

**RESOLUTION OF THE
BUDGET AND FINANCE COMMITTEE
OF THE NAVAJO NATION COUNCIL**

25TH NAVAJO NATION COUNCIL - Second Year, 2024

AN ACTION

**RELATING TO THE RESOURCES AND DEVELOPMENT COMMITTEE AND THE
BUDGET AND FINANCE COMMITTEE; APPROVING AMENDMENTS TO THE FUND
MANAGEMENT PLAN FOR THE HOT/TOURISM FUND AND WAIVING OTHER
INCONSISTENT COMMITTEE RESOLUTIONS**

BE IT ENACTED:

SECTION ONE. AUTHORITY

- A. The Resources and Development is a standing committee of the Navajo Nation Council that oversees the Division of Economic Development, including the Division's subordinate departments. 2 N.N.C. § 501(C)(1). The Navajo Tourism Department is under the Division of Economic Development. See Resolutions Nos. ACAU-196-87, CO-50-87, GSCAP-12-07, and RDCO-055-19.
- B. The Budget and Finance Committee is a standing committee of the Navajo Nation Council that reviews and recommends matters relating to the budgeting, appropriation, investment, and management of all funds. 2 N.N.C. § 301(B)(2).
- C. The Budget and Finance Committee generally has authority for approving Fund Management Plans pursuant to the recommendations of the appropriate oversight committee and the affected division or branch. 2 N.N.C. § 301(B)(14).
- D. The Budget and Finance Committee has final approval authority for the Fund Management Plan for the Navajo Nation Tourism Fund, which Fund consists of revenue collected from the Navajo Nation's Hotel Occupancy Tax. 24 N.N.C. § 741(A)-(B). This Fund is herein referred to as the "HOT/Tourism Fund."

SECTION TWO. FINDINGS

- A. On January 1, 1993 the Navajo Nation's Hotel Occupancy Tax ("HOT") came into effect. The HOT is codified at 24 N.N.C. § 700 - § 741 (see also, HOT statutory amendments in Resolutions Nos. CJY-27-92, CJY-52-95, and CJA-06-09). Section 741 of the HOT statute provides that net HOT revenues go into the HOT/Tourism Fund (after certain statutory allocation under other Navajo Nation laws).
- B. Section 741 of the HOT statute instructs that the Budget and Finance Committee is responsible for the Fund Management Plan for the HOT/Tourism Fund. 24 N.N.C. § 741.
- C. On October 5, 1993 the Budget and Finance Committee approved the original Fund Management Plan for the HOT/Tourism Fund, in Resolution No. BFO-56-93. A copy of BFO-56-93 with the original Fund Management Plan is attached hereto as **EXHIBIT A**.
- D. In Resolution No. CJA-06-09 the Council amended the HOT statute to mandate that HOT revenues in the HOT/Tourism Fund that are collected specifically from motels and hotels within Navajo tribal parks could only be used by the Navajo Parks and Recreation Department for facilities within the Navajo Nation parks. 24 N.N.C. § 741(B). A copy of Resolution No. CJA-06-09 is attached as **EXHIBIT B**.
- E. Most recently, in Resolution No. CAP-16-23, the Council amended the HOT statute to make the HOT/Tourism Fund available to all Navajo Nation programs for tourism-related purposes. A copy of CAP-16-23 without its exhibits, is attached as **EXHIBIT C**.
- F. Section THREE(B) of CAP-16-23 specifically provides that an amended version of the Fund Management Plan for the HOT/Tourism Fund shall approved by the Budget and Finance Committee, to conform to the amendments to 24 N.N.C. § 741(B) that were approved by the Navajo Nation Council in CAP-16-23.
- G. Section THREE (C) of CAP-16-23 requires the amended Fund Management Plan to be approved by the Budget and Finance Committee before the Navajo Tourism Department can access the \$1,500,000 from the HOT/Tourism Fund that was also approved in CAP-16-23.

- H. CAP-16-23 was signed into law on May 5, 2023. Thus, it has been many months since the \$1,500,000 from the HOT/Tourism Fund was approved for the Navajo Tourism Department. Because the required amended Fund Management Plan has not been approved, the Tourism Department has been unable to use the \$1,500,000 in approved funding.
- I. The Navajo Tourism Department is now requesting approval of proposed amendments to the Fund Management Plan, in accordance with the mandates in CAP-16-23.
- J. The Navajo Tourism Department's first amended version of the Fund Management Plan was submitted for Section 164 Executive Review pursuant to Executive Order No. 06-2023. **EXHIBIT D.**
- K. This initial version of the amended Fund Management Plan was revised in response to concerns raised by the Office of Management and Budget ("OMB"). Two memoranda dated September 14, 2023 from OMB are attached as **EXHIBIT E.** The response memorandum from the Tourism Department, dated September 20, 2023, is attached as **EXHIBIT F.**
- L. In response to concerns raised by the Office of the Controller ("OOC"), the Tourism Department revised its proposed amendments to the Fund Management Plan. A memorandum from OOC, dated September 28, 2023, is attached as **EXHIBIT G.** The Tourism Department responded to OOC in a memorandum dated October 9, 2023, with its revisions attached. **EXHIBIT H.**
- M. OOC replied to the Tourism Department's October 10, 2023 memorandum. **EXHIBIT I.** The Tourism Department did not provide a final clean version of its proposed amendments attached to its memorandum dated October 9, 2023.
- N. The Office of Legislative Counsel ("OLC") reviewed the version of the amended Fund Management Plan attached to the Tourism Department's October 9, 2023 memorandum, and checked it against the specific mandates in CAP-16-23. OLC found that certain minor changes were needed and therefore it developed its own recommended Fund Management Plan amendments.
- O. The Department of Justice reviewed the OLC's version, and on February 29, 2023 a strikethrough/underlined version was prepared. **EXHIBIT J.** DOJ also prepared a clean version of the amended Fund Management Plan. **EXHIBIT K.** OLC has determined

that the version attached hereto as EXHIBIT J and EXHIBIT K, are legally sufficient.

SECTION THREE. APPROVING AMENDMENTS TO THE FUND MANAGEMENT PLAN FOR THE HOT/TOURISM FUND AND WAIVING OTHER INCONSISTENT COMMITTEE RESOLUTIONS

- A. The Committee hereby approves the amendments to the Fund Management Plan for the HOT/Tourism Fund, as shown in the attached **EXHIBIT J** and **EXHIBIT K**. Approval of all allocations from the HOT/Tourism Fund, and all expenditures of approved HOT/Tourism Funds, shall be in strict accordance with the approved Fund Management Plan attached hereto as **EXHIBIT K**.
- B. In accordance with 2 N.N.C. § 301(B)(14) and 24 N.N.C. § 741(C) as amended by CAP-16-23, the Budget and Finance Committee shall have final authority to amend or rescind the Fund Management Plan approved in this Action.
- C. With respect to the Fund Management Plan for the HOT/Tourism Fund, the Committee hereby waives any/all Resolutions previously approved by the Budget and Finance Committee to the extent that such Resolutions are inconsistent with any provision in this Action and/or with any provision in the amended Fund Management Plan attached hereto as **EXHIBIT K**.

SECTION FOUR. EFFECTIVE DATE

This Action and the approved Fund Management Plan (as amended) shall become effective in accordance with 2 N.N.C. § 301(B)(14) and 2 N.N.C. § 221(C).

SECTION FIVE. SAVING CLAUSE

If any part of this Action is determined invalid by the Navajo Nation Supreme Court, or by a District Court of the Navajo Nation without appeal to the Navajo Nation Supreme Court, the remainder of this Action shall be the law of the Navajo Nation.

CERTIFICATION

I, hereby, certify that the foregoing resolution was duly considered by the Budget and Finance Committee of the Navajo Nation Council at a duly called meeting held at Window Rock, Navajo Nation (Arizona) at which a quorum was present and that the same was passed by a vote of 5 in favor and 0 opposed, this 10th day of April 2024.

A handwritten signature in black ink, appearing to read 'Shaandiin Parrish', written in a cursive style.

Shaandiin Parrish, Chairperson
Budget and Finance Committee

Motion: Norman M. Begay
Second: Lomardo Aseret



BFO-56-93

Class "C" Resolution
No BIA Action Required.

RESOLUTION OF THE
BUDGET AND FINANCE COMMITTEE
OF THE NAVAJO NATION COUNCIL

Approving the Navajo Nation Tourism Fund Management Plan
to be Administered by the Navajo Tourism Department,
Division of Economic Development

WHEREAS:

1. Pursuant to 2 N.T.C., Section 372 (1), the purpose of the Budget and Finance Committee of the Navajo Nation Council is to coordinate, oversee and regulate the fiscal, financial, investment, contracting and audit policies of the Navajo Nation; and

2. Pursuant to 2 N.T.C., Subsection 372 (4), the Budget and Finance Committee of the Navajo Nation Council was established to protect the interests of the Navajo people through the prudent management of the financial reserves of the Navajo Nation and the efficient use of funds available for expenditure by the Navajo Nation; and

3. Pursuant to CMA-28-93, Exhibit "E", B. Conditions of Appropriations and Expenditures, paragraph 4, the Budget and Finance Committee is authorized to review and approve revolving accounts for approved Navajo Nation Branches, Divisions, Departments and Programs upon recommendation of the appropriate oversight committee; and

4. On July 30, 1992, the President of the Navajo Nation signed into law the Hotel Occupancy Tax, 24 N.T.C. Section 700 et. seq., (Exhibit "C"), which became effective on January 1, 1993. The resolution of the Navajo Nation Council is attached hereto as Exhibit "C"; and

5. 24 N.T.C. Subsection 741 provides that the tax imposed shall be retained in a special fund entitled the "Navajo Nation Tourism Fund" which shall be administered by the Navajo Tourism Department and applied for the advancement of local tourism promotion, tourism department operational funds, and to develop projects throughout the Navajo Nation; and

6. The Navajoland Tourism Department has developed the Navajo Nation Tourism Fund Management Plan; and

7. The Economic Development Committee has reviewed the Navajo Nation Tourism Fund Management Plan favorably as reflecting the intent of the Hotel Occupancy Tax 24 N.T.C. Subsection 700 et seq. (Exhibit "B"); and

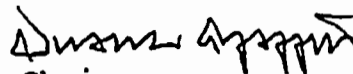
8. Pursuant to Resolution EDCAU-72-93 as attached hereto as Exhibit "E", the Economic Development Committee recommended to the Budget and Finance Committee, the approval of the Navajo Nation Tourism Fund Management Plan; and

NOW THEREFORE BE IT RESOLVED THAT:

The Budget and Finance Committee of the Navajo Nation Council hereby approves the Navajo Nation Tourism Fund Management Plan to be administered by the Navajo Tourism Department within the Division of Economic Development.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Budget and Finance Committee of the Navajo Nation Council at a duly called meeting at Window Rock, Navajo Nation, (Arizona), at which a quorum was present and that same was passed by a vote of 7 in favor, 0 opposed, and 0 abstained, this 5th day of October, 1993.



Chairman
Budget and Finance Committee

Motioned by: Edward T. Begay
Seconded by: Eula Yazzie

RESOLUTION OF THE
ECONOMIC DEVELOPMENT COMMITTEE
OF THE NAVAJO NATION COUNCIL

Recommending to the Budget and Finance Committee,
the Approval Navajo Nation Tourism Fund Management Plan
To Be Administered By the Navajo Tourism Department,
Division of Economic Development

WHEREAS:

1. Pursuant to 2 N.T.C. Section 721, the Economic Development Committee of the Navajo Nation Council is established and continued as a standing committee of the Navajo Nation Council; and

2. Pursuant to 2 N.T.C. Section 724 (d) and (g), the Economic Development Committee of the Navajo Nation Council is the oversight authority for the Division of Economic Development with the authority to review and approve all proposed economic development projects which require the use of Navajo Nation funds; and to be the central point of contact for all economic development matters; and

3. Pursuant to 2 N.T.C. Section 724 (f), the Economic Development Committee of the Navajo Nation Council is authorized, in consultation with the Navajo Tax Commission, to make recommendations to the Navajo Nation Council regarding all taxation proposals affecting business or commercial activities, attached hereto as Exhibit "A"; and

4. On July 30, 1992, the President of the Navajo Nation signed into law the Navajo Nation Hotel Occupancy Tax, 24 N.T.C. Subsection 700 et. seq., (Exhibit "C") to become effective January 1, 1993; and

5. 24 N.T.C. Subsection 741 provides that the tax imposed shall be retained in a special fund entitled the "Navajo Nation Tourism Fund", which shall be administered by the Navajo Tourism Department and applied for the advancement of local tourism promotion and to develop projects throughout the Navajo Nation; and

6. The Navajo Tourism Department has developed a Navajo Nation Tourism Fund Management Plan (Exhibit "D"); and

7. The Economic Development Committee of the Navajo Nation Council has reviewed the Navajo Nation Tourism Fund Management Plan as reflecting the intent of the Hotel Occupancy Tax, 24 N.T.C. Subsection 700 et seq., attached hereto as Exhibit "B".

EDCAU-72-93

NOW THEREFORE BE IT RESOLVED THAT:

The Economic Development Committee of the Navajo Nation Council hereby recommends to the Budget and Finance Committee of the Navajo Nation Council, the approval of the Navajo Nation Tourism Fund Management Plan, attached hereto and incorporated herein as Exhibit "D".

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Economic Development Committee of the Navajo Nation Council at a duly called meeting at Window Rock, Navajo Nation (Arizona), at which a quorum was present and that same was passed by a vote of 6 in favor, 0 opposed and 0 abstained, this 11th day of August 1993.



David L. John, Chairperson
Economic Development Committee

Motion: Emmett Bia
Second: Herbert Pioche

Navajo Nation Tourism Fund Management Plan

Section 1 - Authority

The President of the Navajo Nation signed into law the Hotel Occupancy Tax, 24 N.T.C. 700-Resolution CJY-27-92 et.seq. which became effective January 1, 1993.

