

**DECLARATION OF POLICY AND PLAN OF OPERATION
REVOLVING CREDIT PROGRAM
ROSEBUD SIOUX TRIBE**

Include changes approved in Modifications #1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, & 13

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DECLARATION OF POLICY AND PLAN OF OPERATION

1. DEFINITIONS.

Wherever the following terms are used herein, they will have the meaning indicated:

- (a) **Secretary** means the Secretary of the Interior.
 - (b) **Commissioner** means the Commissioner of Indian Affairs.
 - (c) **Area Director** means the officer in charge of the Area Office of the Bureau of Indian Affairs under which the Rosebud Agency is placed for administrative purposes.
 - (d) **Superintendent** means the Superintendent or other officer in charge of the Rosebud Agency.
 - (e) **Agency Office** means the headquarters office of the Rosebud Agency.
 - (f) **Tribe** means the Rosebud Sioux Tribe.
 - (g) **Member of the tribe** means a person who has been enrolled as a member of the Rosebud Sioux Tribe.
 - (h) **TRIBAL COUNCIL** means the governing body of the Tribe consisting of thirty-three members of the Tribe elected in accordance with Article III, Section 2 of the Tribe's Constitution approved December 20, 1935.
 - (i) **COMMITTEE** means the Credit Committee appointed in accordance with Section 6 hereof.
 - (j) **DECLARATION** means this Declaration of Policy and Plan of Operation.
 - (k) **CREDIT PURPOSES** mean loans to individual and cooperatives by the Tribe, and financing of tribal enterprises and businesses.
 - (l) **REHABILITATION LOANS** mean a loan to an individual to finance an enterprise of a size large enough to produce an income sufficient to cover operating and living expenses on a reasonable standard, and to repay the loan over a reasonable period of time.
2. **PURPOSE** - The purpose of this Declaration is to establish procedures to govern all future loans by the Tribe to members and cooperatives, and financing of Tribal enterprises and businesses. This Declaration will be used by the Committee in day-to-day credit operations and instructions of the Commissioner. In some instances the provisions hereof depart from the instructions of the Commissioner contained in the Manual of the Bureau of Indian Affairs. In all cases the provision of the Declaration will govern.

3. **POLICY** - It is the policy of the Tribe to consolidate its credit and financing operations under one system and to make all loans and advances only under the procedures herein. Loans heretofore made the by the Tribe will not be disturbed so long as the borrowers adhere to their loan agreements, but all future loans will be made only as provided herein.
4. **SCOPE** - This Declaration will apply to all revolving credit funds borrowed from the United States; to all tribal funds heretofore or hereafter advanced to the Tribe for credit purpose under authority of 25 CFR 101; and to all other Tribal funds used for credit purposes.
5. **REGULATIONS AND INSTRUCTIONS** - All credit activities of the Tribe shall be governed by the regulations in 25 CFR, Part 101 in force on the date this Declaration becomes effective. Amendments to the regulations shall become applicable upon acceptance by the Tribal Council.

All funds covered by this Declaration shall be used in accordance with the provisions of 47 BIAM, Parts 8, 9 & 10, in force on the date this Declaration becomes effective, provided that wherever there is conflict the provisions of this Declaration shall govern over the provisions of 47 BIAM, Parts 8, 9 & 10, and provided further, that no change in 47 BIAM, Parts 8, 9 & 10 made after the effective date of this Declaration shall affect this Declaration unless accepted by the Tribal Council.

6. **CREDIT COMMITTEE** - All credit activities of the Tribe will be administered by a Committee of three members selected by the Tribal Council, except as provided by subsection (g) herein, from within or without the council membership.
 - (a) **SELECTION** - When the term of member of the Committee expires, the Tribal Council shall appoint a successor for a period of three years. The 1984 Tribal Council shall select one member for a one year term, one member for a two year term and one member for a three year term. At the end of this first year, and each year thereafter, as each term of office expires, the term of office of the succeeding members will be for three years. Members will continue to serve until their successors are appointed.
 - (b) **RECORDES OF APPOINTMENTS** - A record of all appointments to the Committee will be furnished the Superintendent and Area Director.
 - (c) **OFFICERS** - Each time a member is appointed to the Committee, the members shall select a chairman, vice chairman and treasurer from among themselves, and a secretary from within or without the committee membership. The chairman shall preside at meetings of the Committee. The chairman and secretary shall perform duties customary to their respective offices. In the absence of the chairman or secretary, the vice chairman and the members shall select a temporary secretary from within or without the Committee membership.
 - (d) **RECORDS OF MEETINGS** - The Secretary will keep, or cause to be kept, a full and complete record of all meeting copies of which will be furnished the Superintendent, Area Director and Tribal Council

