



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

**Title: Disbursements**

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

**Process Number**  
**FO.3**

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

<b>1.1 Starts With</b>	Approved request for disbursement.
<b>1.2 Process Overview</b>	<p>This process allows an approved disbursement of funds, usually from a beneficiary account, to be made to a beneficiary or other authorized payee, such as an assignee or a service/product provider. Money received and automatically paid out to beneficiaries does not process through the payables system, but a check or electronic transfer is posted as a disbursement from trust or trust-related accounts.</p> <p>For a detailed explanation, see the following:</p> <ul style="list-style-type: none"><li>FO.3.1 Create Funds Payable</li><li>FO.3.2 Create Pre-Disbursement File</li><li>FO.3.3 Reconcile Pre-Disbursement Exceptions</li><li>FO.3.4 Disburse Funds</li><li>FO.3.5 Post Funds</li><li>FO.3.6 Reconcile Deficiencies</li><li>FO.3.7 Generate Report</li></ul>
<b>1.3 Stops With</b>	The posting of a disbursement to the funds payable system and beneficiary or trust-related accounts, and generation of a disbursement report.

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

<b>Goal/Objective</b>
To disburse funds in a timely, accurate, effective and efficient manner.

**3. How should Beneficiaries be involved in this process?**

<b>Beneficiary Involvement</b>
Request disbursements to themselves or other parties. Report non-receipt of payment. May be asked to help resolve disbursement rejections/problems.



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

**1.1 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
OST	Trust Services		<p>Approve a funds payable request that is within certain dollar thresholds.</p> <p>Approve funds payable requests for non-routine transactions within policy guidelines.</p> <p>Generate the Pre-Disbursement Exception Report.</p> <p>Identify and resolve pre-disbursement and disbursement rejections.</p> <p>Provide Treasury with information to generate electronic disbursements.</p> <p>Print checks.</p> <p>Send checks or electronic payments to payees.</p> <p>Perform quality assurance process and verify transactions.</p> <p>Post disbursements from beneficiary accounts, usually paid to beneficiaries or assignees, and post to funds payable.</p> <p>Post disbursements from escrow or administrative accounts (e.g. for improvements to an allotment) and post to funds payable.</p> <p>Reconcile with Treasury.</p> <p>Reconcile with third parties.</p> <p>Perform reconciliation between checks disbursed and account balances.</p> <p>Generate the Disbursement</p>



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<b>Organization</b>	<b>Office</b>	<b>Role</b>	<b>Contribution</b>
			Exception Report. Generate the Disbursement Report.
BIA	Agency/Regional Office	(Management)	Make judgments regarding atypical disbursement requests that fall within policy guidelines and certain dollar thresholds.
BIA	Agency/Regional Office	(Staff)	Create funds payable for disbursements related to land use contracts and land management expenses, such as fencing projects.  Review and approve supporting documentation.  Submit requests for transfers of fund balances from one account to another.  Assist with resolution of pre-disbursement and disbursement rejections.
OST	Field Operations	(Management)	Approve disbursement requests within certain dollar thresholds.  Make judgments regarding atypical disbursement requests within policy guidelines.  Document judgment calls.
OST	Field Operations	(Staff)	Create funds payable for atypical disbursement requests, such as child support payments.  Review and approve supporting documentation.  Submit requests for transfers of fund balances from one account to another.  Assist with resolution of pre-disbursement and disbursement rejections.



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Organization	Office	Role	Contribution
Compacted and Contracted Tribes			Make a disbursement request.  Assist with resolution of pre-disbursement and disbursement rejections.

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

External Organization	Contribution
Treasury	Release funds for disbursement.  Assist in reconciling transactions and fund balances as reported by DOI.
Payees	Receive disbursed funds or report non-receipt.
Third parties, such as the Veterans' Administration, Social Security Administration and mortgage holders	Assist in resolving pre-disbursement and disbursement rejections.

**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 disbursement request has been received	The request may be a one time or a recurring payout and usually originates in a program or integrated servicing office.	Daily
An "auto-pay" beneficiary account is updated with a receipt of funds	If the beneficiary has selected an automatic payout from his/her/their account when the account balance meets the pre-set threshold.	Daily
5 days prior to a scheduled disbursement is reached	Automatically generate the pre-disbursement report.	Daily
A beneficiary account reaches the automatic payout threshold	A threshold at which funds are disbursed.	Daily



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Event	Description	Estimated Frequency
Requested disbursement date is reached	A specific date on which funds are to be disbursed.	Daily
A disbursement schedule has been run	Scheduled disbursements have been delivered to payees.	

**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
Disbursement requests	Approved requests from a program office, integrated servicing office of third party to disburse funds.
Supporting documentation	Documentation that explains and authorizes a disbursement request.
Beneficiary account	An account created to receive and disburse trust-related monies to individual Indian and tribal beneficiaries.
Account balances	Trust and non-trust funds available for disbursement or transfer.

**6.2 Outputs**

Output	Description
Funds payable entry	Files, including payee information, created by a program or integrated servicing office required to disburse funds.
Pre-Disbursement Exception Report	Transactions that will be rejected due unless corrected before the disbursement schedule is run.
Resolved disbursement transactions	Transactions previously noted on the pre-distribution and disbursement reports that have been reconciled and will be included in the scheduled disbursement to payees.
Payee checks	Hardcopy disbursements to payees.
EFTs or other forms of electronic payment	Electronic disbursements or transfers to payees.
Explanation of Payment (EOP)	Royalty revenue disbursement explanations.



