

1 **WAGANAKISING ODAWAK STATUTE**
2 **TRIBALLY ACCEPTABLE ACCOUNTING PRACTICE STATUTE**
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5 **SECTION I. PURPOSE**
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7 The purpose of this statute is to protect Tribal assets controlled by Tribally chartered
8 corporations, companies and other Tribal sub-entities that are wholly owned or majority owned
9 by the Tribe, in order to standardize accounting practices and reporting requirements. This
10 Statute does not apply to the Tribal governmental accounting and practices.
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13 **SECTION II. DEFINITIONS**
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15 **A.** “Board” means the authorized and governing entity that provides management and
16 oversight of the Tribally chartered corporations, companies and other Tribal sub-entities.
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18 **B.** “Capital Expenditure” (CAPEX) means funds used to acquire, upgrade, and maintain
19 physical assets such as property, industrial buildings, or equipment.
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21 **C.** “Generally Accepted Accounting Principles” (GAAP) means a collection of commonly-
22 followed accounting rules and standards for financial reporting that are established and
23 administered by the American Institute of Certified Public Accountants (AICPA) and the
24 Financial Accounting Standards Board (FASB).
25

26 **D.** “Gift” means property, money or assets that a person transfers to another while receiving
27 nothing or less than fair market value in return.
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29 **E.** "Profit and Loss Statement" means a financial report that provides a summary of the
30 revenues, expenses, and profits/losses over a period of time.
31

32 **F.** “Operating Capital” means the funds required for running the daily operations of the
33 company.
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35 **G.** “Political Contributions” means any funds, service or other means that benefits any

1 campaigns initiative, referendum, recall, petition or other election related activities.

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3 **H.** “Tribe” or “LTBB” means the Little Traverse Bay Bands of Odawa Indians.

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6 **SECTION III. APPLICATION**

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8 The following will apply to all Tribally chartered corporations, companies and other Tribal sub-
9 entities:

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11 **A.** The utilization of General Acceptable Accounting principles (GAAP) is required.

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13 **B.** The designation of the following mandatory accounts, along with their purpose,
14 requirements and restrictions:

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16 **1.** Tribal distributions.

17
18 **a.** Profits above the maximum amount set for operating capital will be
19 transferred to a Tribal Revenue account monthly.

20 **b.** On a quarterly basis, any balance of the Tribal Revenue account shall be
21 transferred to the Tribe, unless otherwise approved by Tribal Council.

22
23 **2.** CAPEX.

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25 **a.** On a yearly basis, each board shall determine CAPEX use and amounts
26 for each site or operation.

27 **b.** Any additional revenues utilized for CAPEX shall require board approval
28 prior to funds being used.

29 **c.** If funds are utilized for any other purpose than the original annual
30 determination of CAPEX, Tribal Council shall be notified of the variance of the
31 use and/or amounts.

32 **d.** If there is more than one site or operation, each site or operation shall have
33 a separate CAPEX account.

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35 **3.** Operating capital.

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- 2 **a.** Operating capital consists of investments and cash not in other required
- 3 account.
- 4 **b.** The board shall establish the minimum and maximum level for the
- 5 account annually. Such minimum and maximum levels shall be reported to Tribal
- 6 Council. The board, in its discretion, may modify the minimum and maximum
- 7 levels. Any modifications to the levels shall be reported to Tribal Council.
- 8 **c.** Any amount of funds over the maximum shall be transferred to the Tribal
- 9 Revenue account monthly.
- 10 **d.** Any amount of funds less than the amount approved by the board shall
- 11 require Tribal Council notification.
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13 **4.** Profit funded construction.

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- 15 **a.** Any construction project requires approval of the board.
- 16 **b.** The board shall appropriate funding required for the project and shall
- 17 notify Tribal Council of the project and the funding amount and source.
- 18 **c.** Any payments made in conjunction with the project shall require a
- 19 designated board member(s) signature.
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21 **5.** Loan funded or Tribal Council appropriated funded construction.