- (e) **QUORUM** - Two members will constitute a quorum at any meetings. A uniform vote of at least two members will be required in order for any action to be effective.
- (f) **SUSPENSION AND REMOVAL** - The Tribal Council may suspend a Committee member for cause. Notice of such suspension, including a clear and concise statement of the charges resulting in the suspension, will be forwarded to the suspended member by registered mail. Such member will have thirty days from the date of the notice to request a hearing before the Tribal Council. The hearing will be held at the next regular or special meeting of the Tribal Council, after receipt of request for hearing. The Tribal Council may remove such member from the Committee. The decision of the Tribal Council will be final.
- (g) **VACANCIES** - In the case of a vacancy prior to the expiration of the term of the member of the Committee, the President of the Tribal Council shall appoint a member to serve the unexpired term.
- (h) **QUALIFICATIONS OF MEMBERS** - Committee members shall be selected that are industrious, reliable, honest, and conscientious, interested in the welfare of the Tribe, and have ability to carry on the Tribe's credit activities in a businesslike manner. Members of the Committee shall be, insofar as is possible, a person that would not need financing through the Tribe.
- (i) **RESTRICTIONS OF MEMBERSHIP** - No person will be eligible for membership who has a loan from the Tribe is delinquent or in default.
- (j) **COMPENSATION** - Compensation of members, when otherwise salaried or reimbursed by the Tribe and the rate of per diem and mileage to be paid to them will be determined by the Tribal Council, and be paid from earnings from credit operations, or from other applicable funds authorized by the Tribal Council.
- (k) **MEETINGS** - The Committee will meet when business demands, and requires its attention. Meetings may be called by the Chairman. Meetings will be called by the Chairman upon the request in writing of two members of the Committee, or upon the request of the Superintendent. In the event the Chairman fails to call a meeting within five days after receipt of a written request, two other members may call a meeting. At least three day written notice will be given of all meetings, unless the members unanimously agree to waiver of such notice. The number of meetings held will be kept to the minimum necessary to conduct the Tribe's credit business. All meetings will be in executive session and, with the exception of employees of the Bureau of Indian Affairs and a clerk to keep records in accordance with subsection (d) of this section, attendance at meetings will be by invitation only. All voting on applications, request for modifications and other actions will be taken only at meetings, and other actions will be taken only at meetings, and the applicants or borrowers will not be permitted to be present at the time of voting. Furthermore, a Committee member shall excuse himself from actively participating whenever credit matters involve an immediate member of his family.

(1) **SIGNATURE OF ACTIONS** - The Chairman, Vice Chairman or Secretary will sign such papers as the Committee may designate for and on its behalf.

7. AUTHORITY AND DUTIES OF CREDIT COMMITTEE - The Committee will have full authority to act for and on behalf of the Tribe in all phases of its credit operations, including the financing of enterprises, except as provided in Section 9 (i) and except for the Tribe's Land Acquisition and Disposition Enterprise. Initial action for the Tribe on all applications, plans of operation, requests for modifications, etc., will taken by the Committee, which will either recommend applications conditionally or unconditionally, or return the applications or requests to the applicants or borrowers, with advice as to why the same cannot be recommended for approval.

It will be the responsibility of the Committee to see that loans are repaid when due and to see that each borrower receives the follow-up necessary to insure proper use of funds loaned to them. If it becomes apparent that a borrower will become delinquent, the committee will take steps necessary to prevent the delinquency, either by obtaining payment, by extending the repayment terms, or by declaring the loan in default and placing it in liquidation. Advice of the Tribal Attorney will be requested when any legal action is contemplated.

The authority as set forth in this section will not be interpreted as placing any restrictions on the Committee's authority to act for and on behalf of the Tribe in any phase of its credit operations, even to the independent hiring of an attorney by the Credit Committee for the Revolving Loan Program when any legal action is contemplated.

8. TECHNICAL ASSISTANCE - Applicants will be required to submit plans of enterprises for which financing is requested, in a form satisfactory to the Committee and the approving official. Plans will be worked out with representatives of Federal and State agencies, or such personnel of the Bureau of Indian Affairs as may be designated by the Superintendent, and bear the signature of the applicant or applicants. The Committee will see that the plan receives follow-up and supervision, and that a written report is made at least annually, regarding adherence or nonadherence to the plan, which will be filed the borrower's loan folder.

9. CREDIT OFFICER - The Credit Officer assigned to the Rosebud Agency will work in close cooperation with the Committee and assist applicants and borrowers in the preparation of loan applicants and other papers. He will advise the Committee and applicants and borrower of conformance or nonconformance to terms and agreements in applications and other papers, to the regulations of the Secretary, Manual instructions of the Commissioner, and the provisions of this Declaration. He will attend all meetings of the Committee insofar as is practicable, and will advise it of action necessary. He will be responsible to see that the bookkeeping, clerical work, records, reports, securing of required forms, filing, recording and administrative details necessary for proper operation of the Tribe's Credit Program are handled properly. He will check on the property purchased with or given as security for the loan from the Tribe in conjunction with the Committee. He will be responsible to see that minutes are kept of meetings of the Committee by the Secretary or a clerk in accordance with

Section 6 (d) and that all actions and authorizations are adequately reflected in the minutes. He will be responsible for prompt filing or recording of all documents given as security for loans. He will see that borrowers are notified when payments are in arrears and that these notifications are properly made a matter of record.

- 10. LEGAL ASSISTANCE** - The Tribe's attorney will handle such legal work as may be necessary in the enforcement of any credit obligations to the Tribe.
- 11. ADVANCE OF FUNDS TO TRIBE** - All advances of revolving credit funds in accordance with the terms of loan agreements with the United States, and all advances of Tribal funds to the Tribe from the United States Treasury for credit purposes, will be made to the Tribe and will be deposited promptly in the Tribe's depository for credit funds in accordance with Section 11 of this Declaration.
- 12. DISBURSEMENTS** - All disbursements from the Tribe's depository for credit funds shall be by U.S. Treasury check issued by the bonded disbursing officer. Voucher covering all disbursements from the account will be signed by the bonded tribal treasurer as authorized by the Committee at meetings. The Treasurer will satisfy himself that all disbursements were authorized by the Committee. Disbursements on loans will not be made until the loans have been properly approved in accordance with the provisions of the Declaration, nor until the loan agreements are complete and the securing instruments, except on property purchased with the loan, have been properly filed or recorded in accordance with Section 25.
- 13. REPAYMENTS** - All repayments and other receipts on loans will be made direct to the Bureau of Indian Affairs designated Collection Officer. Such officer will issue an official receipt to the remitter for the account of the organization. The remitter will receive the original receipt and a copy will be furnished to the organization.

