

“To-Be” Gap Analysis Implementation Steps

1. Gap Identification: UM Gap Number 3: Standardize Land Use Contract Terms
2. Implementation Steps:
 - a. Step 1: Assess risks
 - i. Undivided fee interests whose land or resources are used in a trust contract (see USF).
 - ii. Beneficiaries who are currently under direct pay or desire direct payment (see USF).
 - iii. Disparity or various financial terms for similar land use contracts, and contract value changes (see USF).
 - b. Step 2: Develop policies and information standards.
 - i. Review policies of undivided fee interests in trust allotments and land use contracts - communications and procedures for fee interests or operators to follow where resources are used under the trust contract (see USF).
 - ii. Standardize policies of direct payments from operators to beneficiaries (see USF).
 - c. Step 3: Modify regulations and statues.
 - i. Range and Leasing (General) (for possible collection of fee interests and standardize direct payments – see USF).
 - ii. Review draft 162 Leasing regulations 25 CFR 162 Subpart C and D and provide relevant “To-Be” comments.
 - d. Step 4: Enhance Land Management System
 - i. Standardize options for terms and conditions for each type of land use.
 - ii. Standardize the algorithms and calculations for translating the use valuation from the Appraisal process, to apply to each Management Unit for developing the dollar value terms of a contract. [For example, apply a rangeland appraisal expressed as a valuation per AUM to be calculated as an estimation of carrying capacity AUM’s per tract. This is then aggregated to a Management Unit for calculation of a rental rate; and disaggregated to the tract based upon AUM’s, for the purpose of distribution to beneficiaries.]
 - iii. Test and ensure that such terms and conditions flow correctly to the FO processes for receivables and distribution, to UM processes for production-based reconciliation, as well as to BRDM beneficiary statements.
 - e. Step 5: Convert or transition contractual terms to new standards.
 - f. Step 6: Refine procedures and deploy updates to BIAM and Interagency Handbooks.
 - g. Step 7: Provide training to land program and BRDM resources to communicate and answer questions regarding changes in policies and allowable terms.
3. Dependencies on Business Processes:

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Business Process Name	Process Name (As specified in “To-Be” Model)	Dependency Description
BRDM		
Predecessors	1. None	
Successors	1. None	
FO		
Predecessors	1. None	
Successors	1. FO.1. Create Trust Funds Receivable 2. FO.1.1.b Create Non-Trust Funds Receivable 3. FO.1.2a Receive & Post Trust Funds 4. FO.1.2b Receive & Post Non-Trust Funds 5. FO.5.0 Reporting & Statements	1. Changes in financial terms or new terms for trust funds are passed to the billing and receivables creation activity. 2. Changes in financial terms or new terms for non-trust remittances are passed to the billing and receivables creation activity. 3. Changes in financial terms are recognized by the cash application of the remittance to assist in reconciling exceptions. 4. Changes in financial terms are recognized by the escrow processing for non-trust remittances (e.g. bid deposits, surety bonds). 5. New financial valuations, terms, and changes in billing line items are passed appropriately to beneficiary statements.
LNRP – Wide Area Plan		
Predecessors	1. None	
Successors	1. None	
LNRP - Appraisals		
Predecessors	1. P.1.1 Determine Appropriate Valuation Method 2. P.1.2 Conduct Valuation	1. Refine appraisal valuation method to work consistently with the newly determined contract financial terms and valuation algorithms. 2. Refine valuation procedures and guidelines to work consistently with the newly determined contract financial terms and valuation algorithms.
Successors	1. None	
LNRUM		
Predecessors	1. None	
Successors	1. UM.1.5 Draft Land	1. Draft of terms and conditions for a land use contract.

