



THE NAVAJO NATION

FISCAL YEAR 2022

Budget Orientation

July 07, 2021
By: Office of Management and Budget

Presentation Overview

- The Appropriations Act
- FY '22 Revenue Projections
- Planning Allocations of General Funds and PTF
- Significant Changes in the FY '22 Budget Instructions Manual (BIM)
- Budget Calendar – Key Dates
- The Navajo Nation Budget Development Process
- Budget Preparation Using Various Budget Forms
- Other(s)
 - Chapter Budgeting
 - Navajo Nation Grants

The Appropriations Act

- The basis for the annual preparation of the NN Comprehensive Budget and provides for the following:
 - Budget planning and preparation.
 - Budget approval, adoption and certification.
 - Budget implementation, monitoring and control.
- States that the NN government has a fiduciary responsibility:
 - To account for public funds.
 - To manage finances wisely.
 - To plan for the adequate funding of services desired by the Navajo people, including the provision and maintenance of public facilities.
- Appropriations Act is Title 12, Chapter 7, Fiscal Matters, of the Navajo Nation Code and is included as Reference 1 in the FY'22 BIM.

FY '22 Revenue Projections

- By Resolution BFJN-21-21 on June 29, the BFC approved a total revenue projection and allocation for the FY'22 NN budgeting purposes at \$177,205,000 which is an increase of \$10,205,000 from the FY 2021 allocation of \$167,000,000.
- The \$177,205,000 for FY'22 is a result of the combination of \$137,205,000 in general fund projected revenue and \$40,000,000 in revenue from the Permanent Fund interest.
- Programs eligible for funding from the Indirect Cost Fund will also have these funds to budget along with their general funds.
- Programs receiving funds from external sources (primarily Federal and State agencies) will provide information on the anticipated FY'22 funding from these sources and the amounts anticipated are to be included in the Navajo Nation Comprehensive Budget.
- General Wage Adjustment – a total of \$3,019,319 from expected Personnel Lapse Saving funds will be allocated to General Fund programs who incurred FY'21 GWA expenses. This will help cover the FY'22 personnel costs to be absorbed by the programs.

Planning Allocations of General and Permanent Trust Fund

- The Budget and Finance Committee approved the FY'22 General Fund and Permanent Fund income planning allocations for the three branches and others as follows:

| Title | Allocation | Percentage |
|------------------------------|----------------|------------|
| Executive Branch | \$ 111,518,160 | 62.92% |
| Legislative Branch | \$ 15,732,069 | 8.88% |
| Judicial Branch | \$ 15,765,782 | 8.90% |
| Fixed Costs Programs | \$ 18,013,778 | 10.17% |
| Chapters: Non-Administrative | \$ 12,675,211 | 7.15% |
| External Funds Cash Match | \$ 3,500,000 | 1.98% |
| Total: | \$ 177,205,000 | 100.00% |

Allocations of Other NN Funds

- Other Navajo Nation funds which are allocated for budgeting purposes through the Office of the Controller and Office of Management and Budget are as follows:

| Funding Source | Amount |
|------------------------|----------------|
| Indirect Cost Funds | \$ 25,000,000 |
| Fiduciary Funds | * |
| Enterprise Funds | \$ 11,471,000 |
| Internal Service Funds | \$ 75,326,800 |
| Proprietary Funds | * |
| Special Revenue Funds | \$ 11,767,968 |
| Total: | \$ 123,456,768 |

Note: * Amounts not set as of 7/2/2021

Significant Changes in the FY 22 BIM

- a. The fringe rate decreased from 46.56% to 43.38% for Regular Employees. For other types of employees, the rates also have changed. The new rates can be found in the Appendix E in the FY'22 BIM.
- b. The general liability insurance rate has changed from \$0.41 to 0.25 (decrease) per \$100 of payroll (including the fringe benefit amount).
- c. The property insurance rate has changed from \$0.72 to \$0.71 (decrease) per \$1,000 value of the property to be insured. Contact the Risk Management program to determine how to insure program property. An Exposure Summary Packet issued by Risk Management will need to be completed and submitted to Risk Management for program property to be insured.
- d. Workers Comp insurance will be assessed \$0.72 per \$100 of payroll (not including fringe benefits) for regular status employees. Chapter employees will be assessed \$0.70 per \$100 of payroll
- e. Some of the other rates have changed and the revised rates are in the FY'22 BIM. The respective offices who have responsibility for these rates can be contacted for more information, if necessary.