All repayments and other receipts on loans will be deposited promptly in the Tribe's depository for credit funds. Insofar as the foregoing functions are concerned, they shall not be construed as placing any responsibility on the Government for the collection of loans made under this Declaration.
- 14. AUDITS, RECORDS, REPORTS** - Records and accounts will be maintained in a manner and in accordance with an accounting system satisfactory to the Area Director. Reports will be submitted in accordance with 47 BIAM, Supplement 4. An annual audit of the Tribe's credit operations will be made as of December 31 each year and contain such information as the Area Director may consider essential. Copies of audit reports will be furnished the Tribal Council, Committee, Superintendent, Area Director, and Commissioner. The cost of the audit shall be paid from earnings of credit operations, or from other applicable funds authorized by the Tribal Council.
- 15. APPROVAL OF LOANS** - Applications of individuals and partnership which have been recommended for approval by the Committee may be finally approved as follows:

- (a) The Superintendent may approve loans where the total cash indebtedness of the applicant to the Tribe will not exceed \$100,000, except loans to Government employees which must receive approval of the Area Director.
- (b) The Superintendent may approve short term lines of credit up to \$30,000 to any one tribal enterprise or business which is owned entirely by the Tribe. Total of all such loans shall not exceed \$100,000 outstanding at any one time.

16. RESTRICTIONS ON APPROVAL OF LOANS – Loans will not be approved if they fall in an one of the following classes:

- (a) **UNDUE RISK.** Where the loan involves undue risk.
- (b) **RESIDENCE OF APPLICANT.** Where the applicant resides outside the Mellette County, Todd County
- (c) **PURCHASE OF LIVESTOCK.** Where the loan is for the purchase of livestock, unless the applicant has made adequate provisions for care of the livestock.
- (d) **FACTUAL APPLICATIONS.** If the applicant falsifies his application or conceals his liabilities.
- (e) **PURCHASE OF UNRESTRICTED REAL PROPERTY.** Where the loan is for the purchase of unrestricted real property, unless the applicant accompanies the application with as up-to-date abstract of title showing a clear and marketable title, or furnished a policy of title insurance satisfactory to the Area Director.
- (f) **DELINQUENT BORROWERS.** If the applicant is delinquent in repayment of any tribal loan; however, a borrower may request refinancing of a delinquent loan.

17. APPROVAL OF MODIFICATIONS.

Requests for modification which have been recommended for approval by the Committee may be approved by the Superintendent if the unpaid balance is \$100,000 or less. Requests for modification of loans with an unpaid balance in excess of \$100,000 will require approval of the Area Director or Commissioner pursuant to 47 BIAM, Supplement No. 2.

18. ELIGIBILITY FOR LOANS.

Only individual Indians, including partnerships, who are members of the Tribe and who cannot receive financing from the same credit institutions serving other citizens on reasonable terms and conditions, will be eligible for loans from the Tribe.

In the consideration of loans to members of the Tribe, applications will be considered in the order of their receipt with out reference to the applicant's degree of Indian blood.

Cooperative associations must be organized in a manner satisfactory to the Area Director. Any tribal enterprise will be handles in accordance with 47 BIAM, Supplement No. 2.

19. OBJECTIVE OF LOANS.

The objective of loans by the Tribe are:

- (a) **INDIVIDUAL ECONOMIC DEVELOPMENT.** To promote the economic development of the barrowers to the end that they may become self-sustaining and independent of assistance from the tribe.
- (b) **UTILIZATION OF RESOURCES.** To utilize the reservation resources by tribal members.
- (c) **EDUCATION.** To assist in obtaining education training and opportunities for tribal members.
- (d) **HOUSING AND HOME IMPROVEMENT.** To upgrade and improve the housing and home furnishings of tribal members.
- (e) **LINES OF CREDIT.** To furnish a source of shot term lines of credit for Tribal enterprises and businesses.

20. LOAN PROCEDURE.

- (a) **APPLICATIONS.** Applications will be written by the applicants on forms provided, or be filled out for them.
- (b) **APPRAISAL.** An actual physical appraisal showing the value of assets of the applicant will be made when such assets are taken as security.
- (c) **FARMS PLANS.** A complete farm and conservation practice plan will be prepared in a manner satisfactory to the officer approving the application.
- (d) **UNRESTRICTED REAL PROPERTY.** Applications for the purchase of real property will be accompanied by an up-to-date abstract of title showing a clear and marketable title.
- (e) **CREDIT RATING.** Loans may not be made unless the applicants and/or their co-signers have maintained good credit ratings or if ratings have not been maintained, they must have good reputations for industry and dependability.

21. INSURANCE.

Fire insurance with a loss payable clause in favor of the Tribe will be required on all loans for the construction or purchase of buildings, and on all loans for \$1,000 or more for the repair or improvement of buildings, when the Committee or approving officer feels it necessary, and all buildings given as security for loans. The amount of insurance, when required, will equal or exceed the unpaid balance of the loan.

In such cases borrowers will be required to obtain and maintain adequate insurance and failures to do so will subject them to the default penalties provided in their loan agreement that the Tribe may do so and charge the borrower therefore.

22. INTEREST.

Interest on those loans made prior to adoption of this Declaration will be handled in accordance with the terms of the loan agreements. Interest on all loans subsequent to adoption of this Declaration will be at the rate of 10% per annum from the date of advance of funds except for loans for educational purposes and short term lines of credit to Tribal enterprises and businesses.

On all loans for educational purposes borrowers will be charged interest at the rate of 7% per annum.

On all short term lines of credit to tribal enterprises and businesses the rate of interest will be 12% per annum.

