

## “To-Be” Gap Analysis Implementation Steps

1. Gap Identification: FO Gap Number 4: Comprehensive Beneficiary Statements and Financial Reports (Includes Process Step FO.5.0)
2. Implementation Steps:
  - a. Step 1: Implement funds receivable and funds payable processes (See Gaps 1,2 and 3)
  - b. Step 2: Compile a record of a beneficiary’s ownership interests in Trust assets
  - c. Step 3: Develop a periodic, detailed beneficiary account statement, including:
    - i. Section I: Beneficiary name, address and account number
    - ii. Section II: Beneficiary account transactions
      - a. Receipts from Trust asset generated income posted to the account with transaction detail
        - i. Lease number
        - ii. Tract number
      - b. Disbursements posted to the account with transaction detail
        - i. Payee information
      - c. Investment earnings for the period
    - iii. Section III: Projected account activity
      - a. Projected receipts (funds receivable)
      - b. Projected disbursements (funds payable)
    - iv. Section IV: Trust asset ownership positions (to be included in the statement annually or bi-annually)
      - a. Tract numbers
      - b. Ownership percent
    - v. Section V: Investment positions
  - d. Step 4: Develop a beneficiary communication plan introducing and explaining the new beneficiary statements
  - e. Step 5: Develop performance measures
  - f. Step 6: Train integrated servicing office personnel in beneficiary statement interpretation
  - g. Step 7: Rollout the new beneficiary statements nationwide

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### 3. Dependencies on Business Processes:

<b>Business Process Name</b>	<b>Process Name (As specified in “To-Be” Model)</b>	<b>Dependency Description</b>
<b>BRDM</b>		
<b>Predecessors</b>	<ol style="list-style-type: none"> <li>1. B.2.4 Transfer Inquiry/Request to Appropriate Office</li> <li>2. B.6.3.1 Beneficiary Account Administration</li> </ol>	<ol style="list-style-type: none"> <li>1. Ad-hoc requests for financial reports are forwarded.</li> <li>2. Assistance is provided in developing understandable Explanations of Payment (EOPs) and account statements.</li> </ol>
<b>Successors</b>	<ol style="list-style-type: none"> <li>1. B.3 Communicate Information</li> <li>2. B.5.1 Conduct Outreach Activity</li> <li>3. B.5.2 Post Outreach Activity</li> </ol>	<ol style="list-style-type: none"> <li>1. Beneficiary account statements are delivered. Routine financial reports are made available to requestors.</li> <li>2. Topics for inclusion in the outreach activity are suggested and staff may participate in the outreach event.</li> <li>3. Assigned action items are completed and lessons learned are shared.</li> </ol>
<b>FO</b>		
<b>Predecessors</b>	<ol style="list-style-type: none"> <li>1. FO.1.1a Create Trust Funds Receivable</li> <li>2. FO.1.1b Create Non-Trust Funds Receive</li> <li>3. FO.1.2a Receive and Post Trust Funds</li> <li>4. FO.1.2b Receive and Post Non-Trust Funds</li> <li>5. FO.3.1 Create Funds Payable</li> <li>6. FO.3.5 Post</li> </ol>	<ol style="list-style-type: none"> <li>1. Projected Trust receipts are included in beneficiary statements and financial reports.</li> <li>2. Projected Non-Trust receipts are included in financial reports.</li> <li>3. Actual Trust receipt transactions are included in beneficiary statements and financial reports.</li> <li>4. Actual non-Trust receipt transactions are included in financial reports.</li> <li>5. Projected disbursements are included in beneficiary statements and financial reports.</li> <li>6. Actual disbursement transactions are included in beneficiary statements</li> </ol>

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<b>Business Process Name</b>	<b>Process Name (As specified in “To-Be” Model)</b>	<b>Dependency Description</b>
	Disbursements 7. FO.2.4 Produce Report  8. FO.4.0 Omnibus Reconciliation	and financial reports. 7. Investment activity and positions are included in beneficiary statements. 8. A reconciliation is completed before reports and statements are produced in order to ensure data accuracy.
<b>Successors</b>	1. None	
<b>LNRP – Wide Area Plan</b>		
<b>Predecessors</b>	1. None	
<b>Successors</b>	1. P.4 Evaluate an Existing Plan	1. A request is received to produce an ad-hoc report in order to evaluate the success of a project.
<b>LNRP - Appraisals</b>		
<b>Predecessors</b>	1. None	
<b>Successors</b>	1. None	
<b>LNRUM</b>		
<b>Predecessors</b>	1. UM.1.2.2 Request Beneficiary Consent	1. Beneficiary consent forms may be attached to beneficiary statements.
<b>Successors</b>	1. UM.4.1 Monitor Management Units 2. UM.1.1 Establish Management Unit Baseline	1. Management financial reports are available for review. 2. Financial operating history is available for review.
<b>Ownership – Title</b>		
<b>Predecessors</b>	1. None	
<b>Successors</b>	1. None	
<b>Ownership – Probate</b>		
<b>Predecessors</b>	1. None	
<b>Successors</b>	1. None	
<b>Ownership - Conveyance</b>		