These revenues will be retained in a special fund entitled "Navajo Nation Tourism Fund" which will be administered by the Navajo Tourism Department.

This tax shall be administered by the Navajo Tourism Department, and which shall, consistent with the laws of the Navajo Nation and utilizing the prudent person rule, be applied for the advancement of local promotion, and to develop projects throughout the Navajo Nation. The Division of Economic Development and the Navajo Tourism Department are hereby authorized to develop and recommend to the Budget and Finance Committee of the Navajo Nation Council the fund's management plan.

Section 2 - Purpose

The purpose of the Navajo Nation Tourism Fund is to provide funds for tourism promotion, tourism department operational funds; and for project development which includes the following, but is not limited to: the advertisement of Navajo people, scenery and facilities and for acquisition, construction, renovation and maintenance of tourism-related attractions and recreational facilities.

Section 3 - Objective

To promote a positive image and develop infrastructure that will make the Navajo Nation more accommodating. This will increase visitation on the Navajo Nation and maintain tourism dollars to create job opportunities for the Navajo people and escalate the Navajo Nation economy.

Section 4 - Program Administration

The Navajo Tourism Department shall propose, develop, and administer all tourism-related projects which require the use of this fund.

Section 5 - Use of Tax Proceeds

The tax proceeds will be utilized for local tourism promotion and project development, which will include, but not be limited to: multi-media advertising and for the development of tourism-related facilities and projects.

Section 6- Annual Budget/Expenditure Plan

- A. An annual budget and expenditure plan for the Navajo Nation Tourism Fund shall be prepared for review and recommended for approval by the Economic Development Committee and Budget and Finance Committee of the Navajo Nation Council through the annual budget process.
- B. The plan shall include detailed projections of revenues for the coming fiscal year and detailed line item expenditures shall be processed as a budget justification and processed through normal tribal policy and procedures for review and approval.
- C. Carry-over funds shall remain in the Navajo Nation Tourism Fund Account to be used for the following year pursuant to an approved budget by the Navajo Nation Council. The revenues are credited against the expenditures and each year the balance in the account carries over into the following year without further action.

Section 7 - Accounting, Expenditure Control and Responsibility

- A. All funds received from the Navajo Nation Tourism Fund will be deposited through the Financial Services Department to the Cashiers Section within the Division of Finance.
- B. Expenditures within the Navajo Nation Tourism Fund will utilize the prudent person rule and will be in accordance with all normal tribal policies and procedures.
- C. Disbursement authorizations shall be signed by the Navajo Tourism Department director or delegated authority and the executive or deputy director of the Division of Economic Development.
- D. No expenditure shall be used for any illegal purpose or for the purpose of making political contributions to any candidate or for the purpose of making contributions to any individual, group, or organizations, whether for profit or on a non-profit basis.

Section 8 - Audits and Reports

- A. Accounting books for the Navajo Nation Tourism Fund shall be subject to periodic audits in conjunction with the regular tribal audit performed on all of the financial records of the Navajo Nation.
- B. The Navajo Tourism Department and Support Services directors within the Division of Economic Development shall make periodic written reports to the Economic Development and Budget and Finance Committees of the Navajo Nation Council on the status of the Navajo Nation Tourism Fund.

Section 9 - Legislative Oversight

- A Pursuant to 2 N.T.C., Section 724 (g), the Economic Development Committee of the Navajo Nation Council shall serve as the oversight committee of the Division of Economic Development including those activities which deal with the planning, development, promotion and oversight of economic development activities.
- B Also, pursuant to 2 N.T.C., Section 374 (b) (1), and (b) (8), the Budget and Finance Committee shall review and recommend to the Navajo Nation Council the budgeting, appropriation, investment and management of all funds, including requiring reports from and to monitor the financial performance of all offices, divisions, departments, enterprises, authorities, committees, boards, commissions, or entities having oversight or control over fiscal matters or financial obligations to the Navajo Nation.

Section 10 - Amendments

The Division of Economic Development and the Navajo Tourism Department are authorized to develop and make recommendations to amend the Navajo Nation Tourism Fund's management plan to the Budget and Finance Committee of the Navajo Nation Council.



CJA-06-09

RESOLUTION OF THE
NAVAJO NATION COUNCIL

21st NAVAJO NATION COUNCIL - Third Year, 2009

AN ACT

RELATING TO GOVERNMENT SERVICES, RESOURCES, ECONOMIC
DEVELOPMENT; ENACTING THE NAVAJO TOURISM FUND AMENDMENT ACT
OF 2008; AMENDING TITLE 24 OF THE NAVAJO NATION CODE, 24
N.N.C. §741

BE IT ENACTED:

Section One. Enacting of the Navajo Tourism Fund Amendment
Act of 2008.

The Navajo Nation Council hereby enacts the Navajo
Tourism Fund Amendment Act of 2008.

Section Two. Findings.

A. The Navajo Nation hereby finds that currently the
Navajo Hotel Occupancy Tax is administered by the Navajo
Tourism Department without regards to the location from
which tax is collected.

B. The Navajo Nation further finds that the Navajo
Hotel Occupancy Tax generated from within duly established
Navajo Tribal Parks does not necessarily go towards the
maintenance and improvement of such Navajo Tribal Parks.

C. The Navajo Nation finds that the Navajo Hotel
Occupancy Tax collected from within duly established Navajo
Tribal Parks should be dedicated to the maintenance and
improvement of such Navajo Tribal Parks, in order to allow
for the attraction of tourists to the Navajo Nation.

Section Three. Amendment of Title 24 of the Navajo Nation
Code

The Navajo Nation Council hereby amends Title 24 of the Navajo Nation Code, 24 N.N.C. §741, as follows:

NAVAJO NATION CODE ANNOTATED

TITLE 24. TAXATION

CHAPTER 7. HOTEL OCCUPANCY TAX

§ 741. Allocation

A. Except as provided in subsection B, the tax imposed by this Chapter is imposed for the purposes of promoting tourism and tourism development. To accomplish this end, this tax shall be retained in a special fund entitled the "Navajo Nation Tourism Fund" which shall be administered by the Navajo Tourism Department, and which shall, consistent with the laws of the Navajo Nation and utilizing the prudent person rule, be applied for the advancement of local tourism promotion, and to develop projects throughout the Navajo Nation. The Division of Economic Development and the Navajo Tourism Department are hereby authorized to develop and recommend to the Budget and Finance Committee of the Navajo Nation Council the Fund's management plan.

B. Any tax imposed by this Chapter that is collected within any duly established Navajo Tribal Park shall be retained within the Navajo Nation Tourism Fund for the exclusive use of the Navajo Parks and Recreation Department for maintenance and improvement of facilities within Navajo Tribal Parks, in accordance with the fund management plan for the Navajo Nation Tourism Fund, which shall be amended by the Budget and Finance Committee to accommodate this provision.

Section Six. Effective Date

The provisions of this Act shall become effective in accord with 2 N.N.C. § 221(B).

Section Seven. Codification

The provisions of this Act which amend sections of the Navajo Nation Code shall be codified by the Office of Legislative Counsel.

Section Eight. Savings Clause

Should any provisions of this Act be determined invalid by the Navajo Nation Supreme Court, or the District Courts of the Navajo Nation, without appeal to the Navajo Nation Supreme Court, or any other court of competent jurisdiction, those portions of this Act which are not determined invalid shall remain the law of the Navajo Nation.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Navajo Nation Council at a duly called meeting in Window Rock, Navajo Nation (Arizona) at which a quorum was present and that the same was passed by a vote of 37 in favor and 29 opposed, this 28th day of January 2009.

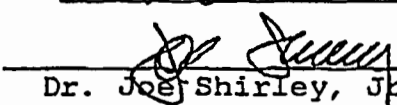

Lawrence T. Morgan, Speaker
Navajo Nation Council

02 Feb 09
Date

Motion: Peterson B. Yazzie
Second: Leonard Chee

ACTION BY THE NAVAJO NATION PRESIDENT:

1. I hereby sign into law the foregoing legislation, pursuant to 2 N.N.C. §1005 (C)(10), on this 9 day of Feb 2009.


Dr. Joe Shirley, Jr., President
Navajo Nation



The Navajo Nation **DR. BUU NYGREN**
Yideeskáadi Nitsáhákees **RICHELLE MONTOR**



May 5, 2023

Honorable Crystalyne Curley, Speaker
Navajo Nation Council
Post Office Box 3390
Window Rock, AZ 86515

RE: CAP-16-23 *An Act Relating to the Resources and Development, Law and Order, Budget and Finance, and Naabik'iyáti' Committees, and Navajo Nation Council; Approving \$1,500,000 from the HOT / Tourism Fund for the Navajo Tourism Department, Amending 24 N.N.C. § 741 to Allow Revenue in the HOT / Tourism Fund to be Used by All Navajo Nation Programs for Tourism-Related Purposes, and Rescinding Resolution No. CS-45-22*

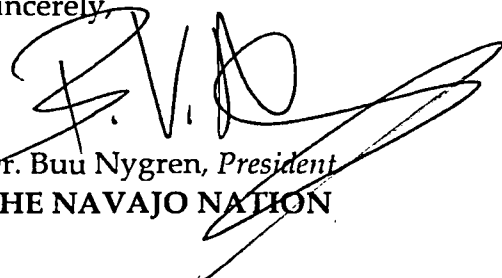
Dear Speaker Curley,

I am pleased to sign into law Resolution CAP-16-23 approving \$1,500,000 from the HOT/Tourism Fund for the Navajo Tourism Department. My Administration supports tourism and the possibilities of Navajo tourism businesses thriving.

I am directing the Division Director Skrelunas and the Tourism Department to consult with me on the new Fund Management Plan that Tourism must develop to put these funds to use.

I am energized by the opportunities presented with this funding.

Sincerely,


Dr. Buu Nygren, President
THE NAVAJO NATION

RESOLUTION OF THE
NAVAJO NATION COUNCIL
25th NAVAJO NATION COUNCIL - FIRST YEAR, 2023

AN ACT

RELATING TO THE RESOURCES AND DEVELOPMENT, LAW AND ORDER, BUDGET AND FINANCE, AND NAABIK'ÍYÁTI' COMMITTEES, AND TO THE NAVAJO NATION COUNCIL; APPROVING \$1,500,000 FROM THE HOT/TOURISM FUND FOR THE NAVAJO TOURISM DEPARTMENT, AMENDING 24 N.N.C. § 741 TO ALLOW REVENUE IN THE HOT/TOURISM FUND TO BE USED BY ALL NAVAJO NATION PROGRAMS FOR TOURISM-RELATED PURPOSES, AND RESCINDING RESOLUTION NO. CS-45-22

BE IT ENACTED:

SECTION ONE. AUTHORITY

- A. The Resources and Development Committee is a standing committee of the Navajo Nation Council that oversees the Division of Economic Development. 2 N.N.C. § 501(C)(1). The Navajo Tourism Department is within the Division of Economic Development. ACAU-196-87, CO-50-87, GSCAP-12-07, and RDCO-055-19.
- B. The Law and Order Committee is a standing committee of the Navajo Nation Council that reviews and makes recommendations to the Council regarding proposed amendments to the Navajo Nation Code. 2 N.N.C. § 601(B)(14).
- C. The Budget and Finance Committee is a standing committee of the Navajo Nation Council that reviews and recommends to the Council the budgeting, appropriation, investment, and management of all funds. 2 N.N.C. § 301(B)(2).
- D. The Budget and Finance Committee has final approval authority for the Fund Management Plan for the Navajo Nation Tourism Fund, which Fund consists of revenue collected from the Navajo Nation's Hotel Occupancy Tax. 24 N.N.C. § 741(A) and § 741(B); Resolution No. BFO-56-93. This Fund is herein referred to as the "HOT/Tourism Fund."
- E. The Naabik'íyáti' Committee is responsible for reviewing proposed resolutions requiring final action by the Navajo Nation Council. 2 N.N.C. § 164(A)(9).
- F. The Navajo Nation Council is the governing body of the Navajo Nation, and approves allocations from the HOT/Tourism Fund, in accordance with Section 6 of the Fund Management Plan for the HOT/Tourism Fund. 2 N.N.C. § 102(A); BFO-56-93.

SECTION TWO. FINDINGS

- A. On January 1, 1993 the Navajo Nation's Hotel Occupancy Tax ("HOT") came into effect, and is codified at 24 N.N.C. § 700 - § 741 (as amended by CJY-27-92, CJY-52-95, and CJA-06-09). Section 741 of the statute provides that net HOT revenues go into the HOT/Tourism Fund (after certain statutory allocations under other Navajo Nation laws).
- B. Section 741 of the HOT statute instructs that the Budget and Finance Committee is responsible for the Fund Management Plan for the HOT/Tourism Fund. 24 N.N.C. § 741. On October 5, 1993 the Budget and Finance Committee approved the Fund Management Plan for the HOT/Tourism Fund, in Resolution No. BFO-56-93. EXHIBIT A.
- C. In Resolution No. CJA-06-09, effective February 9, 2009, the Navajo Nation Council amended the HOT statute to mandate that HOT revenues collected specifically from motels and hotels within Navajo tribal parks can only be used by the Navajo Parks and Recreation Department for facilities within Navajo Nation parks. 24 N.N.C. § 741(B). EXHIBIT B.
- D. The Navajo Tourism Department, under the Division of Economic Development, is requesting \$1,500,000 from the HOT/Tourism Fund to mitigate the negative effects of the COVID-19 pandemic that, since the Spring of 2020, have resulted in the loss of an estimated \$115,500,000 in tourism-related revenue. In its "Supplemental Funding Proposal Summary" the Tourism Department explains that it needs \$1,500,000 to cover its operating expenses for the remainder of FY2023. EXHIBIT C.
- E. The Tourism Department has provided completed Budget Forms for its funding request. EXHIBIT D.
- F. The Controller has provided a memorandum regarding this funding request, indicating the amount of funds available in the HOT/Tourism Fund. EXHIBIT E.
- G. The Navajo Nation Council previously approved a funding request for the Tourism Department in CS-45-22, which was signed into law on October 17, 2022. However, due to a drafting oversight the funds reverted before they became available. EXHIBIT F.
- H. Notably, all HOT revenues collected both from within Navajo Nation parks and from locations outside the parks, have been deposited into the HOT/Tourism Fund without regard to the source of such revenues - all incoming funds are simply comingled.