23. DISPOSITION OF PROPERTY.

When authorized by the Committee, the Chairman, Secretary, or such member of the Committee as may be authorized by the Committee at meetings, may with the approval of the Superintendent, release property purchased with or given as security for loans under the following conditions:

- (a) **PLAN.** When the borrower's plan calls for disposition and the proceeds are to be applied as set forth therein,
- (b) **REPAYMENT OR SECURITY.** Where the property is sold and the proceeds are either applied on the loan or are used to purchase other capital goods which are used to purchase other capital goods which are given as security for the loan.
- (c) **OTHER.** Where a disposition is justified, and the loan is adequately secured without the property to be released.

- (d) **EXCHANGE.** Where the property is exchanged for other property which is given as security for the loan.

24. FILING AND RECORDING.

Security documents, except assignments of income from trust land, will be filed or recorded in accordance with State laws. Assignment of income from trust land may be filed in the Agency Office. Where crop mortgages are taken as security for loans, a new mortgage will be taken and filed each year in accordance with State laws.

25. TITLE TO PROPERTY.

Title to property purchased with loans shall be taken in the name of the borrower, except land, title to which was in trust or restricted status prior to purchase, which may, with the approval of the Area Director, be taken in the name of the United States in trust for the borrower.

26. SECURITY.

Borrowers with security of offer will be required to give it up to an amount adequate to protect the loan. Unless other adequate security is available property purchased with the loan will be mortgaged to the Tribe as security. Lack of security will not prevent approval of a loan provided the borrower's plan shows reasonable assurance that it can be repaid, and if the applicant's managerial ability, reputation for industry, and financial responsibility are satisfactory.

27. MATURITY.

The maturity of all loans will be determined by the purpose for which the loan is requested and the borrower's ability to repay and will be determined by the Credit Committee and the approving official, and in accordance with the 47 BIAM Supplement 2, Section 4.3C(9).

The maturity of loans under short term lines of credit to Tribal enterprises and businesses will not extend beyond 90 days.

28. DELINQUENCIES.

Loans will not be permitted to remain delinquent for more than ninety days at any particular time, except loans which have been assigned to the United States for collection, loans which are in process of liquidation, and loans on which there are unpaid balances but which have been charged off on the Tribe's active accounting records. The Tribe also agrees that upon written request of the Area Director, the Chairman or Secretary of the

Committee is authorized and instructed to execute for and on behalf of the Tribe, a specific assignment of any agreement, not, right, or security heretofore and hereafter acquired in the Tribe's credit operations, in favor of the United States. In the event of failure to comply with provisions of this section at any time, it is agreed that no further loans will be made until there is compliance, except that the Area Director may authorize the approval of specific loans in order that borrowers who have demonstrated industry and good faith may not be penalized because of lack of industry and good faith on the part of the other borrowers.

29. LOAN SEVICING AND COLLECTION POLICY.

- (a) On the first day of each month or as close to this date as possible, Credit personnel will review all outstanding Tribal loan accounts for compliance with loan agreement terms or for the purpose of noting loan payments which will become due and payable during the next succeeding 30 days, particularly those loans on which the repayment plans are not being followed.
- (b) The Credit Office will mail notices to borrowers stating the deficiency and/or the amount of principal and interest that will fall due that month on all loans where payments are required to be made on quarterly, semi-annual and annual basis. These payment notices are to be mailed to borrowers not later than twenty (20) day prior to the date on which the payment will become due.
- (c) On all loans where payment is not received within 10 days after due date the Credit Office will mail notice to borrower advising of past due statue and request prompt payment to bring loan amount up to date. The Superintendent will immediately apply the terms and conditions set fourth in the Assignment of Trust Property and Power to Lease on all delinquent accounts.
- (d) If payment is not received within 20 days after due date, a letter will be sent to the barrower requesting payment or if the borrower cannot make the payment, request him or her to come to the Agency Office within 10 days to discuss the delinquency.
- (e) If the barrower has not responded to the collection letter or met with the Agency Credit Office, the Credit Officer will within 5 days after the schedule meeting above, personally contact the borrower to discuss the delinquency and review the alternatives:
 - (1) Bring Current
 - (2) Reschedule
 - (3) Modification
 - (4) Voluntary Liquidation
 - (5) Foreclosure Liquidation

- (f) Sixty (60) days delinquent, the Credit Office will request borrower by certified letter to meet with the Credit Committee and/or Credit Officer to resolve delinquent status to legal recourse.
- (g) No later than ninety (90) days delinquent, if borrower shows no response, loans will be declared in default by Credit Committee action with total balance of loan declared due and payable. The Credit office will notify borrower of default action. Action will be taken promptly to liquidate the loan, either through voluntary liquidation or foreclosure procedures.
- (h) Declare uncollectible and request charge-off of any remaining balance of the loan.

30. AMENDMENTS.

This Declaration may be amended or modified from time to time upon request of the Tribal Council and approval of the Commissioner or his authorized representative without the necessity of formally modifying the Tribe's contract with the United States. However, any such approved modifications or amendments are herewith made a part of the Tribe's contract with the United States to the same extent as though set forth in full therein.