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Significant Changes in the FY 22 BIM

- f. Individuals paid stipends for serving on Navajo Nation boards, commissions and committees are now required by the Internal Revenue Service to pay income taxes on their compensation and, as such, these stipends will be budgeted in the 2001 series of object codes rather than in the 3000 series of object codes.
- g. The sample budget will explain how to budget stipends to meet this new Internal Revenue Service requirement later in the presentation.
- h. Minor changes have been made to the written instructions for the budget forms as well as other forms and the changes are primarily for clarification.
- i. The following provision will continue for FY'22: Unused balances in object codes 2110 and 2900 for individual positions are can be transferred to other positions or object codes within the personnel 2001 major object code series up to the end of third quarter or June 30th.
- j. Starting the fourth quarter or July 1st, unused balances in 2110 for positions and 2900 for fringe benefits cannot be transferred to other object codes in the 2001 Personnel major series.
- k. The above is to comply with the Pay Plan/Classification resolution, CF-07-11, creating the Personnel Lapse/Savings Fund.

Budget Calendar –Key Dates

| DATES | ACTIVITY | PERFORMED BY |
|-------------|--|--------------------------------------|
| June 29 | Approve the FY 2022 BIM, the budget calendar, revenue projections and Branch planning allocations. | BFC |
| July 2 | Conduct budget orientation for NN Branches, Divisions and Programs. | OMB |
| July 2 | Issue Division/Program planning allocations for program budget preparation. | Branch Chiefs and Division Directors |
| July 3 | Begin budget preparation per the approved FY 22 BIM. | NN Programs |
| July 13 | Deadline to submit completed budget packages to OMB. | NN Programs |
| July 19 -21 | Branch Chiefs' budget hearings; review and approve proposed Branch/Division/Program budgets. | OMB Programs/Divs |

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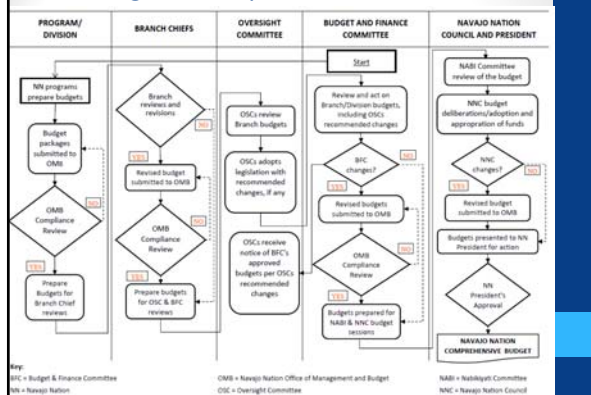
Budget Calendar – Key Dates

| DATES | ACTIVITY | PERFORMED BY |
|----------------|---|--------------------------|
| August 4-11 | Conduct budget hearings and approve legislation recommending budget changes, if any. | NNC Oversight Committees |
| August 19-25 | Budget hearings for review of Branch/Division budgets and Oversight Committees' recommendations; BFC approves proposed legislation recommending the budget to the NN Council. | BFC |
| September 3 | Review of Branch/Division budgets and forward the budget to NNC. | NABI |
| September 7-10 | Conduct budget deliberations, approve the FY 22 NN Comprehensive Budget and adopt legislation. | NN Council |
| September 29 | Act on NNC approved NN Comprehensive Budget and legislation. | NN President |

Budget Development Process

- The development of the NN comprehensive budget goes through several steps before it becomes an official budget of the Navajo Nation. These steps are shown on the next slide.
- The official starting point is with the BFC approving the revenue projection, determining the Branch general fund allocations, approving a budget calendar and approving the Budget Instructions Manual.
- The prepared budgets goes through several reviews starting with the Branch Chiefs, then the oversight committees, and finally the BFC and Nabikiyati Committee before it goes to the NNC for final approval.
- The NNC approved budget is subject to final action by the NN President where he can veto all or some of the budget items. If the NN President vetoes certain items in the budget, the NNC cannot override those.

