



Title: Receive and Post Non-Trust Funds

**Process Number
FO.1.2b**

Identify the process in the "Verb Noun" format. (Ex: Maintain Ownership)

1. Process Definition Provide an overview of the process and define its starting and ending points

| | |
|-----------------------------|--|
| 1.1 Starts With | The receipt of non-trust monies. |
| 1.2 Process Overview | <p>Non-trust funds are funds related to a trust transaction or pending trust transaction, such as administrative fees. Some, such as bid deposits, advance contract payments, or performance bonds, have the potential to become trust funds. When non-trust funds are received in the lockbox, the financial institution processes the deposit based on the information indicated on the remittance coupon. The bank deposits the funds for credit to Treasury's General Account and transmits the deposit information to the trust accounting system. When the deposit information is received by Trust Services, the payments are applied to the appropriate escrow or administrative accounts.</p> <p>Funds associated with a trust transaction or a pending trust transaction that have the short term potential to become trust funds, such as successful bidder deposits, are recorded in TFAS in lieu of recording in FFS. These funds are isolated in non-interest bearing accounts and will be transferred to the appropriate accounts when they become trust funds.</p> |
| 1.3 Stops With | Posting of non-trust receipts to the appropriate accounts. |

2. Trust Business Objectives Identify the Comprehensive Trust Model strategic goals and business objectives to which this process contributes.

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| Goal/Objective |
| Deposit and post funds to the appropriate accounts in a timely and accurate manner within applicable standards. |

3. How should Beneficiaries be involved in this process?

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| Beneficiary Involvement |
| No direct beneficiary involvement. |



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4. Organizations, Offices and Roles. *Identify the DOI organizations and related roles that should be involved in performing the process.*

4.1 DOI Organizations. *Identify the DOI organizations, offices and individual roles that contribute to this process. DOI organizations include the Office of the Secretary, BIA, OST, BLM, MMS, OHA, OSM among others. Offices include Central Offices, Regional Offices, Agency(Field) Offices, etc. All individual roles that contribute, in a significant manner, should be identified.*

| Organization | Office | Role | Contribution |
|--------------|----------------------|------|---|
| BIA | Agency/Field Office | | Direct payors to submit funds to the lockbox when they bring escrow payments to the local office. |
| OST | Trust Services, OTFM | | Update appropriate accounts with non-trust payments received in the lockbox. |

4.2 Non-DOI Organizations. *Identify the non-DOI organizations that support the execution or control of this process.*

| External Organization | Contribution |
|-----------------------|--|
| Payors | Send payments with remittance advice to lockbox. |
| Bank | Provide lockbox service for receipt of funds. Provide deposit information electronically to Trust Services. Mail remittance advices to Trust Services daily. |

5. Inputs and Outputs. *Identify and describe all inputs and outputs related to this process. Inputs are information or materials used during the execution of the process; outputs are materials or information produced by the process.*

6.1 Inputs

| Input | Description |
|-----------------------------------|---|
| Fund receipts | Money received in the lockbox, deposited for credit to Treasury's General Account and posted to the appropriate escrow or administrative account. May include money or transfers received that do not flow through the receivables system. |
| Funds receivable account | Payor accounts created to record receipts due and money received. |
| Escrow or administrative accounts | Accounts that document the receipt and disbursement of non-trust monies, such as administrative fees, bid deposits and performance bonds. |



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6.2 Outputs

| Output | Description |
|--|---|
| Funds receivable entry | Posted receipts and updated funds receivable balance. |
| Escrow or administrative account entry | All non-trust funds received, such as administrative fees, bid deposits and performance bonds, whether recorded in the funds receivable system or not, posted to the appropriate non-trust fund accounts. |

6. Fiduciary and Legal Obligations and Controls

7.1 Obligations *Identify and describe the legal and fiduciary obligations that impact this process. For each obligation, indicate the document or commitment that defines the obligation and the citation (paragraph or section) within the document that pertains to this process.*

| Obligation | Source | Business Impact |
|---|---------------|---|
| Regulations for carrying out the duties to manage and administer trust assets | 25 CFR 115 | Guidelines for management of trust funds for tribes and individual Indians. |
| Leasing on trust assets related to bonuses, damages and fees | 25 CFR 211.24 | Regulation concerning deposit of funds. |
| Rights of Way: compensation for granting of easements and deposits for survey damages | 25 CFR 169.14 | Regulation concerning deposit of funds. |
| Freedom of Information Act (FOIA) | 5 USC 552 | Provides specifically that "any person" can make requests for government information. Citizens who make requests are not required to identify themselves or explain why they want the information they have requested. All branches of the Federal government must adhere to the provisions of FOIA with certain restrictions for work in progress (early drafts), enforcement confidential information, classified documents, and national security information. |
| Privacy Act of 1974 | 5 USC 552 (a) | Protects information pertaining to individuals. |