- I. Because of this comingling there is no way to identify which dollars in the HOT/Tourism Fund are available for programs other than the Navajo Parks and Recreation Department. Therefore, approval of the Tourism Department's funding request would appear to violate 24 N.N.C. § 741(B), which provides: "[a]ny tax imposed by this Chapter that is collected within any duly established Navajo Tribal Park shall be retained within the Navajo Nation Tourism Fund for the exclusive use of the Navajo Parks and Recreation Department"
- J. The Navajo Nation finds that, in order to approve the Tourism Department's funding request, the wording in 24 N.N.C. § 741(B) must be addressed. Furthermore, the Navajo Nation finds that this Section 741(B) is overly restrictive and unfairly impedes the Tourism Department and other Navajo Nation programs from requesting and receiving allocations from the HOT/Tourism Fund, even if such money would be used for tourism-related purposes.
- K. The Navajo Nation finds it in the best interest of the Navajo Nation and the Navajo People to approve the Tourism Department's funding request as described herein, and to amend Section 741(B) of the HOT statute to allow all revenue in the HOT/Tourism Fund to be used by any and all Navajo Nation programs, so long as such use is for legitimate tourism-related purposes and is consistent with the provisions set forth in the approved Fund Management Plan. Said amendment would not prevent the Navajo Parks and Recreation Department from requesting allocations out of the HOT/Tourism Fund if needed, but would merely allow the Tourism Department and other Navajo Nation programs to request this money for approved tourism-related activities and goals.

SECTION THREE. APPROVING \$1,500,000 FROM THE HOT/TOURISM FUND FOR THE NAVAJO TOURISM DEPARTMENT

- A. The Navajo Nation hereby approves \$1,500,000 from the HOT/Tourism Fund for the Division of Economic Development/Navajo Tourism Department for the Tourism Department's operating expenses for the remainder of FY2023, as described in the attached EXHIBITS C and D.
- B. The Tourism Department shall expend the approved \$1,500,000 strictly in accordance with a newly-approved Fund Management Plan for the HOT/Tourism Fund, which Plan will be an amended version that conforms to the amendment of 24 N.N.C. § 741(B) effected in this Act. The amended version of the Fund Management Plan shall be approved by the Budget and Finance

Committee within 60 calendar days after the effective date of this Act. See SECTION FIVE. DIRECTIVE herein.

- C. The \$1,500,000 approved in this Act shall not be made available to, and shall not be used by, the Tourism Department until the effective date of the amended Fund Management Plan for the HOT/Tourism Fund, as approved by the Budget and Finance Committee.

SECTION FOUR. AMENDING 24 N.N.C. § 741 TO ALLOW REVENUE IN THE HOT/TOURISM FUND TO BE USED BY ALL NAVAJO NATION PROGRAMS FOR TOURISM-RELATED PURPOSES

The Navajo Nation hereby amends 24 N.N.C. § 741, as most recently amended by CJA-06-09, as follows:

**TITLE 24. Taxation
Chapter 7. Hotel Occupancy Tax**

* * * *

§ 741. Allocation

- A. ~~Except as provided in Subsection B, the~~ The tax imposed by this Chapter is imposed for the purposes of generating revenue for Navajo Nation programs to use in promoting tourism and tourism development. To accomplish this end, after certain mandatory allocations pursuant to other Navajo Nation statutory laws, the net revenue from this tax shall be deposited ~~retained in a special fund entitled the "Navajo Nation HOT/Tourism Fund" ("HOT/Tourism Fund"). which shall be administered by the Navajo Tourism Department, and which shall,~~
- B. On an annual basis, money from the HOT/Tourism Fund shall be appropriated by the Navajo Nation Council first to cover the Navajo Tourism Department's upcoming fiscal year budget that is approved annually in the Navajo Nation's Comprehensive Budget. Thereafter, the Navajo Nation Council may allocate funds remaining in the HOT/Tourism Fund, if any, to the Navajo Tourism Department or to other Navajo Nation programs.
- C. eConsistent with the laws of the Navajo Nation and utilizing the "prudent person rule," be applied for the advancement of allocations and expenditures from the HOT/Tourism Fund shall be for local tourism promotion, and to develop tourism-related activities and projects throughout the Navajo Nation, which activities and projects may include, but are not limited to, program personnel and operating expenses.

D. The Division of Economic Development and the Navajo Tourism Department are hereby authorized to develop and recommend to the Budget and Finance Committee of the Navajo Nation Council the a Fund's Management Plan for the HOT/Tourism Fund, including any amendments thereto. The Budget and Finance Committee shall have the final authority to approve/adopt the Fund Management Plan for the HOT/Tourism Fund, and any amendments thereto.

~~B. Any tax imposed by this Chapter that is collected within any duly established Navajo Tribal Park shall be retained within the Navajo Nation Tourism Fund for the exclusive use of the Navajo Parks and Recreation Department for maintenance and improvement of facilities within Navajo Tribal Parks, in accordance with the fund management plan for the Navajo Nation Tourism Fund, which shall be amended by the Budget and Finance Committee to accommodate this provision.~~

E. All budgeting, funding requests, appropriations, allocations, and expenditures of money from the HOT/Tourism Fund, by the Navajo Tourism Department or any other Navajo Nation program, shall be in accordance with the current Fund Management Plan for the HOT/Tourism Fund, as approved/adopted or amended by the Budget and Finance Committee.

* * * *

SECTION FIVE. DIRECTIVE

No later than 45 calendar days after the effective date of this Act, the Navajo Tourism Department shall prepare amendments to the Fund Management Plan for the HOT/Tourism Fund, as approved in BFO-56-93. Such amendments shall conform to the 24 N.N.C. § 741 amendments approved in this Act, and shall be presented to the Budget and Finance Committee for final approval within 60 calendar days after the effective date of this Act.

SECTION SIX. RESCINDING RESOLUTION NO. CS-45-22

The Navajo Nation hereby rescinds, in its entirety, Resolution No. CS-45-22 that was signed into law by President Jonathan Nez on October 17, 2022. All amendments and statements set forth in this Act, and in all EXHIBITS attached hereto, shall supersede all statements, exhibits, and amendments in CS-45-22 in its entirety.

SECTION SEVEN. CODIFICATION

The provisions in this Act that amend or adopt new sections of Title 24 of the Navajo Nation Code shall be codified by the Office of Legislative Counsel. The Office of Legislative Counsel shall

incorporate such amended provisions in the next codification of the Navajo Nation Code. A clean version of the Title 24 amendments as shown in SECTION FOUR herein (with no strikeouts or underlining) is attached hereto as EXHIBIT G.

SECTION EIGHT. EFFECTIVE DATE

This Act shall become effective according to 2 N.N.C. § 221(B) and 2 N.N.C. § 164(A) (17), except that the approved \$1,500,000 for the Navajo Tourism Department shall be effective as provided in SECTION THREE (C) of this Act.

SECTION NINE. SAVING CLAUSE

If any part of this Act is determined invalid by the Navajo Nation Supreme Court, or by a District Court of the Navajo Nation without appeal to the Navajo Nation Supreme Court, the remainder of this Act shall be the law of the Navajo Nation.

CERTIFICATION

I, hereby, certify that the foregoing resolution was duly considered by the 25th Navajo Nation Council at a duly called meeting in Window Rock, Navajo Nation (Arizona), at which a quorum was present and that the same was passed by a vote of 20 in Favor, and 00 Opposed, on this 18th day of April 2023.



Honorable Crystalyne Curley, Speaker
25th Navajo Nation Council

4/28/23


DATE

Motion: Honorable George H. Tolth
Second: Honorable Steven R. Arviso

Speaker Crystalyne Curley not voting

ACTION BY THE NAVAJO NATION PRESIDENT:

1. I, hereby, sign into law the foregoing legislation, pursuant to 2 N.N.C. § 1005 (C) (10), on this 5 day of MAY, 2023.


Buu Nygren, President
Navajo Nation

2. I, hereby, veto the foregoing legislation, pursuant to 2 N.N.C. § 1005 (C) (11), on this _____ day of _____, 2023 for the reason(s) expressed in the attached letter to the Speaker.

Buu Nygren, President
Navajo Nation

3. I, hereby, exercise line-item veto pursuant to the budget line-item veto authority delegated to the President by vote of the Navajo People in 2009, on this _____ day of _____, 2023.

Buu Nygren, President
Navajo Nation

Document No. 021332

Date Issued: 9/5/23



EXECUTIVE OFFICIAL REVIEW

Title of Document: PDD- Tourism FMP Contact Name: MANUS, SHAUNYA LYNN

Program/Division: DIV. OF ECONOMIC DEVELOPMENT

Email: shaunyamanus@navajo-nsn.gov Phone Number: 928-871-7392

☐ **Business Site Lease**

			Sufficient	Insufficient
1. Division:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
2. Office of the Controller:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
(only if Procurement Clearance is not issued within 30 days of the initiation of the E.O. review)				
3. Office of the Attorney General:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>

☐ **Business and Industrial Development Financing, Veteran Loans, (i.e. Loan, Loan Guarantee and Investment) or Delegation of Approving and/or Management Authority of Leasing transactions**

1. Division:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
2. Office of the Attorney General:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>

☒ **Fund Management Plan, Expenditure Plans, Carry Over Requests, Budget Modifications**

1. Office of Management and Budget:	<u>DBryle - Sec Memo</u>	Date: <u>9-23-23</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2. Office of the Controller:	<u>Robert Wynn - Sec Memo</u>	Date: <u>9-25-23</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
3. Office of the Attorney General:	<u>_____</u>	Date: <u>10/12/2023</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

9/25
10/10/23

☐ **Navajo Housing Authority Request for Release of Funds**

1. NNEPA:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
2. Office of the Attorney General:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>

☐ **Lease Purchase Agreements**

1. Office of the Controller:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
(recommendation only)				
2. Office of the Attorney General:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>

☐ **Grant Applications**

1. Office of Management and Budget:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
2. Office of the Controller:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
3. Office of the Attorney General:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>

☐ **Five Management Plan of the Local Governance Act, Delegation of an Approving Authority from a Standing Committee, Local Ordinances (Local Government Units), or Plans of Operation/Division Policies Requiring Committee Approval**

1. Division:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
2. Office of the Attorney General:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>

☐ **Relinquishment of Navajo Membership**

1. Land Department:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
2. Elections:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
3. Office of the Attorney General:	_____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>

RECEIVED

SEP 26 2023

OFFICE SERVICES
OFFICE OF THE CONTROLLER

Pursuant to 2 N.N.C. § 110, 164, 222, 223 and Executive Order Number 08-2023



DR. BUU NYGREN *PRE*
RICHELLE MONTOYA *VICE*

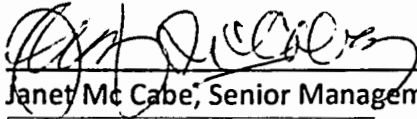


The Navajo Nation | Yideeskáadi Nitsáhákees

September 14, 2023

MEMORANDUM

TO : Shaunya Lynn Manus, Delegated Department Manager
DED/Tourism Department

FROM : 
Janet McCabe, Senior Management Analyst
OMB/Management and Policy Analyst

SUBJECT : PDD – TOURISM FUND MANAGEMENT PLAN
164 NUMBER: 021332 EXECUTIVE REVIEW

The Office of Management and Budget (OMB) has completed the review of the proposed Division of Economic Development/Tourism Department proposed Fund Management Plan (FMP). OMB has the following concerns:

1. There are two (2) Budget and Finance Committee (BFC) resolutions that would govern generation and expenditures. They are BFMY-38-02 and BFN-187-03. BFMY-38-02 is for revenue exceeding \$250,000 and BFN-187-03 is for less than \$250,000. The expected revenue to be collected is undetermined within the proposed Fund Management Plan.
 - a. Based upon both BFC resolutions above, there is an outline of the criteria in which a FMP should follow. This outline in the proposed FMP is not within the content of either BFC resolutions. So, it is not clear which resolution is applicable.
2. The title of the FMP should include and identify the following:

NAVAJO NATION TOURISM DEPARTMENT
FUND MANAGEMENT PLAN
3. There is no clear indication of the amount of annual revenue/fees that will be generated, including the collection of fees, for goods and/or services provided and no

definition of how the funds are to be expended for such revenue. Will the funds be administering any types of fee amounts, if so, there should be a rate setting reference to the description of fee services. And one table to segregate the description of fee services and the fee amounts for each service. What types of fee service amounts will be charged for advertisement, attractions, multi-media advertisement, scenery and facilities?

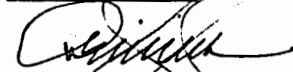
4. Within, "Section 2 – Purpose and Use" of this proposed FMP, it is stated, "The Fund shall be used is to provide funds for the Tourism ~~tourism promotion, tourism~~ Department's development, administration, and management ~~operational~~ funds; etc." As a recommendation, your plan should include and utilize the language "operations and administrative" which clarifies travel, personnel, fringe, worker's compensation, etc., as an allowable cost for such.