Budget Development Process Chart



Budget Forms

- The following budget forms are used to prepare and submit program budgets:
 - ✓ **Budget Form 1** – Program Budget Summary.
 - ✓ **Budget Form 2** – Program Performance Criteria.
 - ✓ **Budget Form 3** – Listing of Positions and Assignments by Business Units.
 - ✓ **Budget Form 4** – Detailed Budget and Justification.
 - ✓ **Budget Form 5** – Summary of Changes to Budgeted Positions.
 - ✓ **Budget Form 6** – External Contract and Grant Funding Information.

Budget Forms – General Rules

- a. Sample completed forms are provided by OMB for programs to use as a guide in preparing their budgets.
- b. Written instructions are included with each budget form in the BIM for use in completing each form.
- c. Use appropriate codes, rates, or schedules which are in the FY'22 BIM.
- d. If no budget data or information is on a budget form, do not include it with the budget package that will be submitted to OMB.
- e. All budget amounts are to be entered in object codes at Level of Detail (LOD) 6, except for fringe benefits, which is at LOD 5. Other amounts are entered at LOD 4 and LOD 7 for other purposes which is shown on the sample budget forms.
- f. Budget amounts must be rounded to the nearest whole dollar.
- g. Enter consecutive page numbers on each and all budget forms completed in the spaces provided: ____ of _____. This helps reviewers to identify which form to look at when it is being reviewed.

Preparing a Budget

- a. Before any of the NN programs can start preparing budgets, the Branch Chiefs and the Division Directors will need to provide program planning allocations.
- b. In addition, programs will need to pick up Budget Form 3 with their respective Dept. of Personnel Management, which lists the current positions that are funded for FY'22. Spaces are provided for corrections, if needed, by the program would need to be resubmitted to their Personnel Office.
- c. Branches, Division and Programs must submit completed budgets on July 13 to the OMB this year.
- d. OMB instructions in this power point presentation focuses primarily on how to prepare a budget using sample, completed budget forms.

Budget Form 1

Program Budget Summary

1. This form should be completed after the overall budget is completed on Budget Form 4 (and Budget Form 6) as this form is a summary of what has been budgeted as well as other related information.
2. This form serves as an overview of information about the program, the funding sources, budget summarizes by major object codes and to compare the current year's budget (as approved by the Navajo Nation Council) to the proposed year's budget, including the number of positions and number of assigned vehicles that are funded.
3. In Part V, appropriate names and titles of the responsible persons are to be entered for the Program Manager and the Division Director or Branch Chief (or an appropriate, official representative). Program Managers are responsible for preparing the budget (without errors and omissions) and the Branch Chief or Division Director should primarily be aware of what is in the budget to evaluate periodically the progress of the programs for performance and spending levels during the fiscal year.

