all travel (except for travel on a government grant), carrier selection should be influenced by price (and not by the traveler's frequent flyer affiliation or other personal considerations).

When booking international travel, using a US air carrier is preferred but not required, except when traveling on Sponsored Funds or a government grant, as travelers must also comply with the Federal Government's Fly America Act.

First or Business Class Travel

Travel must be booked utilizing the **Lowest Logical Fare (LLF)** defined above. Business-class may be used for travel if your department's budget approver confirms that appropriate funds are available (prior to purchase) and if any of the following conditions are met:

- Any flight segment with a scheduled in-air flight time* over five hours. (Connecting flights involving at least one flight segment with a scheduled in-air flight time over five hours may also be booked in business class).
- A documented medical condition that requires a reasonable accommodation has been approved by the Finance Director.
- If a flight meets the criteria for business class, but business class is not offered (e.g., 2-class plane), the forward cabin will be considered business class, even though the ticket may be issued in first class. The traveler is responsible for documenting this exception on the expense report.

Suppose a traveler elects to fly in business or first class on a flight of less than five (5) hours, has not met the above-mentioned conditions, and has yet to obtain the necessary financial approval. In that case, they will be reimbursed only for an amount equivalent to an economy/coach airfare.

Segregation of airfare above the economy/coach rate is required in all cases. First or business-class airfare can only be charged to a government grant in cases where the grant explicitly allows such expenses. It is important to note that the cost of the lowest logical available economy/coach airfare when purchasing a business/first-class fare should be obtained by the traveler at the time of initial purchase.

The amount above the economy/coach fare must be segregated into the appropriate expense type. A comparison of the coach/economy and business/first-class airfare costs must be provided, along with the payee justification.

Documentation Required

The passenger ticket/receipt, boarding pass, website statement or confirmation, or itinerary issued by a travel agent must include the following:

- the dates and points of departure and arrival
- the travel "class" (unless there is only one class on the airline, like Southwest)
- the total amount of the flight
- proof of payment

Please note that e-receipts alone for airfare are not an acceptable form of proof of purchase and, as such, will not be accepted by Accounts Payable as sufficient supporting documentation. A traveler could be reimbursed in advance of a flight for an airline ticket if the flight was not booked through Amtrav using the central pay mechanism. To seek reimbursement before travel, the traveler must purchase the ticket at least 14 days before an approved trip and submit proof of payment, a copy of the ticket or itinerary, along with a valid business reason. The "travel end" date on the expense report should reflect the return date of the trip.

Rail/Bus Travel

Rail or bus tickets should be purchased at the Lowest Logical Fare (LLF). While some restrictions or penalties may apply, reservations should be made 14 days or more in advance of the trip to secure the lowest fares. If the traveler travels domestically in first class, the traveler must provide justification along with financial approval. The traveler must segregate and provide a cost comparison for the amount above economy class if traveling domestically in first class or business class. International rail travel does not require segregation regardless of the class of service selected.

Ground Transportation

While traveling, it may be necessary to use multiple modes of ground travel. These include rental cars, taxis, private car services, or personal vehicles. In all cases, the traveler should exercise reasonable judgment and either uses a university preferred supplier or choose the most economical ground travel option. Travelers may use other services, such as Lyft and Uber, so long as the total cost of such services is comparable to other ground transportation options. Travelers need to be aware that there is no guarantee of safety when using such services.

Rental Cars

Rent vehicles only when less expensive comparable transportation is unavailable. Reimbursement for car rentals may be for sub-compact, compact, or intermediate/mid-size classifications for individual traveler. If a car is rented above the compact or intermediate/mid-size car rate, the business purpose must be documented on the expense report that required the vehicle upgrade. All authorized drivers must be listed on the car rental contract at the time of rental. Reimbursement will be made for larger vehicles in exceptional cases (i.e., several travelers' in one car, equipment being transported, etc.), which must be documented. Travelers will be reimbursed for gas purchases for rental cars with the appropriate supporting documentation. Expenses for GPS (Global Positioning Mapping) devices when renting a vehicle are reimbursable for business purposes. Car-sharing companies, i.e., booking platforms that allow renting from other car owners, may not be used, and rentals booked via a car-sharing company will not be reimbursed.

Domestic Car Rentals

Reimbursement for car rentals may be for sub-compact, compact, or intermediate/mid-size classifications for individual traveler's.

Reimbursement will be made for larger vehicles in exceptional cases (i.e., several traveler's in one car, equipment being transported, etc.), which must be documented. If a car is rented above the compact or intermediate/mid-size car rate, document the business purpose on the expense report that required the vehicle upgrade.

Travel by Private Vehicle

When traveling for business purposes, a personal vehicle may be used to save time, transport equipment, reduce costs when several people are traveling together, or travel to locations within reasonable driving distance. If a personal vehicle is used primarily for the convenience of the traveler and the approved travel is to a location more than 100 miles beyond the point of origin, reimbursement will not exceed the lesser of the following: 1) the cost of per-mile reimbursement plus tolls; or, 2) the round-trip airfare between the nearest commercial airport serving the origin and destination cities, plus transfer costs to and from the airport.

For the business-related use of a personal vehicle, the traveler will be reimbursed at a rate based on the federal IRS-approved highway mileage guides. Mileage reimbursement covers fuel, maintenance/repairs, insurance, transportation, and operating costs, so these will not be reimbursed separately. The traveler will not be reimbursed for the cost of the vehicle purchase or lease.

In addition to the mileage allowance, tolls and necessary parking charges may be reimbursed.

The university does not assume liability for damage to personal automobiles used on university business and does not assume liability for deductibles or any other uninsured loss to the vehicle. Expenses for vehicle repairs are not reimbursable. Under no circumstances will the university reimburse parking fines and moving violations on a personal vehicle.