Based upon the statements as written in this proposed plan, there is reference to project development through the Navajo Nation, for construction, renovation and maintenance of such. How will the purpose of project development be used as a generation of revenue? What kind of services and how will these projects provide services for the FMP? OMB recommends the paragraph be clarified to cover both tourism and tourism promotion costs. As it is, the purpose appears to emphasize Tourism but the Generation of Revenues section includes projects including acquisition, construction, renovation and maintenance of such.

5. Until this proposed FMP is either amended according to the outline and criteria of the BFC resolution BFMY-38-02 and/or BFN-187-03, (see attached) this document as submitted is considered "Insufficient" and is being returned for corrections and/or amendments. You may re-submit the proposed fund management plan thereafter for additional review from OMB prior to the next 164 ER reviewer.

If you have any questions, and/or require more technical assistance to meet in-person for conference, please feel free to contact me at (928) 871-6049.

APPROVED: _____



Dominic Beyer, Executive Director
Office of Management and Budget



DR. BUU NYGREN *PRESIDENT*

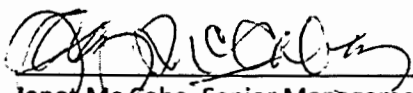
RICHELLE MONTOYA *VICE PRESIDENT*

The Navajo Nation | Yideeskáadi Nitsáhákees

September 14, 2023

MEMORANDUM

TO : Shaunya Lynn Manus, Delegated Department Manager
DED/Tourism Department

FROM : 
Janet McCabe, Senior Management Analyst
OMB/Management and Policy Analyst

SUBJECT : PDD – TOURISM FUND MANAGEMENT PLAN
164 NUMBER: 021332 EXECUTIVE REVIEW

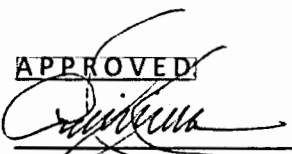


The Office of Management and Budget (OMB) has completed a second review of the proposed Division of Economic Development/Tourism Department proposed Fund Management Plan (FMP). Based upon the review and understanding OMB has determine this proposed Tourism FMP is Fund Type 5. Considering that fund is generated by Special Revenue utilizing Tax Funds and that use of the revenue will not be generating services rendered nor fees.

Although, during the first initial review and use of the term "Fund Management Plan" in which was described in the document as such. Literally, this proposed FMP is not defined in neither of the Budget and Financial resolutions as such. Most certainly, being that this is a fund allocation with specific purpose it should be modified with a title perhaps as a Fund Expenditure, Expenditure Management Plan or Fund Policies and Procedures.

Upon my review and understanding, it is deem sufficient. In addition, after you have modified title and it has been addressed in the document, you may proceed to the next reviewer for their review.

APPROVED


Dominic Beyer, Executive Director
Office of Management and Budget



DR. BUU NYGRE
RICHELLE MONTON

The Navajo Nation | Yideeska'adi Nitsahkees



MEMORANDUM

To: Janet McCabe, Senior Management Analyst
OMB/Management and Policy Analyst

From: Shaunya Manus
Shaunya Manus, Department Manager
Navajo Nation Tourism Department

Date: September 20, 2023

Subject: **Navajo Nation Tourism Fund Management Plan**

The Navajo Nation Tourism Department has addressed OMB's concerns regarding the Amended Navajo Nation Tourism Fund Management Plan.

The FMP is in compliance with BFMY-38-02 which is for revenue exceeding \$250,000. The Tourism Department is the beneficiary of the Hotel Occupancy Tax, which is generated by the Office of the Navajo Tax Commission. ONTC is the revenue generating program; Tourism Department is expending the funds. This is similar to how scholarship programs or Fire and Rescue receive funds from the sales tax. Tourism, as a department of the Navajo Nation government, is not engaging in revenue generating activities, but pursuant to the code enacted by Council, is adopting a plan for management and expenditure of the funds via a Fund Management Plan.

The language from Section 4 B.2 was removed "Proceeds from revenue generating tourism operations". This was added by the lawyer that was assisting us. However, we do not have any revenue generating projects.

In addition, please note that the title has been changed to "Navajo Nation Tourism Department Fund Management Plan" and the recommended language for "operations and administrative" has been included.

Your approval is appreciated. Should you have any questions, please contact me at 928-871-7392 or shaunyanus@navajo-nsn.gov.

Cc: Tony Skrelunas, Division Director
Division of Economic Development
Chrono/File

Navajo Nation Tourism Department Fund Management Plan

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Navajo Nation Tourism Department Fund Management Plan

Navajo Nation Tourism Fund Management Plan

Section 1 – Authority

~~The President of the Navajo Nation signed into law the Hotel Occupancy Tax, 24 N.T.C. 700-Resolution CJY-27-92 et. seq., which became effective January 1, 1993.~~

~~These revenues will be retained in a special fund entitled "Navajo Nation Tourism Fund" which will be administered by the Navajo Tourism Department.~~

- A. Pursuant to the Hotel Occupancy Tax (HOT), 24 N.N.C § 700 et. Seq, as amended by Resolution CJY-27-92, CJY-52-95, CJA-06-09, CAP-16-23 and as may be amended from time to time, there is established this governmental Navajo Nation Tourism Department Fund ("Fund") Management Plan.
- B. The Navajo Tourism Department ("Tourism Department") within the Division of Economic Development ("Division") This tax shall be administered by the Navajo Tourism Department the Fund for tourism-related activities and projects throughout the Navajo Nation, and which shall, consistent with the laws of the Navajo Nation and utilizing the prudent person rule, be applied the Fund for the advancement of local promotion, and to develop projects throughout the Navajo Nation.
- C. The Division shall manage and administer the Fund pursuant to this Fund Management Plan ("FMP") in keeping with all applicable Navajo Nation laws and following approval by the Budget and Finance Committee of the Navajo Nation Council.
- D. The Navajo Nation Council may make appropriations to the Fund from any other sources of revenue. Any money deposited into the Fund, plus accrued interest, shall be used only as provided herein. Any money in the Fund shall not lapse on an annual basis, pursuant to 12.N.N.C. § 820(N).

~~The Division of Economic Development and the Navajo Tourism Department are hereby authorized to develop and recommend to the Budget and Finance Committee of the Navajo Nation Council the fund's management plan.~~

Section 2 – Purpose and Use

- A. The purpose of the Navajo Nation Tourism The Fund shall be used is to provide funds for the Tourism tourism promotion, tourism Department's operations and

Navajo Nation Tourism Department Fund Management Plan

~~administrative operational funds; tourism promotion and for project development which includes the following, but is not limited to; the advertisement of Navajo people, scenery and facilities; multi-media advertisement; and for the development of tourism-related facilities, attractions, and projects, including and for acquisition, construction, renovation and maintenance of tourism-related such. attractions and recreational facilities.~~

Section 3 – Objective

To promote a positive image and develop infrastructure that will make the Navajo Nation more accommodating. This will increase visitation to the Navajo Nation and maintain tourism dollars to create job opportunities for the Navajo people and escalate the Navajo Nation economy.

Section 4 – Program Administration

A. Program Administration

1. The Navajo-Tourism Department shall have the authority and responsibility to use the Fund for all expenses and to propose, develop, and administer all tourism-related projects. which require the use of this fund.
2. The Tourism Department shall manage and administer the Fund pursuant to this FMP and follow a budgeting process executed by Executive Branch internal review, and approval processes that ensure expeditious expenditure of funds for their intended purpose. This budgeting process is to be established by the Office of Management and Budget, in consultation with the Navajo Nation Department of Justice.

B. Funding Source. The revenue generating source for the Fund shall include, but not limited to:

1. Hotel Occupancy Tax; (See section 1 Authority A)
2. Any other funds appropriated by the Navajo Nation Council.

Section 5 – Use of Tax Proceeds

~~The tax proceeds will be utilized for local tourism promotion and project development, which will include, but not limited to: multi-media advertising and for the development of tourism-related facilities and projects.~~

Section 6 5 – Annual Budget/Expenditure Plan

Navajo Nation Tourism Department Fund Management Plan

- A. An annual budget and expenditure plan for the Navajo Nation Tourism Fund shall be prepared for review and recommended for approval by the ~~Economic Development Committee~~ Resource and Development Committee and Budget and Finance Committee of the Navajo Nation Council through the annual budget process.
- B. The annual budget and expenditure plan shall include Tourism Department's upcoming fiscal year budget, detailed projections of revenues for the coming fiscal year, and detailed line-item expenditures that shall be processed as a budget justification and processed through normal tribal policy and procedures for review and approval.
- C. Carry-over funds shall remain in the ~~Navajo Nation Tourism Fund Account~~ to be used for the following year pursuant to an approved budget by the Navajo Nation Council. The revenues are credited against the expenditures and each year the balance in the account carries over into the following year without further action.

Section 7 6- Accounting and,, Expenditure Control and Responsibility

A. Fund Accounting

- 1. All funds received from the Fund will be deposited through the Financial Services Department Office of Management and Budget to the Cashiers Section within the Division of Finance. The Office of the Controller.
- 2. Expenditures All records and accounts for the Fund shall be separately kept, including a separate Balance Sheet(s) and Expenditures Statement(s).
- 3. The Tourism Department shall account for all monies disbursed from the Fund, and such accounting shall be included in the Division's fiscal quarterly reporting to the Naa'bik'iyati' Committee of the Navajo Nation Council. within the Navajo Nation Tourism Fund will utilize the prudent person rule and will be in accordance with all normal tribal policies and procedures.
- 4. Disbursement authorizations shall be signed by the Navajo Tourism Department ~~director~~ Manager or delegated authority and the executive Division Director or ~~deputy director~~ designee of the Division of ~~Economic Development~~.
- 5. No expenditure shall be used for any illegal purpose, ~~or for the purpose of making political contributions to any candidate, or for~~ or the purpose of making contributions to any individual, group, or organizations, whether for profit or on a non-profit basis.

B. Funding Allocation Process

Navajo Nation Tourism Department Fund Management Plan

1. The revenue generated shall be credited to the Fund upon a receipt of revenue by the Office of the Controller's Cashier's Section.
2. Expenditures from this Fund shall be made in accordance with established Navajo Nation budget policies and procedures and shall be budgeted each fiscal year through the Navajo Nation annual budgeting process.

C. Eligible Expenditures

1. Revenues deposited into the Fund shall be used for expenditures relating to the purpose of the Tourism Department and its operational expenses and as noted within this FMP.

Section 7 – Restrictions

- A. The Fund shall not be expended or allocated to uses other than those specified in this FMP.

Section 8 – Audits and Reports

- A. The Fund shall be audited as part of an overall annual audit of the Navajo Nation government by the Office of the Controller and any contracted independent auditor. Accounting books for the Navajo Nation Tourism Fund shall be subject to periodic audits in conjunction with the regular tribal audit performed on all of the financial records of the Navajo Nation.
- B. The Navajo Tourism Department and the Support Services directors Chief Financial Officer within the Division of Economic Development shall make periodic written reports to the Economic Development Resources and Development Committee and Budget and Finance Committees of the Navajo Nation Council on the status of the Navajo Nation Tourism Fund.

Section 9 – Legislative Oversight

- A. Pursuant to 2 N.T.N.C., Section §1505 724(g), the Economic Development Committee Resources and Development Committee of the Navajo Nation Council shall serve as the oversight committee of the Division of Economic Development. including those activities which deal with the planning, development, promotion and oversight of economic development activities.

Navajo Nation Tourism Department Fund Management Plan

- B. Also, pursuant to 2 N.T. N.C., Section §30174 (b)-(21), and ~~(b)-(8)~~, the Budget and Finance Committee shall review and recommend to the Navajo Nation Council the budgeting, appropriation, investment and management of all funds. ~~including requiring reports from and to monitor the financial performance of all offices, divisions, departments, enterprises, authorities, committees, boards, commissions, or entities having oversight or control over fiscal matters or financial obligations to the Navajo Nation.~~

Section 10 – Governing Dates

- A. This FMP shall become effective on the date of approval by the Budget and Finance Committee of the Navajo Nation Council.
- B. This FMP shall not cease to have effect unless made ineffective by action of the Budget and Finance Committee of the Navajo Nation Council.

Section 11 – Amendments

The FMP may be amended as necessary or upon recommendation by the Division of Economic Development and the Navajo Tourism Department, with approval from are ~~authorized to develop and make recommendations to amend the Navajo Nation Tourism Fund's management plan to the Budget and Finance Committee of the Navajo Nation Council.~~



DR. BUU NYGREN PRESIDENT
RICHELLE MONTOYA VICE PRESIDENT




The Navajo Nation | Yidecskáądi Nitsáhákces

Memorandum:

Date: September 28, 2023

To: 2 NNC § 164 Reviewers

Delegates & 2 NNC '164 Reviewers
Navajo Nation Government

From: 
Robert Willie, Accounting Manager
Office of the Controller

Subject: 164 Review-021332-PDD-Tourism Fund Management Plan

The Office of the Controller has reviewed the above referenced document.

1. The Tourism department also hosts a conference each year and seeks donations to help fund this event. It would benefit the Tourism Department to include this as part of their plan so they can collect the sponsorship and pay for the event.
2. CJA-06-09 included an amendment "***Any tax imposed by this Chapter that is collected within any duly established Navajo Tribal Park shall be retained within the Navajo Nation Tourism Fund for the exclusive use of the Navajo Parks and Recreation Department for maintenance and improvement of facilities within the Navajo Tribal Parks, in accordance with the fund management plan for the Navajo Nation Tourism Fund, which shall be amended by the Budget and Finance Committee to accommodate this provision.***" This provision is not a part of the fund management plan that is presented.
3. Under Section 6. Accounting and, Expenditure Control, 1. The language may need modifying. "All funds received from the Fund will be deposited through the OFFICE OF MANAGEMENT AND BUDGET to the Cashiers Section within The Office of Management and Budget does not handle any deposits or cash, so it is not clear on why it states Office of Management and Budget, perhaps it means Office of the Controller.