| THE NAVAJO NATION PROGRAM BUDGET SUMMARY | | | | | | | | | |
|---|-------------------------|---------------------------|-------------------|-----------------------------------|---|------------------------------------|--------------------------------|-------------------------------|--|
| FY 2022 | | | | | | | | Page 1 of 11 BUDGET FORM 1 | |
| PART I. BUSINESS UNIT No.: 100003 | | Program Title: | | Program/Department Title: | | Division/Branch: | | Division Name/Branch: | |
| Prepared By: | | Individual's Name: | | Phone No.: 705-871-8300 | | Email Address: 620.671.0000 | | | |
| PART II. FUNDING SOURCES: | | | | PART III. BUDGET SUMMARY | | | | | |
| | Fiscal Year Term | Amount | % of Total | Fund Type Code | (A) NNC Approved Original Budget | (B) Proposed Budget | (C) Difference or Total | | |
| General Funds | 10/01/21 - 9/30/22 | 498,336 | 69% | 2001 Personnel Expenses | 1 | 372,698 | 375,027 | 2,329 | |
| Indirect Cost Recovery | 10/01/21 - 9/30/22 | 124,000 | 17% | 3000 Travel Expenses | 1 | 18,000 | 20,394 | 2,394 | |
| External Funds | 10/01/21 - 9/30/22 | 90,821 | 13% | 3500 Meeting Expenses | 1 | 95,000 | 102,200 | 7,200 | |
| P122 OMA Allocation | 10/01/21 - 9/30/22 | 7,868 | 1% | 4000 Supplies | 1 | 16,078 | 9,940 | (6,138) | |
| | | | | 5000 Lease and Rental | 1 | 15,000 | 16,200 | 1,200 | |
| | | | | 5500 Communications and Utilities | 1 | | | 0 | |
| | | | | 6000 Repairs and Maintenance | 1 | 4,500 | 4,200 | (300) | |
| | | | | 6500 Contractual Services | 1 | 70,000 | 64,000 | (6,000) | |
| | | | | 7000 Special Transactions | 1 | 41,969 | 7,863 | (34,106) | |
| | | | | 8000 Public Assistance | 1 | 4,000 | 13,000 | 9,000 | |
| | | | | 9000 Capital Outlay | 1 | 28,000 | 16,000 | (12,000) | |
| | | | | 9500 Matching Funds | 1 | | | 0 | |
| | | | | 9900 Indirect Cost | 1 | | | 0 | |
| TOTAL | | | | TOTAL | 969,142 | 629,804 | (339,338) | | |
| PART IV. POSITIONS AND VEHICLES | | | | (D) | (E) | | | | |
| Total # of Positions Budgeted | | | | 4 | 4 | | | | |
| Total # of Vehicles Budgeted | | | | 2 | 1 | | | | |
| PART V. I HEREBY ACKNOWLEDGE THAT THE INFORMATION CONTAINED IN THIS BUDGET PACKAGE IS COMPLETE AND ACCURATE. | | | | | | | | | |
| SUBMITTED BY: | | | | | APPROVED BY: | | | | |
| Program Manager's Printed Name | | | | | Division Director / Branch Chief's Printed Name | | | | |
| Program Manager's Signature and Date | | | | | Division Director / Branch Chief's Signature and Date | | | | |

FY 2022
Sample Budget

Budget Form 2

Program Performance Criteria

1. Performance budgeting is used as a factor in making budget decisions, including determining the funding level for a program, as well as to monitor program performance periodically.
2. Performance criteria information include goal statements for services provided primarily by NN programs. The results of these goal statements are reported to OMB each quarter to assess program performance and issue an overall performance report to the Branch Chiefs and Division Directors for their information.
3. Program performance scores are arrived at using a rating scale of 0 to 3, to indicate 'Not Reporting (0), Not Met (1), Met (2) or Exceeding (3)' established goals.

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THE NAVAJO NATION
DETAILED BUDGET AND JUSTIFICATION

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BUDGET FORM 4

PART I: PROGRAM INFORMATION:

| | | | |
|---------------------|---------------------------|--------------------|--------|
| Program Name/Title: | Program/Department Title: | Business Unit No.: | 100000 |
|---------------------|---------------------------|--------------------|--------|