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<b>Business Process Name</b>	<b>Process Name (As specified in “To- Be” Model)</b>	<b>Dependency Description</b>
<b>Predecessors</b>	1. None	
<b>Successors</b>	1. None	
<b>Ownership - Survey</b>		
<b>Predecessors</b>	1. None	
<b>Successors</b>	1. None	

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### 4. Dependencies on Universal Support Functions:

<b>Universal Support Function</b>	<b>Dependency Description</b>
<b>Automated System Requirements</b>	<ol style="list-style-type: none"> <li>1. Trust technology systems, such as the Trust Financial Accounting System (TFAS) and the Trust Asset and Accounting System (TAAMS) that apply receipts and disbursements to the appropriate accounts, and contain account information and balances.               <ol style="list-style-type: none"> <li>a. Cash receipts system that track receipts into beneficiary accounts.</li> <li>b. Cash disbursements system that tracks disbursements of funds from beneficiary accounts to beneficiaries or third parties.</li> </ol> </li> <li>2. Funds receivable system tracks commitments of funds, such as leases, judgment awards, sales, probate settlements, and actual receipts against those commitments.</li> <li>3. Funds payable system that tracks scheduled and actual disbursements of funds from beneficiary accounts to beneficiaries or third parties.</li> <li>4. Technology that produces beneficiary account statements with detailed transaction information.</li> <li>5. Title system the compiles a beneficiary’s ownership interests nationwide.</li> <li>6. Cash management technology that displays projected and actual receipts and disbursements for a beneficiary account.</li> </ol>
<b>Policies, Procedures and Regulations</b>	<ol style="list-style-type: none"> <li>1. Provide at a minimum one annual beneficiary statement, ideally quarterly, if statements are not available online.</li> <li>2. Management directive – Regulatory reporting requirements changed as required under a trust.</li> </ol>
<b>Training</b>	<ol style="list-style-type: none"> <li>1. None</li> </ol>
<b>Records Management</b>	<ol style="list-style-type: none"> <li>1. Storage of electronic records.               <ol style="list-style-type: none"> <li>1. Retention requirement for electronic records, forms, and signatures.</li> <li>2. Retention requirement for imaged documents.</li> </ol> </li> </ol>
<b>Risk Assessment</b>	<ol style="list-style-type: none"> <li>1. Producing beneficiary account statements containing erroneous or misleading data.</li> <li>2. Providing beneficiary account cash management information based on erroneous or misleading data in an automated system.</li> </ol>
<b>Workforce Planning</b>	<ol style="list-style-type: none"> <li>1. Develop an internal audit control group to ensure service standards are met, reconciliation processes have an overview, and management has proper oversight to ensure controls are in place and followed.</li> </ol>

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<b>Universal Support Function</b>	<b>Dependency Description</b>
<b>Internal Controls / Fiduciary Security</b>	<ol style="list-style-type: none"> <li>1. Develop business performance metrics and measures for beneficiary statement preparation and clarity. Develop service standards with management oversight to ensure adherence to the financial controls.</li> <li>2. Agency/Regional/Central offices ensure reports are reviewed and/or filed according to state timeframes and regulatory requirements.</li> <li>3. Trust Service, Office of Reporting and Reconciliation develop service standards and internal controls to ensure statements are in balance prior to mailing to clients.</li> <li>4. Trust Service, Office of Reporting and Reconciliation ensures beneficiary statements and financial reports are produced and distributed within service standard guidelines.</li> <li>5. Field Operations reviews reports and statements for accuracy and notifies Trust Services of any corrections within a set time limit.</li> <li>6. Compacted and contracted tribes review reports and statements for accuracy and verify that all funds are properly accounted for within service standard guidelines.</li> <li>7. Place accountability on program and integrated servicing offices to follow-up until exceptions are cleared.</li> <li>8. Put in place an internal audit control function following OCC requirements to monitor the various processes ensuring compliance with state objectives.</li> <li>9. Internal control review by management giving oversight to Trust administration, reconciliation processes, fund receipt and fund disbursement.</li> </ol>