If you should have any questions, you can contact me at tribal extension X6496.





MEMORANDUM

DR. BUU NYGRE
RICHELLE MONTOY

The Navajo Nation | Yideeskáádi Nitsáhákees



To: Robert Willie, Accounting Manager
Navajo Nation Office of Controller

From: Shaunya Manus
Shaunya Manus, Department Manager
Navajo Nation Tourism Department

Date: October 9, 2023

Subject: Navajo Nation HOT/Tourism Fund Management Plan

The Navajo Nation Tourism Department has addressed The Office of Controller (OOC) concerns regarding the Amended Navajo Nation HOT/Tourism Fund Management Plan.

To address comments:

1. The Tourism Department does host an Annual Tourism Conference. However, this specific Fund Management Plan is titled HOT/Tourism Fund which would indicate that it is only used for the Hotel Occupancy Tax. Therefore, I am recommending that Tourism start a new FMP for any revenue generating endeavors. Till then, we will only utilize this fund for the Hotel Occupancy Tax. Please see the DOJ response.
2. CJA-06-09 was addressed in Resolution CAP-16-23 (is in the packet) Sections C. H. I. J. and finally K. whereas it states: *The Navajo Nation finds it in the best interest of the Navajo Nation and the Navajo People to approve the Tourism's Department funding request as described here, and to amend Section 741 (B) of the HOT statute to allow all revenue in the HOT/Tourism Fund to be used by any and all Navajo Nation programs, so long as such use is for legitimate tourism-related purposes and is consistent with the provisions set forth in the approved Fund Management Plan. Said amendment would not prevent the Navajo Parks and Recreation Department from Requesting allocations out of the HOT/Tourism Fund if needed, but would merely allow the Tourism Department and other Navajo Nation programs to request this money for approved tourism-related activities and goals.*
3. The language "Office of Management and Budget" was removed as advised and only states "Cashiers Section".

Your approval is appreciated. Should you have any questions, please contact me at (928) 871-7392 or shaunyamanus@navajo-nsn.gov.

Cc: Tony Skrelunas, Division Director
Division of Economic Development

RECEIVED
OCT 9 2023

OFFICE SERVICES
OFFICE OF THE CONTROLLER

Navajo Nation HOT/Tourism Fund Management Plan

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Navajo Nation HOT/Tourism Fund Management Plan

Section 1 – Authority

~~The President of the Navajo Nation signed into law the Hotel Occupancy Tax. 24 N.T.C. 700 Resolution CJY-27-92 et. seq., which became effective January 1, 1993.~~

~~These revenues will be retained in a special fund entitled "Navajo Nation Tourism Fund" which will be administered by the Navajo Tourism Department.~~

- A. Pursuant to the Hotel Occupancy Tax (HOT), 24 N.N.C § 700 et. Seq, as amended by Resolution CJY-27-92, CJY-52-95, CJA-06-09, CAP-16-23 and as may be amended from time to time, there is established this governmental Navajo Nation Tourism Department Fund ("Fund") Management Plan.
- B. The Navajo Tourism Department ("Tourism Department") within the Division of Economic Development ("Division") This tax shall be administered by the Navajo Tourism Department the Fund for tourism-related activities and projects throughout the Navajo Nation, and which shall, consistent with the laws of the Navajo Nation and utilizing the prudent person rule, be appliedy the Fund for the advancement of local promotion, and to develop projects throughout the Navajo Nation.
- C. The Division shall manage and administer the Fund pursuant to this Fund Management Plan ("FMP") in keeping with all applicable Navajo Nation laws and following approval by the Budget and Finance Committee of the Navajo Nation Council.
- D. The Navajo Nation Council may make appropriations to the Fund from any other sources of revenue. Any money deposited into the Fund, plus accrued interest, shall be used only as provided herein. Any money in the Fund shall not lapse on an annual basis, pursuant to 12.N.N.C. § 820(N).

~~The Division of Economic Development and the Navajo Tourism Department are hereby authorized to develop and recommend to the Budget and Finance Committee of the Navajo Nation Council the fund's management plan.~~

Section 2 – Purpose and Use

- A. The purpose of the Navajo Nation Tourism The Fund shall be used is to provide funds for the Tourism tourism promotion, tourism Department's operations and administrative operational funds; tourism promotion and for project development which includes the following, but is not limited to; the advertisement of Navajo people, scenery and facilities; multi-media advertisement; and for the

Navajo Nation HOT/Tourism Fund Management Plan

~~development of tourism-related facilities, attractions, and projects, including and for acquisition, construction, renovation and maintenance of tourism-related such attractions and recreational facilities.~~

Section 3 – Objective

To promote a positive image and develop infrastructure that will make the Navajo Nation more accommodating. This will increase visitation to the Navajo Nation and maintain tourism dollars to create job opportunities for the Navajo people and escalate the Navajo Nation economy.

Section 4 – Program Administration

A. Program Administration

1. ~~The Navajo-Tourism Department shall have the authority and responsibility to use the Fund for all expenses and to propose, develop, and administer all tourism-related projects. which require the use of this fund.~~
2. The Tourism Department shall manage and administer the Fund pursuant to this FMP and follow a budgeting process executed by Executive Branch internal review, and approval processes that ensure expeditious expenditure of funds for their intended purpose. This budgeting process is to be established by the Office of Management and Budget, in consultation with the Navajo Nation Department of Justice.

B. Funding Source. The revenue generating source for the Fund shall include, but not limited to:

1. Hotel Occupancy Tax (See Section 1(A); and
2. Any other funds appropriated by the Navajo Nation Council.

Section 5 – Use of Tax Proceeds

~~The tax proceeds will be utilized for local tourism promotion and project development, which will include, but not limited to: multi-media advertising and for the development of tourism-related facilities and projects.~~

Navajo Nation HOT/Tourism Fund Management Plan

Section 6 ~~5~~ – Annual Budget/Expenditure Plan

- A. An annual budget and expenditure plan for the Navajo Nation Tourism Fund shall be prepared for review and recommended for approval by the ~~Economic Development Committee~~ Resource and Development Committee and Budget and Finance Committee of the Navajo Nation Council through the annual budget process.
- B. The annual budget and expenditure plan shall include Tourism Department's upcoming fiscal year budget, detailed projections of revenues for the coming fiscal year, and detailed line-item expenditures that shall be processed as a budget justification and processed through normal tribal policy and procedures for review and approval.
- C. Unexpended or Carry-over funds still in the Fund Account at the end of the fiscal year shall remain in the ~~Navajo Nation Tourism Fund Account~~ to be used for the following year pursuant to an approved budget by the Navajo Nation Council. The Fund revenues are credited against the expenditures, and each year the balance in the Fund Account carries over into the following year without further action.
- D. Any designated carryover funds pursuant to an approved appropriation by the Navajo Nation Council shall remain in the Tourism annual operating budget, or other designated, account and shall carryover to the next fiscal year.

Section 7 ~~6~~ – Accounting and Expenditure Control and Responsibility

A. Fund Accounting

- 1. All funds received from the Fund will be deposited through the Financial Services Department Cashiers Section within the Division of Finance. The Office of the Controller.
- 2. Expenditures All records and accounts for the Fund shall be separately kept, including a separate Balance Sheet(s) and Expenditures Statement(s).
- 3. The Tourism Department shall account for all monies disbursed from the Fund, and such accounting shall be included in the Division's fiscal quarterly reporting to the Naa'bi'iyati' Committee of the Navajo Nation Council. within the Navajo Nation Tourism Fund will utilize the prudent person rule and will be in accordance with all normal tribal policies and procedures.
- 4. Disbursement authorizations shall be signed by the Navajo Tourism Department director Manager or delegated authority and the executive Division Director or ~~deputy director~~ designee of the Division of Economic Development.

Navajo Nation HOT/Tourism Fund Management Plan

5. No expenditure shall be used for any illegal purpose, ~~or for the purpose of making~~ political contributions to any candidate, ~~or for~~ or the purpose of making contributions to any individual, group, or organizations, whether for profit or on a non-profit basis.

B. Funding Allocation Process

1. The revenue generated shall be credited to the Fund upon a receipt of revenue by the Office of the Controller's Cashier's Section.
2. Expenditures from this Fund shall be made in accordance with established Navajo Nation budget policies and procedures and shall be budgeted each fiscal year through the Navajo Nation annual budgeting process.

C. Eligible Expenditures

1. Revenues deposited into the Fund shall be used for expenditures relating to the purpose of the Tourism Department and its operational expenses and as noted within this FMP.

Section 7 – Restrictions

- A. The Fund shall not be expended or allocated to uses other than those specified in this FMP.

Section 8 – Audits and Reports

- A. The Fund shall be audited as part of an overall annual audit of the Navajo Nation government by the Office of the Controller and any contracted independent auditor. Accounting books for the Navajo Nation Tourism Fund shall be subject to periodic audits in conjunction with the regular tribal audit performed on all of the financial records of the Navajo Nation.
- B. The Navajo Tourism Department and the Support Services directors Chief Financial Officer within the Division of Economic Development shall make periodic written reports to the Economic Development Resources and Development Committee and Budget and Finance Committees of the Navajo Nation Council on the status of the Navajo Nation Tourism Fund.

Navajo Nation HOT/Tourism Fund Management Plan

Section 9 – Legislative Oversight

- A. Pursuant to 2 N.T.N.C., Section §1505 724 (g), the ~~Economic Development Committee Resources and Development~~ Committee of the Navajo Nation Council shall serve as the oversight committee of the Division of Economic Development. ~~including those activities which deal with the planning, development, promotion and oversight of economic development activities.~~
- B. Also, pursuant to 2 N.T. N.C., Section §30174 (b)-(21), and ~~(b) (8)~~, the Budget and Finance Committee shall review and recommend to the Navajo Nation Council the budgeting, appropriation, investment and management of all funds. ~~including requiring reports from and to monitor the financial performance of all offices, divisions, departments, enterprises, authorities, committees, boards, commissions, or entities having oversight or control over fiscal matters or financial obligations to the Navajo Nation.~~

Section 10 – Governing Dates

- A. This FMP shall become effective on the date of approval by the Budget and Finance Committee of the Navajo Nation Council.
- B. This FMP shall not cease to have effect unless made ineffective by action of the Budget and Finance Committee of the Navajo Nation Council.

Section 11 – Amendments

The FMP may be amended as necessary or upon recommendation by the Division of Economic Development and the Navajo Tourism Department, with approval from ~~are authorized to develop and make recommendations to amend the Navajo Nation Tourism Fund's management plan to the Budget and Finance Committee of the Navajo Nation Council.~~



DR. BUU NYGREN *PRESIDENT* RICHELLE MONTOYA *VICE PRESIDENT*



The Navajo Nation | Yidecskáądi Nitsáhákees

Memorandum:

Date: October 10, 2023

To: 2 NNC § 164 Reviewers

Delegates & 2 NNC '164 Reviewers
Navajo Nation Government

From: Robert Willie, Accounting Manager
Office of the Controller

Subject: REVISED:164 Review-021332-PDD-Tourism Fund Management Plan

The Office of the Controller has reviewed the above referenced document.

1. The Tourism department also hosts a conference each year and seeks donations to help fund this event. In this instance perhaps Economic Development could include this within their own fund management plan. If Tourism is stickly HOT tax this should be considered or making it a free event and not collect any sponsorship.
2. CJA-06-09 included an amendment "***Any tax imposed by this Chapter that is collected within any duly established Navajo Tribal Park shall be retained within the Navajo Nation Tourism Fund for the exclusive use of the Navajo Parks and Recreation Department for maintenance and improvement of facilities within the Navajo Tribal Parks, in accordance with the fund management plan for the Navajo Nation Tourism Fund, which shall be amended by the Budget and Finance Committee to accommodate this provision.***" This provision is not a part of the fund management plan that is presented. CAP 16-23 seems to have addressed this issue. A process for other programs to utilize if needed should be drafted up in case any other programs wish to draw funding from Tourism HOT tax.
3. Under Section 6. Accounting and,, Expenditure Control, 1. The language may need modifying. "All funds received from the Fund will be deposited through the OFFICE OF MANAGEMENT AND BUDGET to the Cashiers Section within The Office of Management and Budget does not handle any deposits or cash, so it is not clear on why it states Office of



Management and Budget, perhaps it means Office of the Controller. This has been corrected.

4. After reviewing the edits and clarification provided by Navajo Nation Tourism Department I will change from insufficient to sufficient.

If you should have any questions, you can contact me at tribal extension X6496.