PART II: DETAILED BUDGET:

| (A) | (B) | (C) | (D) |
|----------------------------|--|--|---------------------------------------|
| Object Code (L.O.O.F.) | Object Code Description and Justification (L.O.D) | Total by DETAILED Object Code (L.O.O.F.) | Total by BAJOR Object Code (L.O.O.F.) |
| NON TRAVEL EXPENSES | | | |
| | Monthly mileage and fuel costs. Mileage, lodging and air fare directly related to program business and other non-reimbursable travel expenses. | | |
| 3110 | Mileage/Fuel: (Group A: Class 100 Sedan) 4171 x 12 mos. x | \$5,172 | 358 |
| 3113 | Mileage: (Group A: Class 100 Sedan) 1,000 mi. x 21 x 12 mos. x | \$5,760 | 198 |
| | | | 556 |
| 3210 | Vehicle Rental | | 402 |
| 3220 | Vehicle Rental (off-road) | \$422.00 | |
| | | | |
| 3230 | Tire and Service (CONTRACT rates are available per 10) | | |
| 3240 | Wash: 300 Wash x 2 departments x 12 months for 1 staff | \$2,000.00 | |
| 3250 | Lubricating: 300 Wash x 2 departments x 12 months for 1 staff | \$2,000.00 | |
| 3260 | PCV: 300 Wash x 2 departments x 12 months for 1 staff | \$1,520.76 | |
| 3270 | Other Incidentals: 300 Wash x 2 departments x 12 months for 1 staff | \$1,000.00 | |
| | | | 2,000 |
| 3310 | Per | | |
| 3320 | Commercial Air | \$1,000.00 | |
| 3330 | Charter/Transport | \$1,000.00 | |
| | | | |
| NON TRAVEL EXPENSES | | | |
| | Group Rate: 300 Wash x 2 departments x 12 months for 1 staff | | |
| 3910 | Charter: 300 Wash x 2 departments x 12 months for 1 staff | \$14,400 | |
| 3920 | Charter: 300 Wash x 2 departments x 12 months for 1 staff | \$14,400 | |
| 3930 | Charter: 300 Wash x 2 departments x 12 months for 1 staff | \$14,400 | |
| 3940 | Charter: 300 Wash x 2 departments x 12 months for 1 staff | \$14,400 | |
| 3950 | Charter: 300 Wash x 2 departments x 12 months for 1 staff | \$14,400 | |
| 3960 | Charter: 300 Wash x 2 departments x 12 months for 1 staff | \$14,400 | |
| 3970 | Charter: 300 Wash x 2 departments x 12 months for 1 staff | \$14,400 | |
| 3980 | Charter: 300 Wash x 2 departments x 12 months for 1 staff | \$14,400 | |
| 3990 | Charter: 300 Wash x 2 departments x 12 months for 1 staff | \$14,400 | |
| | | | 120,000 |
| | | | 120,000 |

| FY 2022 | | THE NAVAJO NATION DETAILED BUDGET AND JUSTIFICATION | | Page 6 of 11 BUDGET FORM 4 | |
|--|--|--|--|---------------------------------------|--------|
| PART I: PROGRAM INFORMATION | | | | | |
| Program Name/Title: | | Program/Department Title: | | Business Unit No.: 00000 | |
| PART II: DETAILED BUDGET: | | | | | |
| (A) | | (B) | (C) | (D) | |
| Object Code (L.O.O.F.) | Object Code Description and Justification (L.O.O.F.) | | Total by DETAILED Object Code (L.O.O.F.) | Total by BAJOR Object Code (L.O.O.F.) | |
| NON TRAVEL | | | | | |
| | | | | | 9,994 |
| 4110 | Office Supplies | | | | |
| 4120 | General Office Supplies | \$2,000.00 | | 2,000 | |
| 4130 | Non-Cap Expenditures | | | | 900 |
| 4140 | Non-Cap Expenditures | \$800.00 | | | |
| Three (3) cameras @ \$260 each | | | | | |
| | | | | | 4,000 |
| 4210 | Operating Supplies | | | | |
| 4220 | General Operating Supplies | \$2,000.00 | | | |
| 4230 | Non-Cap Expenditures | \$800.00 | | | |
| 4240 | Postage: Courier Shipping: \$25 per quarter | \$1,000.00 | | | |
| 4250 | Postage: Courier Shipping: \$25 each box sent | \$1,000.00 | | | |
| 4260 | Postage/Postcard/Photography | \$1,000.00 | | | |
| 4270 | Postcard/Photocopies/Subscription: 2 @ 100/year | \$200.00 | | | |
| | | | | | 2,000 |
| 4310 | Supplies | | | | |
| 4320 | Travel & Taxes | \$2,000.00 | | | |
| | | | | | 4,000 |
| NON TRAVEL & RENTAL | | | | | |
| | | | | | 12,000 |
| Office space lease for 12 months. Rental of meeting room and needs equipment for committees, civic occasions and special meetings. Rental of booth space for the AGT Fair. | | | | | |
| 5110 | Building Leases | | | | |
| 5120 | Office Space: lease with AGT Center @ \$1,000/mo x 12 mos. | \$12,000.00 | | 12,000 | |
| | | | | | |
| | | | 9994 | 21,900 | 28,710 |