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Business Process Name	Process Name (As specified in “To-Be” Model)	Dependency Description
	Use Requirements 2. UM.2.2 Award Tribal Enterprise 3. UM.2.3 Perform Tribal Allocation 4. UM.2.4 Conduct Bidding 5. UM.2.5 Negotiate Land Use Contract 6. UM.4.1 Monitor Management Units	2. Finalize terms and conditions for a land use contract. 3. Finalize terms and conditions for a land use contract. 4. Finalize terms and conditions for a land use contract. 5. Finalize terms and conditions for a land use contract. 6. Standard financial terms are monitored for land use contracts, and applied or requested for non-compliance and enforcement actions.
Ownership – Title		
Predecessors	1. O.4.2 Receipt of Recorded Documents and Update Title	1. Current ownership-interests include an aggregated percentage of the fee-interest of each trust tract, such that total ownership-interests sum to 100%. Also, using the ownership-interests to develop Management Unit ownership-interests for applying the standard financial terms.
Successors	1. None	
Ownership – Probate		
Predecessors	1. None	
Successors	1. None	
Ownership - Conveyance		
Predecessors	1. None	
Successors	1. None	
Ownership - Survey		
Predecessors	1. None	
Successors	1. None	

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4. Dependencies on Universal Support Functions:

Universal Support Function	Dependency Description
Automated System Requirements	<ol style="list-style-type: none"> 1. Standardize options for terms and conditions for each type of land use. 2. Standardize the algorithms and calculations for translating the use valuation from the Appraisal process, to apply to each Management Unit for developing the dollar value terms of an contract. [For example, apply a rangeland appraisal expressed as a valuation per AUM to be calculated as an estimation of carrying capacity AUM’s per tract. This is then aggregated to a Management Unit for calculation of a rental rate; and disaggregated to the tract based upon AUM’s, for the purpose of distribution to beneficiaries.] 3. Test and ensure that such terms and conditions flow correctly to the FO processes for receivables and distribution, to UM processes for production-based reconciliation, as well as to BRDM beneficiary statements.
Policies, Procedures and Regulations	<ol style="list-style-type: none"> 1. Fee interests. Refine policy on undivided fee interests in land use contract billing and collection. Possible changes to leasing, and range regulations if collection of such undivided fee interests as they expressly do not now allow for the collection of such fee interests currently. 2. Advance payments. Refine policy to disallow advance payments, and any reconciliation of advance payments against the incomes from trust land use contracts. 3. Direct Payment. Refine policy to standardized verification and monitoring of direct payments from payors to beneficiaries. 4. Review draft 162 Leasing regulations 25 CFR 162 Subpart C and D and provide relevant “To-Be” comments.
Training	<ol style="list-style-type: none"> 1. Develop and deploy updated training on financial terms impacts to land program staff, line official, billing & receivable processing resources.
Records Management	<ol style="list-style-type: none"> 1. Archive previous terms and contractual data. 2. Keep previous terms accessible online (by contract) to assist in reconciling exceptions for a transition period.
Risk Assessment	<ol style="list-style-type: none"> 1. Risk of undivided fee interests not participating in consent but the department possibly collecting their share of revenue in conjunction of the leasing of trust allotments. 2. Risk of direct payment contracts that may in some cases have poor or inadequate documentation /

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	<p>verification of such direct payments.</p> <ol style="list-style-type: none"> 3. Risk of changes in financial contractual terms changes being applied incorrectly to existing contracts. 4. Risk of standardized financial terms being too rigid and not providing adequate flexibility for local land program resources to negotiate or obtain the best price for an authorized type of land use. 5. Risk of production-based contracts with financial terms based on spot market pricing, versus the risks of hedging the commodity price.
Workforce Planning	<ol style="list-style-type: none"> 1. None.
Internal Controls / Fiduciary Security	<ol style="list-style-type: none"> 1. Preferred method of providing consistency in financial terms is to provide a “drop-down” menu of choices for financial terms, based upon the type of use (e.g. different terms available for forestry than for commercial use); then based on the term chosen, allow local the land program resource developing the contract input the specific grades/qualities/dollar rates.