31. SHORT TERM LOAN PROGRAM.

The depository for credit funds advanced for the Short Term Loan Program of the Rosebud Sioux Tribe shall be a national or state banks or banks. The bank or banks selected shall be members of the Federal Deposit Insurance Corporation. This special account shall be identified as the Rosebud Sioux Tribe Term Loan Program. Before these funds are deposited, a deposit agreement will be executed. The Superintendent will have the authority upon his written demand to withdraw the funds, the Superintendent will have the authority upon his written demand to withdraw the funds in this special account at any time. Upon the receipt of such funds, the Superintendent will deposit the amount into a special IIM trust account of the Rosebud Sioux Tribe Credit Corporation. The withdrawn funds in the amount of \$300,000.00 will be shown on the Credit accounts and balance sheet of the Tribe. The advance to the SHORT TERM LOAN PROGRAM will be reported as a tribal enterprise. Separate accounting records will be maintained on the SHORT TERM LOAN PROGRAM. The \$300,000.00 will be shown as a liability item owing to the Tribe's Revolving Credit Program. This Declaration will also apply to all tribal funds that may be put into the SHORT TERM LOAN PROGRAM. Any Tribal funds advanced to the SHORT TERM LOAN PROGRAM will be carried as a tribal investment in the program. Loans may be made from this fund under the conditions set forth below. Where the provisions of this section conflicts with the provisions of other sections under this Declaration, the provisions of this section shall govern,

- (a) **FORM.** Applications will be submitted on the form attached hereto as Exhibit I.

- (b) **PROCEDURE.** Applications will be presented to the Tribal Credit Committee for processing.
- (c) **MAXIMUM AMOUNT.** The maximum amount which may be loaned to any one borrower (including spouse) or combination of borrowers under this program is \$1,000.00. No loan will be made for less than \$25.00.
- (d) **SECURITY.** All loans made under this program will be fully secured. Assignments of trust income which are not due and payable within twelve months of the date of approval of the application will not be considered in determining whether or not a loan is fully secured. Assignments of Income from direct payment leases will not be accepted as security for short term loans. Loans to tribal council representatives may be secured by payroll deductions from their tribal council per diem, loans to the Chairman, Vice-Chairman, Secretary and Treasurer may be secured by deductions from their council payroll.
- (e) **APPROVAL.** Applications may be recommended for approval by the Committee. When an emergency exists and also as specifically authorized by the Committee applications may be presented to and recommended for approval by the Credit Manager who is hired by the Committee. Applications may receive final approval by the Superintendent; except loans to Government employees which must be approved by the Area Director.
- (f) **APPROVAL REVIEW.** The Committee will review applications recommended for approval by the Credit Manager as they feel necessary and may issue instructions for his/her guidance. The Committee may withdraw the recommendation authority of the Credit Manager at any time and require that all applications be acted upon by the Committee.
- (g) **MATURITY.** The maturity of loans will not exceed one year.
- (h) **PURPOSES.** Loans may be made for support, emergency or any other purposes.
- (i) **EXTENSIONS.** Extensions of the repayment terms of short term loans will not be approved. Failure by a borrower to repay his short term loan in accordance with the terms thereof will automatically make such borrower ineligible for further loans under the Short Term Loan Program, unless the Committee specifically authorizes an exception in the case of a particular borrower where circumstances beyond his control make it impossible for him to meet this repayment..
- (j) **ELIGIBLE MEMBERS.** Any member of the Rosebud Sioux Tribe who meets the security provisions of this program shall be eligible to apply for a short term loan.

- (k) **REGISTER OF INELIGIBLE MEMBERS.** A register of members of the Tribe who are ineligible to receive loans under the Short Term Loans Program without specific authorization from the Credit Committee will be maintained by the Tribe.
- (l) **REFINANCING.** Short Term loans may be refinanced by another Short Term loan; provided that the repayment terms of the refinanced portion of the loan are not extended.
- (m) **INTEREST.** The borrowers of loans secured by lease income shall pay 12% per annum and on loans secured by Council per diem shall pay 16% per annum, on the unpaid principal balance until the loans are paid in full.
- (n) **FEES.**

\$ 25.00 to \$300.00 -	\$5.00
\$301.00 to \$400.00 -	\$6.00
\$401.00 to \$500.00 -	\$7.00

And another \$1.00 for each additional \$100.00 borrowed.
- (o) **FILING.** Securing documents on short term loans will be filed or recorded in accordance with Section 25 of this Declaration.
- (p) **AUDITS.** Audits of the Tribe's Credit Corporation in accordance with Section 15 of the Declaration will include a special section of the status and collectibility of loans made under the Short Term Loan Program.
- (q) **ANNUAL REPORTS.** For the purpose of annual credit reports, the Short Term Loan Program will be considered a Tribal enterprise.
- (r) **REPAYMENTS.** The bonded Tribal Treasurer will receipt for all repayments on a prenumbered tribal form. All loan repayments will be promptly deposited in the Tribe's Short Term Loan bank depository. Two copies of each receipt will be forwarded to the Credit Officer. Interest and other earnings resulting from loan transactions will be credited to the depository. Outside of providing for normal operating expenses, interest and other earnings may be used for the purpose of making additional short term loans. The Committee may request that loan funds surplus to the needs of the program be withdrawn for other purposes. Upon determining that such a withdrawal will not endanger the soundness of the program, the Superintendent will submit the request and his recommendation to the Area Director for final action.
- (s) **DISBURSEMENTS.** All disbursements from this Short Term Loan Depository will be by prenumbered checks belonging to this special account. Authorized disbursements will be made by signatures of any two of the following: the bonded Tribal Short Term Credit Manager and/or the bonded Tribal Credit Committee Treasurer and/or the bonded Tribal Credit Committee Chairman,

counter-signed on all Tribal Short Term Credit checks. Before making a disbursement, the disbursing officer will satisfy himself that the loan has received proper approval in accordance with Part (e) of this section.

- (t) **SYSTEMS AND PROCEDURES MANUAL.** Copy of the manual is attached to this Declaration. The manual is to assist the Rosebud Sioux Tribal Short Term Loan Program in procedures and operation of this program with BIA Credit employees being interfaced with operations.

The provisions of this Declaration shall continue in full force and effect until amended in accordance with Section 31 of this Declaration.