Navajo Nation Tourism Fund Management Plan
Navajo Nation HOT/Tourism Fund: Fund Management Plan
approved pursuant to the Hotel Occupancy Tax, at 24 N.N.C. § 700-41

Section 1—Authority

~~The President of the Navajo Nation signed into law the Hotel Occupancy Tax, 24 N.T.C. 700-Resolution CJY-27-92 et. seq., which became effective January 1, 1993.~~

~~These revenues will be retained in a special fund entitled “Navajo Nation Tourism Fund” which will be administered by the Navajo Tourism Department.~~

~~This tax shall be administered by the Navajo Tourism Department, and which shall, consistent with the laws of the Navajo Nation and utilizing the prudent person rule, be applied for the advancement of local promotion, and to develop projects throughout the Navajo Nation. The Division of Economic Development and the Navajo Tourism Department are hereby authorized to develop and recommend to the Budget and Finance Committee of the Navajo Nation Council the fund’s management plan.~~

SECTION 1 - DEFINITIONS AND ACRONYMS

- 1.1 “Allocation” means the approval of money from the HOT/Tourism Fund pursuant to this Fund Management Plan.
- 1.2 “Appropriation” means the approval of money from the HOT/Tourism Fund in the Comprehensive Budget, for budgeting and use in particular a fiscal year.
- 1.3 “BFC” means the Budget & Finance Committee, a standing committee of the Navajo Nation Council.
- 1.4 “BIM” means the current Navajo Nation Budget Instructions Manual that is posted on the Office of Management & Budget website at www.omb.navajo-nsn.gov.
- 1.5 “Chapter” means any of the 110 certified Navajo Nation Chapters.
- 1.6 “Comprehensive Budget” means the Navajo Nation’s annual fiscal year budget that is prepared, reviewed, and approved pursuant to the Navajo Nation Appropriations Act, codified at 12 N.N.C. § 800-80.
- 1.7 “Council” means the Navajo Nation Council.
- 1.8 “DCD” means the Navajo Nation Division of Community Development.
- 1.9 “Department” means the Navajo Tourism Department under the Navajo Nation Division of Economic Development.
- 1.10 “DOJ” means the Navajo Nation Department of Justice.
- 1.11 “External Entity” or “External Entities” has the same meaning as shown in the current Budget Instructions Manual.
- 1.12 “FMP” means this Fund Management Plan.
- 1.13 “HOT” means the Navajo Nation Hotel Occupancy Tax codified at 24 N.N.C. § 700-41 (as

amended by CJY-27-92, CJY-52-95, CJA-06-09, and CAP-16-23).

- 1.14 "HOT/Tourism Fund" means the Fund established under the Hotel Occupancy Tax, codified at 24 N.N.C. § 741(A).
- 1.15 "OMB" means the Navajo Nation Office of Management & Budget.
- 1.16 "OOC" means the Navajo Nation Office of the Controller.
- 1.17 "Program" means any division, department, office, agency, program, commission, committee, board, or other entity that is part of the Navajo Nation government, other than the Department.
- 1.18 "Project" means any purpose, goal, activity, facility, program, that is funded, or is to be funded, with an Allocation.
- 1.19 "RDC" means the Resources & Development Committee, a standing committee of the Navajo Nation Council.

SECTION 2 - HISTORY AND AUTHORITY

- 2.1 On January 1, 1993, the Hotel Occupancy Tax came into effect. Pursuant to 24 N.N.C. § 741, after certain mandatory allocations, net HOT revenues are deposited into the HOT/Tourism Fund.
- 2.2 24 N.N.C. § 741 gives the Budget & Finance Committee final approval authority for the Fund Management Plan for the HOT/Tourism Fund. In 1993, BFC approved the original FMP via Resolution No. BFO-56-93.
- 2.3 In 2009, the Council amended the HOT statute so that HOT revenues collected from motels and hotels within Navajo tribal parks could only be used by the Navajo Parks & Recreation Department (see 24 N.N.C. §741(B) and Resolution No. CJA-06-09).
- 2.4 Since the 2009 HOT amendment, all HOT revenues collected both from within Navajo Nation parks and from locations outside the parks have been deposited into the HOT/Tourism Fund without identifying the source of such revenues; all incoming revenues have been comingled making it impossible to designate which dollars in the HOT/Tourism Fund were available for Programs other than the Navajo Parks & Recreation Department.
- 2.5 The Council therefore approved Resolution No. CAP-16-23 that became effective May 5, 2023. CAP-16-23 now permits Allocations of money in the HOT/Tourism Fund to the Department or any Program for tourism-related Projects, but only after the Fund is first used to cover the Department's annual fiscal year budget.
- 2.6 In accordance with CAP-16-23 and the amended 24 N.N.C. § 741, BFC retains its final approval authority over the FMP.
- 2.7 Pursuant to 2 N.N.C. § 501(C)(1) the Resources & Development Committee has oversight authority over the Division of Economic Development and its subordinate departments and programs, including the Department. See GSCAP-12-07 and RDCO-055-19 (amendments to Plan of Operation for Division of Economic Development). Therefore, RDC reviews and considers amendments to the FMP, before presentation to BFC for final approval.

~~Section 2—Purpose~~

~~The purpose of the Navajo Nation Tourism Fund is to provide funds for tourism promotion, tourism department operational funds; and for project development which includes the following, but is not limited to: the advertisement of Navajo people, scenery and facilities and for acquisition, construction, renovation and maintenance of tourism-related attractions and recreational facilities.~~

~~Section 3—Objective~~

~~To promote a positive image and develop infrastructure that will make the Navajo Nation more accommodating. This will increase visitation on the Navajo Nation and maintain tourism dollars to create job opportunities for the Navajo people and escalate the Navajo Nation economy.~~

SECTION 3 - PURPOSES

- 3.1 The HOT/Tourism Fund is a source of funding primarily for the Department's annual fiscal year budget (Appropriation), and secondarily for other tourism-related Projects (Allocations), whether such Projects are implemented by the Department, or by Programs, Chapters, or External Entities.
- 3.2 The HOT/Tourism Fund shall be used to advertise and promote a positive image of Navajo culture and tradition, the Navajo People, and the Navajo Nation as a beautiful, unique, and wondrous place to visit or to spend vacation time.
- 3.3 The HOT/Tourism Fund shall be used for Projects that encourage, facilitate, and accommodate non-resident travel and tourist activities within the Navajo Nation. Such travel and activities will improve the Navajo Nation's overall economy, facilitate the creation of tourism-related jobs, the sales of arts and crafts and traditional wares and foods, and will generally provide economic opportunities for the Navajo People and local businesses.

~~Section 4—Program Administration~~

~~The Navajo Tourism Department shall propose, develop, and administer all tourism-related projects which require the use of this fund.~~

~~Section 5—Use of Tax Proceeds~~

~~The tax proceeds will be utilized for local tourism promotion and project development, which will include, but not limited to: multi-media advertising and for the development of tourism-related facilities and projects.~~

~~Section 6—Annual Budget/Expenditure Plan~~

- ~~A. An annual budget and expenditure plan for the Navajo Nation Tourism Fund shall be prepared for review and recommended for approval by the Economic Development Committee and Budget and Finance Committee of the Navajo Nation Council through the annual budget process.~~
- ~~B. The plan shall include detailed projections of revenues for the coming fiscal year and detailed line item expenditures shall be processed as a budget justification and processed through normal tribal policy and procedures for review and approval.~~
- ~~C. Carry over funds shall remain in the Navajo Nation Tourism Fund Account to be used for the following year pursuant to an approved budget by the Navajo Nation Council. The revenues are credited against the expenditures and each year the balance in the account carries over into the following year without further action.~~

SECTION 4 - ELIGIBLE PARTIES

- 4.1 As stated in Subsection 3.1, the Department's annual budget is the first to be funded by an Appropriation from the HOT/Tourism Fund. The remaining balance in the Fund is then available for other funding requests and Allocations.
- 4.2 Funding from the HOT/Tourism Fund is not available for individual persons.
- 4.3 Other funding requests shall only be approved for the Department, Programs, Chapters, and External Entities.
- 4.4. Aside from Appropriations from the HOT/Tourism Fund in the Comprehensive Budget, the Department is authorized on its own to apply for, and receive, Allocations from the HOT/Tourism Fund, unless the Department is under a sanction pursuant to 12 N.N.C. § 9. See Section 6 of this FMP, specifically Subsection 6.5.
- 4.5 Any Program is authorized on its own to apply for, and receive, Allocations from the HOT/Tourism Fund, unless the requesting Program is under a sanction pursuant to 12 N.N.C. § 9. See Section 6 of this FMP, specifically Subsection 6.5.
- 4.6 Unless under a sanction pursuant to 12 N.N.C. § 9, any Chapter is authorized to receive Allocations from the HOT/Tourism Fund only by working with the DCD, regardless of any Chapter authority under 26 N.N.C. § 103. See Section 6 of this FMP, specifically Subsection 6.6.
- 4.7 Unless under a formal sanction, debarred, suspended, or deemed by DOJ to be ineligible under 12 N.N.C. § 1504-05, any External Entity is authorized to receive Allocations from the HOT/Tourism Fund only by working with the Department or a Program. See Section 6 of this FMP, specifically Subsection 6.7.

SECTION 5 - TOURISM DEPARTMENT'S ANNUAL BUDGET

- 5.1 No later than July 1 of each fiscal year, the Department shall prepare and present to RDC the Department's proposed annual budget for the upcoming fiscal year. The Department's budget may be included as part of the proposed budget for the Division of Economic Development that is presented to the Council as part of the Comprehensive Budget.
- 5.2 In the Comprehensive Budget the Council shall appropriate money from the HOT/Tourism Fund first to cover the Department's proposed budget for the upcoming fiscal year. No other Appropriations from the HOT/Tourism Fund shall be made in the Comprehensive Budget.
- 5.3 In the Comprehensive Budget, the Council must know the distinct and predictable dollar amount in the HOT/Tourism Fund as it considers the Department's proposed budget for the upcoming fiscal year. Therefore, the following conditions shall apply:
 - (a) except for the Department's annual budget, no requests for money from the HOT/Tourism Fund for use in a particular fiscal year may be submitted until after the Comprehensive Budget for the same fiscal year is signed into law;
 - (b) after the Comprehensive Budget becomes law, the remaining balance in the Fund shall then become available for other funding requests and Allocations;

- (c) after the Comprehensive Budget becomes law, upon written request submitted to OOC, OOC shall issue a written memorandum showing the available balance in the Fund, which figure shall be current as of the date of OOC's memo.

SECTION 6 - OTHER FUNDING REQUESTS

- 6.1 This Section 6 pertains to funding requests and Allocations to the Department and Programs, Chapters, and External Entities, that are not related to the Department's annual fiscal year budget.
- 6.2 Parties seeking funding should become familiar with the specific provisions in the BIM that apply to their particular funding request, as well as the BIM provisions regarding reporting and accountability for expenditures of Navajo Nation funds.
- 6.3 Funding requests must pertain to tourism-related Projects, and all proposed expenditures must facilitate or further such Projects. A funding request must include a detailed explanation of the Project, how the funding requested will facilitate or further a tourism-related purpose, and how the Project will benefit the Navajo People, Navajo-owned businesses, and/or the Navajo Nation.
- 6.4 Required supporting documents.
- 6.4.1 All funding requests must be approved by the party requesting funds. A written memorandum or letter signed by the Director, Manager, President, Chairperson, Chief Executive Officer, Chapter President, or other Head of the requesting party shall be attached to the funding request. Such memo or letter must include all of the following:
- (a) the dollar amount of funds the party is requesting;
 - (b) a description of the requesting party's needs for the dollar amount of funds requested;
 - (c) an explanation why the requesting party is the most appropriate party to receive funds and/or implement and carry out the Project;
 - (d) the estimated date of completion of the Project or phase(s) of the Project, or the expected date when all funds will be fully expended;
 - (d) a list of all other money from the HOT/Tourism Fund that has been previously received by the requesting party, with an explanation of how the money was spent; and
 - (e) a list of funds from sources other than the HOT/Tourism Fund, if any, which funds are designated for the same Project and have been received or are expected to be received during the same fiscal year for which HOT/Tourism Fund monies are being requested; such list should include dollar amounts, expected date(s) when other funding will be received, any documentation of received funding or pending application(s) for other funding, and other relevant information.
- 6.4.2 For all Chapters, funding requests must be accompanied by a duly-approved Chapter Resolution showing the Chapter's support for the funding request and the proposed Project.
- 6.4.3 All funding requests must be reviewed by the Department. A written memorandum signed by the Department Director shall be attached to the funding request. The Director's

memorandum shall explain the Department's opinion or recommendation as to whether or not the funding request should be approved; such opinion or recommendation shall not be binding.

6.4.4 A written memorandum from OOC must be submitted with the funding request. The OOC memo shall identify the HOT/Tourism Fund's balance available for Allocations, which figure shall be current as of the date of OOC memo.

6.4.5 Completed and signed Navajo Nation Budget Forms or other relevant forms and documents, as determined by OMB, must be submitted with the funding request. A written memorandum from OMB must also be submitted with the funding request, which memo shall verify that all provided forms are properly completed and signed, and no required forms or other documents are missing.

6.4.6 A detailed list showing a breakdown of how each dollar will be spent, must be prepared and submitted with the funding request. If available, the funding request should include a cost estimate for the entire Project, or a portion or phase(s) of the Project, or the Project's estimated annual operating costs.

6.4.7 If the Project will have ongoing operation and maintenance costs, or ongoing operating costs, the funding request must include an explanation of how such costs will be paid and the planned source of funding for covering such costs.

6.5 The Department and Programs seeking funds should consult with OMB to ensure that all proper steps are taken and all required forms are completed and signed. Except for Subsections 6.4.2, 6.6, and 6.7, all provisions in this Section 6 shall apply to funding requests submitted by the Department on its own behalf, or by a Program on its own behalf.

6.6 Chapters.

(a) All Chapters must work with DCD to apply for funds, and DCD shall prepare and submit the funding request on behalf of the requesting Chapter.

(b) The requesting Chapter and DCD should consult with the Department and OMB, to ensure that all proper steps are taken and all proper forms are completed and signed as required.

(c) In order to receive funds, a requesting Chapter must enter into a legal agreement with DCD for the disbursement of funds, and said agreement must be approved by the signature of a DOJ attorney or advocate. Said agreement shall include a fixed drawdown schedule for payments to the provider of goods and/or services for the Project.

(d) Once a funding request is approved for a Chapter Project, the approved funds shall be provided to DCD in a lump sum. The DCD shall then incrementally disburse the approved funds by making payments directly to the provider of goods and/or services for the Project. All such payments shall comply with the fixed drawdown schedule for the Project.

(e) The DCD shall be responsible for overseeing and managing all expenditures of funds approved for all Chapter Projects, and for providing reports on Project expenditures.

(f) Except for Subsections 6.5 and 6.7, all provisions in this Section 6 shall apply to funding requests for all Chapters.