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- 23 **a.** Any construction project requires approval of the board.
- 24 **b.** The board shall notify Tribal Council of a loan funded project or if it is a
- 25 Tribal Council appropriated funded construction, then the board will provide
- 26 Tribal Council monthly updates on expenditures.
- 27 **c.** Any payments made in conjunction with the project shall require a
- 28 designated board member(s) signature or a loan officer's signature.
- 29

30 **6.** Gifts and bonuses.

- 31
- 32 **a.** All bonuses shall be approved by the Board.
- 33 **b.** Any gifts or bonuses in the amount of one thousand dollars (\$1,000.00) or
- 34 more shall have Board approval and Tribal Council shall be notified as to the
- 35 nature and amount of the gift or bonus.

1 c. Any Political Contributions require TC notification

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3 **C. Statements.**

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5 **1.** Monthly, each board shall submit to Tribal Council a Profit and Loss Statement
6 along with a balance statement.

7 a. Financial Notes are to include:

8 i. Appropriations

9 ii. Tribal Council requires notifications

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11 **2.** Annually, each board shall submit to Tribal Council a detailed Profit and Loss
12 Statement along with a balance statement.

13 a. Financial Notes are to include:

14 i. Appropriations

15 ii. Loans

16 iii. Tribal Council requires notifications

17 iv. All bonuses

18 v. All construction and capital expenditures with source of capital

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20 **3.** Each board shall prepare an annual report that includes a summary overview and
21 financial statements that will be presented to the Tribal Membership at the Tribe's
22 Annual Meeting.

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24 **D. Other requirements**

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26 **1.** The Legislative Office of Finance and Revenue shall have access to all financial
27 books and accounts of all Tribally chartered corporations, companies and other Tribal
28 sub-entities with "read only permission" access.

29 **2.** Any Loans applications for one million dollars (\$1,000,000.00) or more require
30 Tribal Council approval.

31 **3.** Grant applications. Unless otherwise indicated by statute, any grant application
32 shall require notice to Tribal Council. Grant applications for one-hundred thousand
33 (\$100,000.00) or more, shall require Tribal Council approval.

1 **D.** Independent Annual Audit. The Tribal Council or its designee shall appoint an
2 independent auditor to conduct the annual financial statement audit for Tribally chartered
3 corporations, companies and other Tribal sub-entities provided that the businesses have more
4 than two-hundred and fifty thousand dollars (\$250,000.00) a year in revenue or debt. If the
5 business has less than two-hundred and fifty thousand dollars (\$250,000.00) a year in revenue or
6 debt, then the Office of Finance and Revenue, or its designee, shall conduct the audit.

7
8 **1.** Financial Notes are to include:

- 9 **a.** Payments to board members
- 10 **b.** Gifts
- 11 **c.** Bonuses

12
13 **E.** Gaming related enterprises have the following requirements:

- 14 **1.** Establish separate CAPEX accounts for each site.
- 15 **2.** Establish separate financial statements and books for each site.
- 16 **3.** No form of free play may ever be used as revenue or win/unit/day accounting.
- 17 **4.** Monthly report shall include, but not limited to:
 - 18 **a.** Slot revenue at each
 - 19 **b.** Number of slots at each site
 - 20 **c.** Win/unit/day at each site
- 21 **5.** Transfers from one set of books to another require board approval and cannot be
22 reversed without notification to Tribal Council.

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30 **SECTION IV. SEVERABILITY**

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32 If any section, subsection, paragraph, sentence, phrase or portion of this Statute is, for any
33 reason, held invalid or unconstitutional by any court of competent jurisdiction, such portion shall
34 be deemed a separate, distinct and independent provision and such holding shall not affect the
35 validity of the remaining portions thereof.

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SECTION V. EFFECTIVE DATE

Effective upon signature of the Executive or thirty (30) days from Tribal Council approval whichever comes first or if the Executive vetoes the legislation, then upon Tribal Council override of the veto.

CERTIFICATION

DRAFT