ROSEBUD SHORT TERM LOAN DEPARTMENT

SYSTEMS AND PROCEDURES MANUAL

THIS IS THE OFFICIAL OPERATING MANUAL

ADOPTED: December 7, 1983

PREPARED BY:

Rosebud BIA Agency
Credit Department Staff
Rosebud, South Dakota

Howard B. Burdeau, CPA
Tribal Accounting and Administrative
Service Staff
USD Interior
Bureau of Indian Affairs
Division of Management Services

**ROSEBUD SHORT TERM LOAN DEPARTMENT
SYSTEMS AND PROCEDURES MANUAL
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OPERATING PROCEDURES FOR THE ROSEBUD SHORT TERM CREDIT DEPARTMENT

Introduction

Tribal Credit Manger is an employee of the Rosebud Sioux Tribe Credit Committee and is paid from Rosebud Sioux Tribe Short Term Credit funds. Tribal Credit Manger reports to the Rosebud Tribal Credit Committee and is responsible to that Committee. The operating inter-relationship between the Rosebud Sioux Tribe Credit Committee and the Rosebud Agency is contained in the Declaration of Policy and Plan of Operation, Revolving Credit Program, Rosebud Sioux Tribe. Based on this agreement the BIA and BIA Credit Officer supervises the operation of the Short Term Credit Department, and BIA Credit department employees are interfaced into the operations of over the operations (2). Provide technical support and continued operations in case of absences by the Short Term Credit Manager (3) Supervise the operations of the Short Term Credit Department.

The operation procedures for the Short Term Credit Department are to be considered the officially approved operating procedures and no deviations from the procedures or changes can be made unless revised procedures are duly adopted and officially sanctioned.

Periodically during the year the BIA Credit Officer will review the current operations for conformity to the standard procedures. All exceptions will be noted and immediate steps taken to insure compliance with the procedures.

Date adopted: December 7, 1983

ORGANIZATIONAL CHART
ROSEBUD SHORT TERM CREDIT DEPARTMENT

Tribal Credit
Committee

BIA Credit
Officer

Short Term Credit
Manager

BIA Credit Department
Employee

BIA Credit Department
Employee

Short Term Credit
Clerk

**Denotes supervision of Short Term Credit
Department Manager and Personnel.**

**Denotes liaison between the BIA Credit Officer
and the Rosebud Sioux Tribal Credit Committee**

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Source: Declaration of Policy and Plan of Operation, Revolving Credit Program,
Rosebud Sioux Tribe.

Date: March 17, 1983

Form RSTC-OC1

ROSEBUD SHORT TERM CREDIT DEPARTMENT

OPERATING PROCEDURES

Title of Employee: Short Term Credit Manager

Procedures

1. Accept Short Term Credit applications (Form #1) from prospective borrowers. Verify application that information supplied is correct. Insure that (a) applicant is enrolled member of the Rosebud Sioux Tribe, (b) has the ability to repay the loan, (c) receives lease income through the BIA Individual Indian Monies account (IIM) which is verified by the BIA-IIM data bank, or is a council member receiving per diem from the tribe.
2. Verify any information pertaining to individual loan concerning graduation; school clothing loans; Christmas Loans, emergencies concerning health and funeral loans. Check with the BIA – Social Services for any hold placed on their account.
3. Correspond with prospective borrowers and send information concerning loans and applications to them, with a form letter (Form #2) and a Notary Public Form (Form #3).
4. Insure co-signer is not over 60 years of age, has not co-signed for another individual, and a co-signer statement (Form #4) is completed and witnessed.
5. Recommend approval/disapproval of all loans sent to the Rosebud Sioux Tribe Credit Committee.
6. Insure approved applications are completely signed, approved by a member of the RST Credit Committee, Superintendent or Acting Superintendent, witnesses, borrower and co-signer if needed, loan number and date, are all signed and dated.
7. Type a tagged account form (Form #5) for all individuals that receive loans and income through the BIA-IIM Bank.

8. Insure that RST Finance receives payroll deduction form (Form #6) and are being paid to the RST Short Term Loan Program.
9. When loan is approved, prepare and process checks for RST Credit Committee Treasurer and Tribal Credit Manager counter-signature from Acct. #261-480, Valentine, Nebraska. Please refer to check preparation procedures.
10. Communicate with BIA Land Sale Office and RST Tribal Land Enterprise to insure that clients are not selling obligate interest of the Short Term Loan Program.
11. Prepare affidavit in support of claim (Form #13) if individuals are deceased, through probate hearings or official death report letters.
12. Complete a lease call-in form (Form #7) letter when it is required to bring the loan to a current status.

IIM A/C TRANSFERS FOR LOAN REPAYMENT

1. Verify IIM receipts for those borrowers with tagged IIM A/C from the BIA – IIM data bank.
2. Prepare a Journal Voucher (Form #8) to apply to individual loans and insure correct amounts and signatures are completed.

CASH RECEIPTS PROCEDURE FOR CASH/CHECKS RECEIVED OVER COUNTER

1. Cash is received by BIA employee certified to handle cash.
2. Temporary receipt is prepared and given to payor (Form #16).
3. Field Receipt is prepared showing principal/interest allocation, ID number, loan number, date and other information required to complete form. Form is distributed as follows:
 - (1) Original to payor,
 - (2) Yellow filed with Bank Deposit slip,
 - (3) Pink to Service Bureau (Form #12).
4. Bank Deposit slip is prepared by designated BIA employee and mailed to commercial bank.

PREPARATION OF VOUCHER AND CHECK

1. Loans.

1. From approved loan application prepare check and voucher (Form# 17).

2. Submit to Tribal Credit Committee Treasurer for approval of disbursement and authorizing signature. (one)
3. Sign check as second authorized signature. Distribute check to borrower.
4. File pink voucher copy in numerical order.