6.7 External Entities.

- (a) External Entities must work with the Department or a Program to apply for funds, and the Department or assisting Program shall prepare and submit the funding request on behalf of the External Entity.
- (b) External Entities shall not apply for, or receive, funding from the HOT/Tourism Fund through any Chapter.
- (c) In order to receive funds, External Entities must enter into a legal agreement with the Department or the assisting Program for the disbursement of funds, and said agreement must be approved by the signature of a DOJ attorney or advocate. Said agreement shall include a fixed drawdown schedule for payments either to the External Entity or directly to the provider of goods and/or services for the Project.
- (d) Once a funding request is approved, the approved funds shall be provided to the Department or the assisting Program, in a lump sum. As determined in writing by DOJ, the Department or assisting Program shall incrementally disburse the funds to the External Entity, or shall make payments directly to the provider of goods and/or services for the Project. All such payments shall comply with the fixed drawdown schedule for the Project.
- (e) The Department or assisting Program shall be responsible for overseeing and managing all expenditures of funds approved for External Entities, and for providing reports on Project expenditures.
- (f) Except for Subsections 6.4.2, 6.5, and 6.6, all provisions in this Section 6 shall apply to funding requests submitted on behalf of External Entities.

6.8 The funding request and all relevant forms and required supporting documents shall be attached as exhibits to proposed legislation that shall be entered into the legislative process pursuant to the applicable provisions of 2 N.N.C. § 164(A).

6.9 Final approval of a funding request shall be in accordance with 2 N.N.C. § 221(B) and 2 N.N.C. § 164(A)(17).

Section 7 – Accounting, Expenditure Control and Responsibility

- ~~A. All funds received from the Navajo Nation Tourism Fund will be deposited through the Financial Services Department to the Cashiers Section within the Division of Finance.~~
- ~~B. Expenditures within the Navajo Nation Tourism Fund will utilize the prudent person rule and will be in accordance with all normal tribal policies and procedures.~~
- ~~C. Disbursement authorizations shall be signed by the Navajo Tourism Department director or delegated authority and the executive or deputy director of the Division of Economic Development.~~
- ~~D. No expenditure shall be used for any illegal purpose or for the purpose of making political contributions to any candidate or for the purpose of making contributions to any individual, group, or organizations, whether for profit or on a non-profit basis.~~

Section 8 – Audits and Reports

- ~~A. Accounting books for the Navajo Nation Tourism Fund shall be subject to periodic audits in conjunction with the regular tribal audit performed on all of the financial records of the Navajo~~

Nation.

~~B. The Navajo Tourism Department and Support Services directors within the Division of Economic Development shall make periodic written reports to the Economic Development and Budget and Finance Committees of the Navajo Nation Council on the status of the Navajo Nation Tourism Fund.~~

SECTION 7 - ACCOUNTING AND MONITORING

- 7.1 Pursuant to 24 N.N.C. § 741(A), the HOT/Tourism Fund was established as an account separate from the Navajo Nation's General Fund to collect the HOT revenue going into the Fund.
- 7.2 Regarding accounting and management of the HOT/Tourism Fund, OOC and OMB shall act consistent with their respective duties and responsibilities under their respective Plans of Operation and applicable Navajo Nation laws and regulations.
- 7.3 The OOC and OMB shall regularly monitor the HOT/Tourism Fund account to ensure that maintenance of the Fund, as well as all funding requests and expenditures, are in full compliance with all applicable Navajo Nation laws, regulations, policies, and the current approved BIM.
- 7.4 The OOC shall maintain an accurate accounting of all money going into, and out of, the HOT/Tourism Fund. At any time as necessary or appropriate, OOC may conduct, or arrange for, an audit of the Fund for the current fiscal year or any previous period.
- 7.5 Consistent with its authority under 2 N.N.C. § 301(B)(9), at any time BFC may direct the Navajo Nation Auditor General to perform an audit of accounts, books, statements, receipts, documents, and other relevant materials related to any/all expenditures from the HOT/Tourism Fund. The Auditor General shall report its findings by the deadline specified in BFC directive.
- 7.6 At least once per fiscal year and before September 30 of each year, or more frequently if requested by BFC or RDC, OOC shall consult with the Department and the Office of the Navajo Tax Commission to prepare a written report on the HOT/Tourism Fund. Said report shall be presented to the requesting Committee by the deadline specified in the Committee's directive. For the period covered by said report, OOC shall explain and list all of the following:
- (a) all revenues deposited into the Fund;
 - (b) all expenditures from the Fund;
 - (c) all Projects for which funding requests are approved;
 - (d) the available balance in the Fund, current as of the date of the report;
 - (e) the amount of projected HOT revenues that are expected to be deposited into the Fund for the remainder of the current fiscal year;
 - (f) all pending requests for Allocations that have not been given final approval;
 - (g) other relevant information as directed by the requesting Committee.
- 7.7 At least once per fiscal year and before September 30, or more frequently if requested by BFC or RDC, the Department shall provide to the requesting Committee a written report on the current status of all approved Projects, including start date, to-date expenditures, encumbrances or

obligations, accomplishments, and projected completion date(s), as applicable.

SECTION 8 - NO REVERSION

- 8.1 Any Appropriations for the Department's annual budget that remain unspent or unencumbered at the end of the fiscal year shall NOT revert to either the General Fund or to the HOT/Tourism Fund. See 12 N.N.C. § 20(N)(1)(a). Rather such funds shall remain available in the Department's budget for the subsequent fiscal year, for use by the Department for the original purpose identified in the Department's budget.
- 8.2 Likewise, with respect to funds NOT appropriated for the Department's annual budget, any Allocations that remain unspent or unencumbered at the end of the fiscal year shall NOT revert to either the General Fund or to the HOT/Tourism Fund. See 12 N.N.C. §820(N)(1)(a). Rather, such funds shall remain available until the funds are fully expended for the designated Project for which the funds were originally approved.
- 8.3 Revenues deposited into the HOT/Tourism Fund during the fiscal year shall be immediately credited against expenditures from the Fund. Each fiscal year, the Fund balance as of midnight on September 30 shall carry over into the subsequent fiscal year without action and shall be available for Appropriations and Allocations consistent with this FMP.

Section 9 – Legislative Oversight

- ~~A. Pursuant to 2 N.T.C., Section 724 (g), the Economic Development Committee of the Navajo Nation Council shall serve as the oversight committee of the Division of Economic Development including those activities which deal with the planning, development, promotion and oversight of economic development activities.~~
- ~~B. Also, pursuant to 2 N.T.C., Section 374 (b) (1), and (b) (8), the Budget and Finance Committee shall review and recommend to the Navajo Nation Council the budgeting, appropriation, investment and management of all funds, including requiring reports from and to monitor the financial performance of all offices, divisions, departments, enterprises, authorities, committees, boards, commissions, or entities having oversight or control over fiscal matters or financial obligations to the Navajo Nation.~~

Section 10 – Amendments

~~The Division of Economic Development and the Navajo Tourism Department are authorized to develop and make recommendations to amend the Navajo Nation Tourism Fund's management plan to the Budget and Finance Committee of the Navajo Nation Council.~~

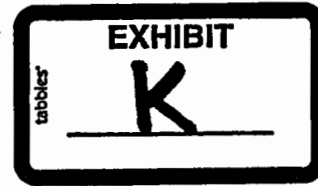
SECTION 9 - WAIVERS

- 9.1 Pursuant to 2 N.N.C. § 102, the Navajo Nation Council is the governing body of the Navajo Nation. As such, the Council reserves all powers not specifically delegated to others, and the Council also retains the authority to supervise all powers so delegated.
- 9.2 The Council therefore has the authority to waive any provision of this Fund Management Plan. Such waiver may be effected by a simple majority vote of all voting Council Delegates.

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- 10.1 Proposed amendments to this Fund Management Plan shall be prepared or reviewed by the Department. A written memorandum signed by the Director of the Department shall be attached as an exhibit to legislation drafted for approval of the proposed amendments. The Director's memo shall include a detailed explanation of the Department's opinion and/or recommendation regarding the proposed amendments.
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- 10.4 The legislation with proposed amendments shall be presented to RDC, pursuant to its oversight authority in 2 N.N.C. § 501(C).
- 10.5 The legislation with proposed amendments may be presented to other standing committees, as determined by the Speaker of the Navajo Nation Council in accordance with 2 N.N.C. § 164(A)(5).
- 10.6 Although review of proposed amendments by the Department and RDC is required, their approval, and the approval of other standing committees, shall not be binding.
- 10.7 The legislation with proposed amendments shall be presented to BFC, which pursuant to its authority under 2 N.N.C. § 301(B)(14), has final authority to approve the final version of amendments to the FMP.

Navajo Nation HOT/Tourism Fund: Fund Management Plan
approved pursuant to the Hotel Occupancy Tax, at 24 N.N.C. § 700-41



SECTION 1 - DEFINITIONS AND ACRONYMS

- 1.1 "Allocation" means the approval of money from the HOT/Tourism Fund pursuant to this Fund Management Plan.
- 1.2 "Appropriation" means the approval of money from the HOT/Tourism Fund in the Comprehensive Budget, for budgeting and use in particular a fiscal year.
- 1.3 "BFC" means the Budget & Finance Committee, a standing committee of the Navajo Nation Council.
- 1.4 "BIM" means the current Navajo Nation Budget Instructions Manual that is posted on the Office of Management & Budget website at www.omb.navajo-nsn.gov.
- 1.5 "Chapter" means any of the 110 certified Navajo Nation Chapters.
- 1.6 "Comprehensive Budget" means the Navajo Nation's annual fiscal year budget that is prepared, reviewed, and approved pursuant to the Navajo Nation Appropriations Act, codified at 12 N.N.C. § 800-80.
- 1.7 "Council" means the Navajo Nation Council.
- 1.8 "DCD" means the Navajo Nation Division of Community Development.
- 1.9 "Department" means the Navajo Tourism Department under the Navajo Nation Division of Economic Development.
- 1.10 "DOJ" means the Navajo Nation Department of Justice.
- 1.11 "External Entity" or "External Entities" has the same meaning as shown in the current Budget Instructions Manual.
- 1.12 "FMP" means this Fund Management Plan.
- 1.13 "HOT" means the Navajo Nation Hotel Occupancy Tax codified at 24 N.N.C. § 700-41 (as amended by CJY-27-92, CJY-52-95, CJA-06-09, and CAP-16-23).
- 1.14 "HOT/Tourism Fund" means the Fund established under the Hotel Occupancy Tax, codified at 24 N.N.C. § 741(A).
- 1.15 "OMB" means the Navajo Nation Office of Management & Budget.
- 1.16 "OOC" means the Navajo Nation Office of the Controller.
- 1.17 "Program" means any division, department, office, agency, program, commission, committee, board, or other entity that is part of the Navajo Nation government, other than the Department.
- 1.18 "Project" means any purpose, goal, activity, facility, program, that is funded, or is to be funded, with an Allocation.
- 1.19 "RDC" means the Resources & Development Committee, a standing committee of the Navajo

SECTION 2 - HISTORY AND AUTHORITY

- 2.1 On January 1, 1993, the Hotel Occupancy Tax came into effect. Pursuant to 24 N.N.C. § 741, after certain mandatory allocations, net HOT revenues are deposited into the HOT/Tourism Fund.
- 2.2 24 N.N.C. § 741 gives the Budget & Finance Committee final approval authority for the Fund Management Plan for the HOT/Tourism Fund. In 1993, BFC approved the original FMP via Resolution No. BFO-56-93.
- 2.3 In 2009, the Council amended the HOT statute so that HOT revenues collected from motels and hotels within Navajo tribal parks could only be used by the Navajo Parks & Recreation Department (see 24 N.N.C. §741(B) and Resolution No. CJA-06-09).
- 2.4 Since the 2009 HOT amendment, all HOT revenues collected both from within Navajo Nation parks and from locations outside the parks have been deposited into the HOT/Tourism Fund without identifying the source of such revenues; all incoming revenues have been comingled making it impossible to designate which dollars in the HOT/Tourism Fund were available for Programs other than the Navajo Parks & Recreation Department.
- 2.5 The Council therefore approved Resolution No. CAP-16-23 that became effective May 5, 2023. CAP-16-23 now permits Allocations of money in the HOT/Tourism Fund to the Department or any Program for tourism-related Projects, but only after the Fund is first used to cover the Department's annual fiscal year budget.
- 2.6 In accordance with CAP-16-23 and the amended 24 N.N.C. § 741, BFC retains its final approval authority over the FMP.
- 2.7 Pursuant to 2 N.N.C. § 501(C)(1) the Resources & Development Committee has oversight authority over the Division of Economic Development and its subordinate departments and programs, including the Department. See GSCAP-12-07 and RDCO-055-19 (amendments to Plan of Operation for Division of Economic Development). Therefore, RDC reviews and considers amendments to the FMP, before presentation to BFC for final approval.

SECTION 3 - PURPOSES

- 3.1 The HOT/Tourism Fund is a source of funding primarily for the Department's annual fiscal year budget (Appropriation), and secondarily for other tourism-related Projects (Allocations), whether such Projects are implemented by the Department, or by Programs, Chapters, or External Entities.
- 3.2 The HOT/Tourism Fund shall be used to advertise and promote a positive image of Navajo culture and tradition, the Navajo People, and the Navajo Nation as a beautiful, unique, and wondrous place to visit or to spend vacation time.
- 3.3 The HOT/Tourism Fund shall be used for Projects that encourage, facilitate, and accommodate non-resident travel and tourist activities within the Navajo Nation. Such travel and activities

will improve the Navajo Nation's overall economy, facilitate the creation of tourism-related jobs, the sales of arts and crafts and traditional wares and foods, and will generally provide economic opportunities for the Navajo People and local businesses.