FY 2022

THE NAVAJO NATION
DETAILED BUDGET AND JUSTIFICATION

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BUDGET FORM 4

| PART I: PROGRAM INFORMATION | | | |
|---|---|--|---------------------------------------|
| Program Name/Title: | | Program/Department Title: | Business Unit No.: 100000 |
| PART II: DETAILED BUDGET: | | | |
| (A) | (B) | (C) | (D) |
| Object Code (L.O.O.F.) | Object Code Description and Justification (L.O.O.F.) | Total by DETAILED Object Code (L.O.O.F.) | Total by BAJOR Object Code (L.O.O.F.) |
| NON TRAVEL EXPENSES | | | |
| 5210 | Operating Supplies | | 2,000 |
| 5220 | Writing Paper - Quarterly meetings @ \$10 per square | \$400.00 | |
| 5230 | Office Supplies - 100 pens/month @ 20 each | \$800.00 | |
| 5240 | Multi-Task Office Paper | \$1,000.00 | |
| 5260 | Equipment Supplies | | 1,800 |
| 5270 | Equipment Rental - 1 Xerox Copier Rental \$200/MO @ 90% @ 12 mos | \$1,800.00 | |
| 5275 | Equipment Rental - Non-leasing equipment, etc. | \$1,000.00 | |
| NON TRAVEL & MAINTENANCE | | | 5,600 |
| Annual Rental & Maintenance fees for facilities, equipment and computer upgrade hardware | | | |
| 6110 | Supplies | | 2,000 |
| 6120 | Furniture & Equipment RMR Supplies | \$2,000.00 | |
| 6130 | Services | | 1,200 |
| 6140 | Furniture & Equipment RMR SERVICES - 1 RMR/CO Lease Maintenance \$200/MO @ 60% @ 12 mos | \$1,200.00 | |
| 6200 | Technology | | 1,000 |
| 6220 | Software Support @ 4 employees @ \$250 | \$1,000.00 | |
| NON CONTRACTUAL SERVICES | | | \$4,800 |
| Professional Services for various program initiatives. Contractual services for specialized services. | | | |
| 6220 | Consulting | | 20,000 |
| 6240 | Travel - 800 per hour x 100 30 hrs | \$19,000.00 | |
| 6240 | Expenses - Lodging | \$2,000.00 | |
| | | TOTAL | 30,400 |
| | | | 30,400 |

BIM Appendices Information

- The appendices to the FY 22 BIM has various useful information for budgeting purposes such as:
 - Chart of Accounts and Level of Detail (LOD) in Appendix A.
 - Listing of Classification Titles/Class Code/Assigned Pay Grade in Appendix C.
 - Salary Schedules in Appendix D.
 - Fringe Benefits Rates in Appendix E.
 - Vehicle Insurance Rates in Appendix F-1.
 - Fleet Management User Rates in Appendix F-2.



THE NAVAJO NATION Office of Management and Budget (OMB)

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