2. Expenses

1. Have vendor's invoice approved by Tribal Credit Committee.
2. Prepare check and voucher (Form #17).
3. Submit to Tribal Credit Committee Treasurer for approval and signature (one).
4. Sign check as second authorized signature, distribute check to vendor.
5. File voucher copy with approved vendor's invoice in numerical sequence.

3. Refunds.

1. In those cases where borrower has overpaid and IIM A/C transfers are not used.
2. Verify amount of refund from ADP tabulation and confirm that refund is in order. For instance, can not be applied against subsequent loan.
 1. Prepare voucher/check, and submit to Tribal Credit Committee Treasurer for approval and authorizing signature (one) (Form #17).
3. Sign check as second authorizing signature and distribute to borrower.

4. Voucher Copy Distributed to Service Bureau

White copy of all vouchers is sent to Service Bureau for updating accounting records.

BANK RECONCILIATION

1. The Bank Statement and cancelled checks are received by a designated BIA employee
2. Bank reconciliation is prepared by designated BIA employee.
3. In no case does Short Term Credit Manager receive Bank Statements from commercial bank or prepare bank reconciliation.

CASH AVAILABLE INFORMATION

Inform the Rosebud Sioux Tribe Credit Committee of the balance of accounts at Valentine, Nebraska and RST -2a account in BIA – IIM Bank. Also, of any foreseeable problems concerning the balance or of the computer printout or the transactions printout.

OTHER PROCEDURE

1. Report all irregularities to the BIA Credit Officer as soon as discovered.
2. Request assistance from BIA staff when required during heavy work load.
3. Complete a Request to Advance Credit Funds (Form #11) to the BIA bank when the RST Credit Committee, Treasurer or Tribal Credit Manager is unavailable or there is insufficient funds in Account #560-481, Valentine, Nebraska.
4. Complete Tax form 940, 941, W-2 forms quarterly for the RST Credit Manager and or any other employee hired by the Tribal Credit Committee.
5. Complete and send field receipts to all individuals making payroll deductions and official receipts (Form #14) to individuals that request a RST Credit Manager update loan status of their account.
6. Perform other duties that may be officially approved.

MONTH END PROCEDURES FOR SERVICE BUREAU

- (1) Prepare and finalize all monthly transactions that are to be sent to Service Bureau with the following in the package:
 - (a) all changes to the printout, i.e., spelling error, loan amounts, wrong RSU numbers; etc.
 - (b) a copy of RST-2a from BIA – IIM Bank;
 - (c) bank deposit from payroll deductions cash;
 - (d) field receipts (Form#12) to individual;
 - (e) all journal vouchers for the month;
 - (f) all special or manual transaction on Account #261-480, Valentine, Nebraska.

When monthly printouts are received from Service Bureau
(Monthly procedures)

1. Insure that monthly printout and transactions register are correct.

2. Prepare refund check and journal vouchers for IIM A/C transfers where overpayment of loan is indicated.
3. Prepare instructions to Service Bureau for changes/corrections to printout.
4. Review loan balances for maintenance and housecleaning adjustments. See separate procedures.
5. Type individual releases (Form #9) for co-signer's whose ledgers are tagged and not delinquent, and one for group releases. (Form #10)
6. Send notice to co-signer's (Form #15) of delinquent loan status when loan will be delinquent, and that RST Short Term Loan Program will start picking up their monies.
7. During the month update Service Bureau loan tabulation by posting all daily transactions. Form source documentation.

8. **Monthly work**

Request ageing schedule (past due report) from Service Bureau periodically.

1. Verify all loans for collectibility by (1) calling barrower into office to discuss method of repayment, (2) form letters requesting confirmation of repayment.
2. Review tagging of IIM A/Cs to insure that funds are held by IIM data bank for subsequent with drawl via journal voucher to cover repayment.
3. Take all necessary steps to insure repayment if borrower is deceased and estate is in probate.
4. Notify Tribal Credit Committee of all loans whre there is indicated collection problems.
5. It is important not to let loan remain in overdue status. This review should be done at least quarterly.

ROSEBUD SHORT TERM CREDIT DEPARTMENT
Service Bureau Procedures

At End o Month (last working date) send to Service Bureau:

- 1 - Journal Vouchers IIM A/C transfer (8)
- 2 - Field Receipt, Pink Copy (12)
- 3 - Request to Advance Credit Funds (11)
- 4 - Check voucher, white copy - show name, RSU number, loan number.
- 5 - Copy of Short Term RST-2a IIM A/C Ledger Balance.
- 6 - Changes to previous months schedule, no standard form.
- 7 - Bank statements, when received from bank.

DURING MONTH

The death list, which provides the date of expiration of borrower, is to be sent to the Service Bureau when received fro the Probate Office.

SERVICE BUREAU RETURNS

- 1 - Bank statement, cancelled checks, filed by months.
- 2 - Bank reconciliation, deposits & receipts (Form A), filed by month in Bank reconciliation file.
- 3 - Loan receivable summary, transaction sheet (Form B) filed by month in loan receivable.
- 4 - Financial statements, posting report (Form C) filed by month in loan receivable.
- 5 - Schedule of loans, monthly, filed by month (Form D).
- 6 - Transaction tabulation (Form E), file by month.
- 7 - Past due report (Form F) when requested, filed by month.
- 8 - Journal voucher, field numerically with Long Term Journal Vouchers.
- 9 - Field Receipts, pink copy filed numerically.
- 10 - Request to Advance Credit Funds, filed numerically.
- 11 - Check Voucher, filed numerically by month.
- 12 - Short Term RST-2a ledger balance, filed in ledger file by month.