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7.2 Controls *Identify and describe any controls (enforcement mechanisms) that may be used to ensure that the process adheres to obligations and internal process requirements. Controls may be reviews, audits, segregated duties, etc. Indicate the reason that each control should be introduced (name the obligation that a control is intended to enforce; indicate any controls required to ensure consistency or reliability).*

| Control | Reason | Description |
|--|---|---|
| Generally Accepted Accounting Principles (GAAP) | Ensure that financial records meet industry standards and are auditable. | Accounting industry standards. |
| Federal Financial Accounting Standards | Ensure that financial records meet federal standards and are auditable. | Financial standards issued by the Federal Accounting Standards Advisory Board. |
| Federal Manager's Financial Integrity Act 1982 (FMFIA) | Ensure compliance with the requirements of internal accounting and administrative controls. | Federal financial standards. |
| DOI Accounting Handbook | Ensure standard department accounting practices. | Detailed desk procedures that include identified service standards and management overview to ensure service standards are met. |
| Interagency Handbook | Ensure that the distinctions between the BIA and OST responsibilities are defined, understood and followed. | Define roles and responsibilities of OST and BIA. |
| Risk assessments | Ensure that risks are understood and mitigated as much as possible. | Measurement of quality assurance. |
| Reconciliation of accounts | Ensure that accounts are in balance. | Analysis of account balances. |
| Service levels | Performance management. | Agreed upon allowable time limits for performing tasks, such as funds deposit and posting. |
| Audits | Ensure adherence to policies and procedures and that an audit trail is intact. | Analysis, adjustment of accounts. May include a certification of accuracy from a non-prejudiced accounting professional. |



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| Control | Reason | Description |
|--|--|--|
| An internal audit control function is in place following OCC requirements to monitor processes | DOI consults with OCC to develop trust standards and regulations to ensure compliance with stated objectives. | Office of Controller of the Currency (OCC) - Regulation 9. Government financial standards. |
| Month-end unit reconciliation includes an aging process | Identify and clear exceptions, deficiencies and delinquencies within specified timeframes. Exceptions older than the stated standard are reviewed by a senior manager. | Internal control procedure. |
| Peer review, sampling, management control review and quality assurance | Ensure consistent adherence to financial procedures and accuracy of accounting entries. | Internal audits and checks. |

7. Mechanisms (Systems of Record) *Identify the mechanisms, or systems, that are needed to support the process (ex: Ownership, Leasing, Workflow Management, Office Filing System, etc.). Indicate the information and activities, relevant to this process, that each system supports.*

| System Name | Support |
|--|--|
| Trust Financial Accounting System (TFAS) | Technology that applies receipts, distributions and disbursements to the appropriate beneficiary and escrow accounts. An escrow tracking module is also included. |
| Funds receivable system | Technology that tracks payor commitments of funds, such as leases, judgment awards, sales, probate settlements, and receipts against those commitments. A cash management module that allocates projected and actual receipts to and from beneficiary accounts is also included. |
| Leasing system | Technology, such as TAAMS Realty, that maintains land use contracts. |

8. Inter-Process Relationships *Identify other Trust processes that are related to this process (either predecessors or successors). If applicable, indicate the condition under which the processes are related.*

9. 1 Predecessors. *Predecessors are processes that either produce information required by this process or that result in the need to execute this process.*

| Process No. | Name | Condition of Relationship |
|-------------|-----------------------------------|---|
| FO.1.1b | Create Non-Trust Funds Receivable | A commitment of non-trust funds has been documented in the funds receivable system. |



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| Process No. | Name | Condition of Relationship |
|-------------|--|---|
| FO.2.2 | Pool and Sweep Funds for Short Term Investment | Receipt of interest earned on trust funds invested with Treasury. |
| FO.2.3 | Execute Trades for Long Term Investment | Funds received from investment transactions |
| UM.2.1.2 | Process Pre-Contract Receipt Encoding | Money, such as first year rentals, required to perfect a land use contract will be billed to the payor. |

9.2 Successors. Successors are processes that either use information produced by this process or that must be executed as a result of performing this process.

| Process No. | Name | Condition of Relationship |
|-------------|---|--|
| FO.1.2a | Receive and Post Trust Funds | Receipts are transferred from a non-trust to a trust account. |
| FO.1.3 | Reconcile Exceptions and Produce Report | Receipts that cannot be posted to the appropriate accounts. |
| FO.2.1 | Review Accounts and Investment Options | Projected and actual receipts are available for cash management review. |
| FO.3.1 | Create Funds Payable | Receipts are scheduled for disbursement to a beneficiary or third party. |
| FO.3.4 | Disburse Funds | Monies are automatically disbursed to the beneficiary when received. |
| FO.4 | Omnibus Reconciliation | Cash receipts activity available for reconciliation. |
| FO.5 | Reporting and Statements | Receipts have been posted to the appropriate accounts. |
| UM.2.4 | Conduct Bidding | Bid deposits have been received and posted to a non-trust account. |



U.S. Department of the Interior
"To-Be" Trust Business Model
Process Template

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9. **Comments** Summarize any discussion, problems, issues or recommendations that should be considered when reviewing process performance. Category Values (Note, Best Practice, Decision, Problem, Issue, Recommendation)

| Category | Comment |
|----------------------|--|
| Issue/Recommendation | If a bidder fails to meet the deadline to deposit the bid in the lockbox and/or does not submit the requisite information, will the bid be accepted? We need new regulations to protect the government against a bidder's lawsuit when the bid is not received in the lockbox or does not include the requisite information by the due date. |