



<b>Title: Impose Penalties &amp; Generate Notices</b>	<b>Process Number</b>
<i>Identify the process in the "Verb Noun" format. (Ex: Maintain Ownership)</i>	<b>FO.1.4</b>

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

<b>1.1 Starts With</b>	Reports are produced and exceptions and deficiencies are explained or reconciled.
<b>1.2 Process Overview</b>	Standard penalties or late fees are imposed on late or underpayments of monies due. The charges are automatically calculated by the funds receivable system and invoiced to the payor.  At the request of a line official, a 10-day show cause notice is sent to the delinquent/deficient payor.
<b>1.3 Stops With</b>	Penalty charged to delinquent and deficient payors. 10-day show cause notice sent at line official's request.

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

<b>Goal/Objective</b>	
	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?**

<b>Beneficiary Involvement</b>	
	No direct beneficiary involvement.

**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		Authorize 10-day show cause notification to a delinquent or deficient payor.



<b>Title: Impose Penalties &amp; Generate Notices</b>	<b>Process Number</b>
<i>Identify the process in the "Verb Noun" format. (Ex: Maintain Ownership)</i>	<b>FO.1.4</b>

Organization	Office	Role	Contribution
OST	Trust Services		Calculate penalties and late fees due on late or under payments.  Record penalties and late fees receivable to accounts.  Send 10-day show cause notices.

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

External Organization	Contribution
Payors	Receive 10-day show cause notice, if warranted.  Receive bill and remittance advice for penalties and late fees due, if appropriate.

**5. Event(s)** *Identify the events or conditions that start the process. Describe each event and indicate the frequency (daily, monthly, quarterly, etc.) in which each event is expected to occur. An event may be an external interaction (a beneficiary submits an application), the expiration of a period of time (a lease is due to expire in 90 days), or the realization of some pre-defined threshold (an IIM account reaches the automatic disbursement threshold).*

Event	Description	Estimated Frequency
A delinquent or deficient payment occurs	Monies received are not equal to the funds due.	Daily

**6. 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
Payor Deficiency Report	Report of receipts that are different than the anticipated receipt recorded in the funds receivable system and therefore require investigation.
Funds receivable account	Payor accounts created to record payments due and money received.



<b>Title: Impose Penalties &amp; Generate Notices</b>	<b>Process Number</b>
<i>Identify the process in the "Verb Noun" format. (Ex: Maintain Ownership)</i>	<b>FO.1.4</b>

## 6.2 Outputs

Output	Description
10-day show cause notice	Notice to payors to make payment due or explain why payment was not made, made late or underpaid.
Payor invoice and remittance advice	Bill for penalties and late fees due.
Funds receivable entry	Account updated with penalties and late fees due.

## 7. 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.



<b>Title: Impose Penalties &amp; Generate Notices</b>	<b>Process Number FO.1.4</b>
<i>Identify the process in the "Verb Noun" format. (Ex: Maintain Ownership)</i>	

**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).*

<b>Control</b>	<b>Reason</b>	<b>Description</b>
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.



<b>Title: Impose Penalties &amp; Generate Notices</b>	<b>Process Number</b>
<i>Identify the process in the "Verb Noun" format. (Ex: Maintain Ownership)</i>	<b>FO.1.4</b>

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.

**8. 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.
Penalties and late fees due calculator	Formula for computing penalties or late fees due on under or late payments.



<b>Title: Impose Penalties &amp; Generate Notices</b>	<b>Process Number</b>
<i>Identify the process in the "Verb Noun" format. (Ex: Maintain Ownership)</i>	<b>FO.1.4</b>

**9. 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.1.3	Reconcile Exceptions and Produce Reports	Reconciliation between monies received and funds receivable system indicates payor has under paid, paid late or not paid at all.
UM.4.4	Perform Enforcement Action	Land use non-compliance issues may result in fines and penalties.
UM.4.6.3	Reconcile Production	Receive production information so that penalties and interest can be charged appropriately.

**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
UM 4.1	Monitor Management Units	Authorize a 10-day show cause notice to be sent to a delinquent or deficient payor. Enforce financial land use contract compliance.
FO.1.1a	Create Trust Funds Receivable	Update accounts with interest and penalty receivable. Record interest and penalty receipts.
FO.1.1b	Create Non-Trust Funds Receivable	Update accounts with interest and penalty receivable. Record interest and penalty receipts.

**10. 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	How will debt collection be handled and who is responsible?