13 - Changes to previous month, filed by month.

14 - Bank statements, filed by month.

ROSEBUD SHORT TERM CREDIT PROGRAM
File Maintenance

1. Borrower file, current activity, filed by RSU number should contain only the following documentation.

1. Application for approved loan (1), For letter (2)
2. Notary Form (3)
3. Co-signers statement (4)
4. Power of Attorney
5. Lease call in form (7)
6. Lease sales routing slip
7. Delinquency for letters
8. Affidavit in support of claims (13)
9. Official receipt (Background reports) (14)
10. Copy of check issued for loan, prepared when check returned by bank, both sides copied.
11. Notice of co-signer file (15)
12. Payroll deduction form (6)
13. When loan is paid, stamp loan application paid and file folder in paid loan file in RSU number order. Note: only active loans should be in the current file.

2. Lease file, filed by RSU numbers.

3. Temporary cash receipts.

1. Stubs filed numerically.

4. Field receipts (12), file numerically (returned from Service Bureau)

1. Copy attached to deposit slip.

5. Journal Voucher (8) file numerically along with Long Term Journal Voucher.

6. Notice to IIM data bank to tag loans (5) file by date order.

7. Group releases (16) releases of hold on IIM A/C file by date.

8. Request to Advance Funds (11), file by JV number.

**REVIEW OF INDIVIDUAL SHORT TERM LOAN BALANCES FOR MAINTENANCE
AND HOUSECLEANING**

1. Periodically, at least quarterly, the following procedures are required to be completed.

Background: The intent of subject review is to remove from the accounting records those loans which have been substantially paid, but are still retained on the records. We refer primarily to those loans because of the principal and interest allocation of payments are still open although the principal has been paid and the substantial portion of interest. This will occur during the normal operations where the allocation of principal and interest leaves a small principal amount outstanding which will cause interest to be accrued automatically, by the Service Bureau ADP. In these cases the loan can be considered as paid after further verification and removed from the records.

This memo does not refer to unpaid loans as, there will be no forgiveness of principal and interest as a general operating policy procedure.

1. Starting from the last obtained tabulation of loans outstanding determine which loans meets the criteria test for being substantially paid.
2. Review these loans as to:
 1. Application for loan is valid, and file is in order.
 2. Check issued for the loan was correct.
 3. If the loan appears to be in order and meets the criteria established for maintenance adjustment.
 1. Schedule the loan for clearance.
 4. The amount of principal and/or interest to be adjusted will be charged to Interest income or a specially designated account (in case of prior years).
 5. Prepare for Service Bureau Journal entry on the designated form.
 6. The journal entry must be approved by BIA Credit Officer.

ROSEBUD SHORT TERM CREDIT PROCEDURES

Title: BIA – Loan Specialist (General)
Cash Collector

CASH RECEIPTS

1. Receive all cash, check, etc., which are Short Term Credit receipts, obtain money order for all cash receipts.
2. Endorse check, etc., to the Short Term Loan Bank Account commercial. Makes copy of check for deposit.
3. Prepare deposit slip and send to commercial bank.
4. Reconcile bank deposit slip to copy of cash receipts form. This will in the first instance be to the memo receipt from the retained stub. Later bank deposit slip will be reconciled to yellow copy of field receipt. Yellow copy of field receipt will be filed with duplicate deposit slip, along with copy of checks deposited.

DELINQUENT LOANS - LOAN MAINTENANCE

1. Assist Short Term Credit Manager in the periodic review of delinquent loans.
2. Take all necessary steps to insure collection, especially in the case of estates (death of borrower)
3. Report to BIA Credit Officer of all loans considered not collectible.
4. Assist Short Term Credit Manager in the review of individual Short Term loan balances for maintenance and housecleaning insure that this procedure is carried out quarterly.

GENERAL

1. Assist Short Term Credit Manager when required, and assure that daily procedures are being carried out (especially in case of absence by Short Term Credit Manager).

ROSEBUD SHORT TERM CREDIT PROCEDURES

Title: BIA - Credit Clerk

BANK RECONCILIATION

1. Receive unopened monthly bank statements and cancelled checks.
2. Prepare bank reconciliation.
 1. Check sequence of checks, account for all void checks.
 2. Compare check to copy of check voucher.

3. Inspect authorizing signatures on checks.
4. Inspect endorsement on back of check.
5. Schedule outstanding checks.
 1. If check is outstanding more than 60 days investigating reason check not cleared. Schedule “stale” checks for adjustment.
6. Check deposits per bank statement with duplicate copy of bank deposit slip.
7. Bring to the attention of BIA Credit Officer all irregularities.
8. Prepare bank reconciliation, compare bank balance with accounting record balance. If not in agreement, investigate and reconcile.
9. Bank statement and checks are sent to Service Bureau. Service Bureau prepares bank reconciliation and returns to Credit department, bank statement and cancelled checks. Check to see if Service Bureau bank reconciliation is in agreement with Credit department reconciliation if not, reconcile all differences.

ASSIST SHORT TERM CREDIT MANAGER AS REQUIRED

1. Deal with prospective borrowers in processing loan application.
2. Check lease income of applicant for approval and disapproval of loans.
3. Follow up and research on loans.
4. See that Short Term Loan records and files are kept current.
5. Insure that all necessary changes and corrections of loans are done on a timely basis.
6. Assist in typing of Journal vouchers.
7. Maintain file for copies of Short Term journal vouchers.
8. Prepare the Tribal Credit Manager’s time and payroll for every pay period. Maintain personnel folder for Short Term Credit Manager.
9. Compare the original copy (sent to IIM data bank) of journal voucher with posting copy returned by Service Bureau for alternations.