Employees are required to provide a copy of proof of liability insurance when taking their own private own vehicle on travel and in accordance with Navajo Nation Risk Management requirements.

Personal Vehicle Mileage Rate:

- It will be per the rate the Internal Revenue Service approved and adjusted annually.

Other Forms of Ground Transportation

Travelers will be reimbursed for bus, subway, or other mass transportation, shuttle, taxi fares, or private car service, plus reasonable tips when necessary for business purposes. Reimbursement will be provided for transport between hotels, railroad stations, airports, restaurants, workplaces, or meetings.

Lodging

The university will reimburse travelers for the cost of their rooms and any applicable taxes and fees when traveling on approved university business. Domestic travel includes travel within the United States and its territories. All other destinations are considered international travel. When booking your lodging, be cognizant of the thresholds applicable to either domestic or international travel. The cost of a hotel stay in the US should not exceed the limit set by the Board of Regents. (BOR) upon cost. International travelers should obtain room rates that do not exceed the limit set by the Board of Regents. Lodging costs in excess require payee justification and financial approval.

If a conference is held in a hotel where the rate exceeds these amounts, please attach the conference flyer identifying the location of the conference and the offered hotel accommodations. If traveling on a sponsored project is subject to GSA rates for lodging, the cost of a hotel above this amount must be segregated into the appropriate account.

Advance Payments for Hotel Bookings

Any payments for hotels/rentals made in advance as a personal expenditure will not be reimbursed until after the trip's end date. If you need to book hotels/rentals in advance, use the corporate card or company card. The trip will remain unreconciled until the trip's end date. The unreconciled charges should be added to an expense report but only submitted once the expense has occurred. Adding the unreconciled charges to the expense report will ensure no monthly reminders from the card services team.

Individuals who do not want to be out of pocket can request a travel cash advance.

Please Note: If you have incurred a separate hotel/lodging deposit fee, use the hotel/lodging advance deposit expense type in Concur after the trip end date to be reimbursed for deposits.

Business Meals

Business meals are reimbursed on an actual or per diem basis and include the following:

- The cost of breakfast, lunch, or dinner eaten by an individual traveler while away from the university on approved business travel.
- Reasonable and necessary meal expenses for business meetings involving only university personnel and students during focused business discussions.

The frequency of such meetings and related expenses must be reasonable and appropriate to the discussion's purpose and the business's nature. Such meetings include:

- Breakfast, lunch, and dinner meetings are necessary to conduct university business.
- Formally organized meetings that are necessary to carry out the business of official committees appointed by the university, school, or department.
- Meetings of an organized work group of employees or students that require the group's work to progress through normal meal time.
- Reasonable and necessary meal expenses for peer groups for research collaboration or administrative meetings during which focused business discussions occur.

Reimbursement Submission Time Limit

The IRS requires employee travel expense reimbursements to be reported within a reasonable period. The determination of a reasonable period will depend upon the facts and circumstances but is generally held to be no later than 120 days after the expense date. In addition, to adhere to Generally Accepted Accounting Principles, the traveler should be mindful of the NTU's May 30 fiscal year-end. All expenses for that year should be reported before year-end to ensure that the expense is appropriately captured in the financial statements and the department's budget for the appropriate fiscal period. Expense reports should be submitted to the department within ten business days after return from the trip. Expense reports must be submitted to the department NO LATER than 120 days after the trip end date. Reimbursements submitted more than 120 days after the trip end date require additional justification and financial approval from the president.

Contract Management

Policy Statement

The purpose of these guidelines is to ensure Navajo Technical University manages the risk associated with legal agreements by providing clear direction to staff responsible for establishing and managing Contracts with third parties.

No staff member or manager can sign a legal agreement (contract) unless they have the required authority (as set out in this policy) and subject to the consultative and/or approval requirements set out in this Policy and related Procedure.

Excludes employment contracts (contracts of service) made in relation to Navajo Technical University staff. Managers should be aware that contracts for services should not be used to avoid obligations under the Navajo Nation Office of Navajo Labor Relations and Employment Relations Act 2000 and that there is a legal risk in engaging a person under a contract for services when they should more appropriately be an employee. To assist managers in determining whether or not the person should be engaged as an employee or as a contractor to reach out to the Human Resources Office.

Pre-contractual Agreements; written agreements not intended to be legally binding which may include letters of intent, memorandums of understanding (MOU), or other similar documents;

Responsible Area means the applicable area set out in Table 1 below, and includes as required, the internal contracts or procurement team that provides support to that area.

Table 1: Responsibility for Contract Areas

Contract Area	Responsible Area
Construction/Buildings and Leases of Land and Buildings)	Operations Department - Facilities Management, Provost, Vice President of Operations and President.
Procurement of Equipment, Consumables and Services (including but not limited to IT Services, and leases relating to Equipment including those pertaining to installation, supply or fabrication of equipment), non-research consulting, commercial contracts	Finance, IT and Direct Operations – Food Service, Residential, Veterinary, Bookstore, and Human Resources.
Teaching Agreements (including sub-contracting of teaching, domestic articulation and pathway agreements, licensing and franchising agreements (for Teaching) and MOU's with Schools)	Research and Academic departments.
Internships	Research and Academic departments.
Research and Consultancy	Research and Academic departments.
Professional Service Contracts	Finance, Departments, Purchasing
Venue and Sponsorship Agreements	Department of Operations

Note: If it is unclear which is the Responsible Area for the proposed contract, staff must contact the Business Office or Legal Department for clarification and advice.

Acknowledgement

The completion and support of approving Navajo Technical University's (NTU) fiscal policies could not have been possible without the participation and assistance of NTU's Board of Regents, Management, Faculty Congress and Harshwal & Company, LLC.