SECTION 4 - ELIGIBLE PARTIES

- 4.1 As stated in Subsection 3.1, the Department's annual budget is the first to be funded by an Appropriation from the HOT/Tourism Fund. The remaining balance in the Fund is then available for other funding requests and Allocations.
- 4.2 Funding from the HOT/Tourism Fund is not available for individual persons.
- 4.3 Other funding requests shall only be approved for the Department, Programs, Chapters, and External Entities.
- 4.4. Aside from Appropriations from the HOT/Tourism Fund in the Comprehensive Budget, the Department is authorized on its own to apply for, and receive, Allocations from the HOT/Tourism Fund, unless the Department is under a sanction pursuant to 12 N.N.C. § 9. See Section 6 of this FMP, specifically Subsection 6.5.
- 4.5 Any Program is authorized on its own to apply for, and receive, Allocations from the HOT/Tourism Fund, unless the requesting Program is under a sanction pursuant to 12 N.N.C. § 9. See Section 6 of this FMP, specifically Subsection 6.5.
- 4.6 Unless under a sanction pursuant to 12 N.N.C. § 9, any Chapter is authorized to receive Allocations from the HOT/Tourism Fund only by working with DCD, regardless of any Chapter authority under 26 N.N.C. § 103. See Section 6 of this FMP, specifically Subsection 6.6.
- 4.7 Unless under a formal sanction, debarred, suspended, or deemed by DOJ to be ineligible under 12 N.N.C. § 1504-05, any External Entity is authorized to receive Allocations from the HOT/Tourism Fund only by working with the Department or a Program. See Section 6 of this FMP, specifically Subsection 6.7.

SECTION 5 - TOURISM DEPARTMENT'S ANNUAL BUDGET

- 5.1 No later than July 1 of each fiscal year, the Department shall prepare and present to RDC, the Department's proposed annual budget for the upcoming fiscal year. The Department's budget may be included as part of the proposed budget for the Division of Economic Development that is presented to the Council as part of the Comprehensive Budget.
- 5.2 In the Comprehensive Budget the Council shall appropriate money from the HOT/Tourism Fund first to cover the Department's proposed budget for the upcoming fiscal year. No other Appropriations from the HOT/Tourism Fund shall be made in the Comprehensive Budget.
- 5.3 In the Comprehensive Budget, the Council must know the distinct and predictable dollar amount in the HOT/Tourism Fund as it considers the Department's proposed budget for the upcoming fiscal year. Therefore, the following conditions shall apply:
 - (a) except for the Department's annual budget, no requests for money from the HOT/Tourism Fund for use in a particular fiscal year may be submitted until after the Comprehensive

Budget for the same fiscal year is signed into law;

- (b) after the Comprehensive Budget becomes law, the remaining balance in the Fund shall then become available for other funding requests and Allocations;
- (c) after the Comprehensive Budget becomes law, upon written request submitted to OOC, OOC shall issue a written memorandum showing the available balance in the Fund, which figure shall be current as of the date of the OOC memo.

SECTION 6 - OTHER FUNDING REQUESTS

- 6.1 This Section 6 pertains to funding requests and Allocations to the Department and Programs, Chapters, and External Entities, that are not related to the Department's annual fiscal year budget.
- 6.2 Parties seeking funding should become familiar with the specific provisions in the BIM that apply to their particular funding request, as well as the BIM provisions regarding reporting and accountability for expenditures of Navajo Nation funds.
- 6.3 Funding requests must pertain to tourism-related Projects, and all proposed expenditures must facilitate or further such Projects. A funding request must include a detailed explanation of the Project, how the funding requested will facilitate or further a tourism-related purpose, and how the Project will benefit the Navajo People, Navajo-owned businesses, and/or the Navajo Nation.
- 6.4 Required supporting documents.
 - 6.4.1 All funding requests must be approved by the party requesting funds. A written memorandum or letter signed by the Director, Manager, President, Chairperson, Chief Executive Officer, Chapter President, or other Head of the requesting party shall be attached to the funding request. Such memo or letter must include all of the following:
 - (a) the dollar amount of funds the party is requesting;
 - (b) a description of the requesting party's needs for the dollar amount of funds requested;
 - (c) an explanation why the requesting party is the most appropriate party to receive funds and/or implement and carry out the Project;
 - (d) the estimated date of completion of the Project or phase(s) of the Project, or the expected date when all funds will be fully expended;
 - (d) a list of all other money from the HOT/Tourism Fund that has been previously received by the requesting party, with an explanation of how the money was spent; and
 - (e) a list of funds from sources other than the HOT/Tourism Fund, if any, which funds are designated for the same Project and have been received or are expected to be received during the same fiscal year for which HOT/Tourism Fund monies are being requested; such list should include dollar amounts, expected date(s) when other funding will be received, any documentation of received funding or pending application(s) for other funding, and other relevant information.
 - 6.4.2 For all Chapters, funding requests must be accompanied by a duly-approved Chapter

Resolution showing the Chapter's support for the funding request and the proposed Project.

- 6.4.3 All funding requests must be reviewed by the Department. A written memorandum signed by the Department Director shall be attached to the funding request. The Director's memorandum shall explain the Department's opinion or recommendation as to whether or not the funding request should be approved; such opinion or recommendation shall not be binding.
- 6.4.4 A written memorandum from OOC must be submitted with the funding request. The OOC memo shall identify the HOT/Tourism Fund's balance available for Allocations, which figure shall be current as of the date of the OOC memo.
- 6.4.5 Completed and signed Navajo Nation Budget Forms or other relevant forms and documents, as determined by OMB, must be submitted with the funding request. A written memorandum from OMB must also be submitted with the funding request, which memo shall verify that all provided forms are properly completed and signed, and no required forms or other documents are missing.
- 6.4.6 A detailed list showing a breakdown of how each dollar will be spent, must be prepared and submitted with the funding request. If available, the funding request should include a cost estimate for the entire Project, or a portion or phase(s) of the Project, or the Project's estimated annual operating costs.
- 6.4.7 If the Project will have ongoing operation and maintenance costs, or ongoing operating costs, the funding request must include an explanation of how such costs will be paid and the planned source of funding for covering such costs.
- 6.5 The Department and Programs seeking funds should consult with OMB to ensure that all proper steps are taken and all required forms are completed and signed. Except for Subsections 6.4.2, 6.6, and 6.7, all provisions in this Section 6 shall apply to funding requests submitted by the Department on its own behalf, or by a Program on its own behalf.
- 6.6 Chapters.
 - (a) All Chapters must work with DCD to apply for funds, and DCD shall prepare and submit the funding request on behalf of the requesting Chapter.
 - (b) The requesting Chapter and DCD should consult with the Department and OMB, to ensure that all proper steps are taken and all proper forms are completed and signed as required.
 - (c) In order to receive funds, a requesting Chapter must enter into a legal agreement with DCD for the disbursement of funds, and said agreement must be approved by the signature of a DOJ attorney or advocate. Said agreement shall include a fixed drawdown schedule for payments to the provider of goods and/or services for the Project.
 - (d) Once a funding request is approved for a Chapter Project, the approved funds shall be provided to DCD in a lump sum. The DCD shall then incrementally disburse the approved funds by making payments directly to the provider of goods and/or services for the Project. All such payments shall comply with the fixed drawdown schedule for the Project.
 - (e) The DCD shall be responsible for overseeing and managing all expenditures of funds

approved for all Chapter Projects, and for providing reports on Project expenditures.

- (f) Except for Subsections 6.5 and 6.7, all provisions in this Section 6 shall apply to funding requests for all Chapters.

6.7 External Entities.

- (a) External Entities must work with the Department or a Program to apply for funds, and the Department or assisting Program shall prepare and submit the funding request on behalf of the External Entity.
- (b) External Entities shall not apply for, or receive, funding from the HOT/Tourism Fund through any Chapter.
- (c) In order to receive funds, External Entities must enter into a legal agreement with the Department or the assisting Program for the disbursement of funds, and said agreement must be approved by the signature of a DOJ attorney or advocate. Said agreement shall include a fixed drawdown schedule for payments either to the External Entity or directly to the provider of goods and/or services for the Project.
- (d) Once a funding request is approved, the approved funds shall be provided to the Department or the assisting Program, in a lump sum. As determined in writing by DOJ, the Department or assisting Program shall incrementally disburse the funds to the External Entity, or shall make payments directly to the provider of goods and/or services for the Project. All such payments shall comply with the fixed drawdown schedule for the Project.
- (e) The Department or assisting Program shall be responsible for overseeing and managing all expenditures of funds approved for External Entities, and for providing reports on Project expenditures.
- (f) Except for Subsections 6.4.2, 6.5, and 6.6, all provisions in this Section 6 shall apply to funding requests submitted on behalf of External Entities.

6.8 The funding request and all relevant forms and required supporting documents shall be attached as exhibits to proposed legislation that shall be entered into the legislative process pursuant to the applicable provisions of 2 N.N.C. § 164(A).

6.9 Final approval of a funding request shall be in accordance with 2 N.N.C. § 221(B) and 2 N.N.C. § 164(A)(17).

SECTION 7 - ACCOUNTING AND MONITORING

7.1 Pursuant to 24 N.N.C. § 741(A), the HOT/Tourism Fund was established as an account separate from the Navajo Nation's General Fund to collect the HOT revenue going into the Fund.

7.2 Regarding accounting and management of the HOT/Tourism Fund, OOC and OMB shall act consistent with their respective duties and responsibilities under their respective Plans of Operation and applicable Navajo Nation laws and regulations.

7.3 The OOC and OMB shall regularly monitor the HOT/Tourism Fund account to ensure that maintenance of the Fund, as well as all funding requests and expenditures, are in full compliance

with all applicable Navajo Nation laws, regulations, policies, and the current approved BIM.

- 7.4 The OOC shall maintain an accurate accounting of all money going into, and out of, the HOT/Tourism Fund. At any time as necessary or appropriate, OOC may conduct, or arrange for, an audit of the Fund for the current fiscal year or any previous period.
- 7.5 Consistent with its authority under 2 N.N.C. § 301(B)(9), at any time BFC may direct the Navajo Nation Auditor General to perform an audit of accounts, books, statements, receipts, documents, and other relevant materials related to any/all expenditures from the HOT/Tourism Fund. The Auditor General shall report its findings by the deadline specified in the BFC directive.
- 7.6 At least once per fiscal year and before September 30 of each year, or more frequently if requested by BFC or RDC, OOC shall consult with the Department and the Office of the Navajo Tax Commission to prepare a written report on the HOT/Tourism Fund. Said report shall be presented to the requesting Committee by the deadline specified in the Committee's directive. For the period covered by said report, OOC shall explain and list all of the following:
- (a) all revenues deposited into the Fund;
 - (b) all expenditures from the Fund;
 - (c) all Projects for which funding requests are approved;
 - (d) the available balance in the Fund, current as of the date of the report;
 - (e) the amount of projected HOT revenues that are expected to be deposited into the Fund for the remainder of the current fiscal year;
 - (f) all pending requests for Allocations that have not been given final approval;
 - (g) other relevant information as directed by the requesting Committee.
- 7.7 At least once per fiscal year and before September 30, or more frequently if requested by BFC or RDC, the Department shall provide to the requesting Committee a written report on the current status of all approved Projects, including start date, to-date expenditures, encumbrances or obligations, accomplishments, and projected completion date(s), as applicable.

SECTION 8 - NO REVERSION

- 8.1 Any Appropriations for the Department's annual budget that remain unspent or unencumbered at the end of the fiscal year shall NOT revert to either the General Fund or to the HOT/Tourism Fund. See 12 N.N.C. § 20(N)(1)(a). Rather such funds shall remain available in the Department's budget for the subsequent fiscal year, for use by the Department for the original purpose identified in the Department's budget.
- 8.2 Likewise, with respect to funds NOT appropriated for the Department's annual budget, any Allocations that remain unspent or unencumbered at the end of the fiscal year shall NOT revert to either the General Fund or to the HOT/Tourism Fund. See 12 N.N.C. §820(N)(1)(a). Rather, such funds shall remain available until the funds are fully expended for the designated Project for which the funds were originally approved.

- 8.3 Revenues deposited into the HOT/Tourism Fund during the fiscal year shall be immediately credited against expenditures from the Fund. Each fiscal year, the Fund balance as of midnight on September 30 shall carry over into the subsequent fiscal year without action and shall be available for Appropriations and Allocations consistent with this FMP.

SECTION 9 - WAIVERS

- 9.1 Pursuant to 2 N.N.C. § 102, the Navajo Nation Council is the governing body of the Navajo Nation. As such, the Council reserves all powers not specifically delegated to others, and the Council also retains the authority to supervise all powers so delegated.
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BUDGET AND FINANCE COMMITTEE

April 10, 2024

Special Meeting

VOTE TALLY SHEET:

Legislation No. 0054-24: An action relating to the Resources and Development Committee and the Budget and Finance Committee; Approving amendments to the Fund Management Plan for the HOT/Tourism Fund and Waiving Other Inconsistent Committee Resolutions

Sponsor: Carl R. Slater, Crystalyne Curley, Eugenia Charles-Newton, Council Delegates


Motion: Norman M. Begay

Second: Lomardo Aseret

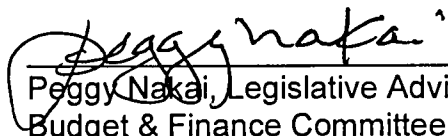
Vote: 5-0, Chairperson not voting

Final Vote Tally:

Lomardo Aseret	y	
Norman M. Begay	y	
Amber K. Crotty	y	
Lester Yazzie	y	
Shaandiin Parrish		
Carl R. Slater	y	



Shaandiin Parrish, Chairperson
Budget & Finance Committee



Peggy Nakai, Legislative Advisor
Budget & Finance Committee