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<b>Output</b>	<b>Description</b>
Check register	Details of checks issued.
Account balances	Updated beneficiary, escrow and administrative account balances as a result of disbursements or transfers.
Funds payable balance	Updated balance as a result of disbursements and transfers.
Disbursement Exception Report	Disbursements that could not be processed, usually due to insufficient or unavailable funds in the associated accounts.
Reconciliation reports	Information to reflect accounts that have been reconciled.
Disbursement Report	A list of disbursement transactions completed in a scheduled payout.

## 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.*

<b>Obligation</b>	<b>Source</b>	<b>Business Impact</b>
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.
Intra-governmental accounting guidance	Treasury regulations	Disbursing authority. Safeguarding and disposal of check stock.
Protect the value of a depletable asset	New Mexico Uniform Principal and Income Act	Gives the trustee authority to allocate money earned from a trust land use contract between the life estate and the remainderman.
Federal Oil & Gas Royalty Management Act (FOGRMA)	PL 97-451 Section 105 (a)	Requirements for royalty Explanation of Payment (EOP).



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Obligation	Source	Business Impact
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.

**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.



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<b>Control</b>	<b>Reason</b>	<b>Description</b>
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.
Peer review, sampling, management control review and quality assurance	Ensure consistent adherence to financial procedures and accuracy of accounting entries.	Internal audits and checks.
Reconciliation	Ensure that accounts are in balance.	Reconcile disbursement balance to subsidiary accounts.
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.
Service levels	Performance management.	Agreed upon allowable time limits for performing tasks, such as funds deposit and posting.
Risk assessment	Ensure that risks are understood and mitigated as much as possible.	Measurement of quality assurance.
Segregation of duties	Ensure dual control such as ensuring that the disbursement request is processed and verified to match the original request.	Functions of submitting and approving disbursements, creating the system request, approving the disbursement and printing and mailing the disbursement check.
Pre-determined approval and submission amount thresholds	Ensure approval amounts are not exceeded.	Internal control procedures.



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**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
Funds payable system	Technology system that records scheduled and actual disbursements from trust and trust-related accounts to beneficiaries or third parties. A cash management module that allocates projected and actual disbursements to and from beneficiary accounts is also included.
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.
Title system	Technology, such as TAAMS Title, that maintains ownership information including those with an ownership interest in trust assets and those with a financial interest in trust receipts and disbursements.

**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
B.6.3.1	Beneficiary Account Administration	Maintain beneficiary account information.  Indicate if the beneficiary has selected automatic disbursement from his/her/their account whenever the balance meets the pre-set threshold.
B.6.3.3	Payable Administration	Request a disbursement, such as a judgment, or 3 <sup>rd</sup> party assignment (e.g. mortgage, child support).  Request an account transfer.
O.3.1	Prepare Probate Case	Probate staff may release emergency funds against an in-process probate.
O.3.2	Adjudicate	A judge may release emergency funds against an in-process probate.
O.3.3	Close Probate Case	A probate is settled and monies will be disbursed.
O.1.5	Close Transaction	A conveyance contract is completed and monies will be disbursed.



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<b>Process No.</b>	<b>Name</b>	<b>Condition of Relationship</b>
UM.2.1.2	Process Pre-Contract Receipt Encoding	Monies will be disbursed against contract prepayments.
UM.2.6	Approve Land Use Contract	A land use contract is perfected and monies will be disbursed.
UM.2.7	Administer Land Use Contract	A contract is modified.
UM.3.2	Contract for Support Activity	A contract for land use and management support is signed.
FO.1.1a	Create Trust Funds Receivable	Trust funds that are projected to be received before the scheduled disbursement date but have not been received.
FO.1.1b	Create Non-Trust Funds Receivable	Non-trust funds that are projected to be received before the scheduled disbursement date but have not been received yet.
FO.1.2a	Receive and Post Trust Funds	Receipts available to cover requested disbursements. Monies are automatically disbursed to the beneficiary when received.
FO.1.2b	Receive and Post Non-Trust Funds	Receipts available to cover requested disbursements. Monies are automatically disbursed to the beneficiary when received.



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**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
B.6.3.1	Beneficiary Account Administration	Perform beneficiary account maintenance as needed.
B.6.3.3	Payable Administration	Receive pre-disbursement and disbursement report and help to resolve rejections.
O.3.3	Close Probate	Receive pre-disbursement and disbursement report and help to resolve rejections.
O. 1.5	Close Transaction	Receive pre-disbursement and disbursement report and help to resolve rejections.
FO.2.3	Execute Trades for Long Term Investment	If a beneficiary account balance is not sufficient or is unavailable to cover a scheduled disbursement, an investment may be sold to provide the necessary funds.
FO.2.1	Review Accounts and Investment Options	Projected and actual disbursements are available for cash management review.
FO.4	Omnibus Reconciliation	Cash disbursements and associated accounts are available for reconciliation.
FO.5	Reporting and Statements	Funds payable information is available for inclusion in the beneficiary account statements.  Actual disbursements are posted.
UM.4.1	Monitor Management Units	Receive pre-disbursement and disbursement report and help to resolve rejections.

**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
Recommendation	Beneficiary payments should be by electronic transfer whenever possible.
Issue	What is the document retention policy for paper and electronic records?