

Effective banking and investment practices:

- ◆ Select banking and investment services through a competitive process to ensure these services meet the needs of the tribal entity.
- ◆ Select financial institutions insured by the Federal Deposit Insurance Corporation (“FDIC”) or National Credit Union Share Insurance Fund (“NCUSIF”).
- ◆ Develop written account management procedures which clearly state which positions, i.e. Program Director, Financial Manager, Tribal Administrator, have authority to open and access bank accounts for the tribal entity.

Investment policy:

- ◆ States the responsibilities of the governing body for setting investment goals, opening investment accounts, and choosing investment managers.
- ◆ Defines the amount of risk that can be taken when making investment decisions.
- ◆ Describes how investment gains/losses will be reported and monitored.
- ◆ Describes how investment earnings will be used.
- ◆ Sets physical security standards for investment documents and online security standards for investment electronic accounts.

Petty cash policy:

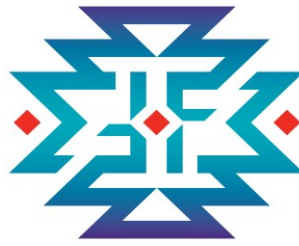
- ◆ The purpose of the petty cash fund is to have an accessible amount of cash available to pay for minor purchases. Petty cash can be used as allowable under a grantees financial policies and procedures
- ◆ The petty cash is kept in the safekeeping of the designated custodian who keeps track of payouts from the fund with receipts.
- ◆ The amount of cash on hand and the receipts should always total the amount of authorized petty cash.
- ◆ When the petty cash fund is low, the custodian requests a check to replenish the cash it has paid out.
- ◆ Additional questions to consider:
 - ◆ How much cash does the tribal entity need to keep on-hand?
 - ◆ What kinds of things should the petty cash be used for?
 - ◆ Who can authorize a petty cash account?
 - ◆ How is the petty cash account safeguarded?
 - ◆ How is the petty cash account reconciled?
 - ◆ What is the process for re-filling the petty cash account?
 - ◆ Who will be the custodian of the petty cash account?

Line of credit/borrowing policy:

- ◆ The Council/Board makes an arrangement with a financial institution (bank) for access to a loan with a pre-set borrowing limit. This is called a line of credit.
- ◆ The Council/Board determines when the line of credit should be used. For example, during a short-term negative cash flow situation.
- ◆ The Council/Board sets the guidelines for who is authorized to draw funds from the line of credit.
- ◆ The Council/Board determines responsibility for reporting and reconciling line of credit balances.

Resources

- ◆ **DOJ Grants Financial Guide** https://ojp.gov/financialguide/doj/pdfs/DOJ_FinancialGuide.pdf



The **OVC Tribal Financial Management Center (OVC TFMC)** provides **training, technical assistance, and resources** to support American Indian and Alaska Native communities as they successfully manage the financial aspects of their federal awards. OVC TFMC also offers support via our Virtual Support Center (VSC) to Office for Victims of Crime (OVC) grantees and those seeking federal funding from OVC for the first time. **Email questions or requests for grant financial management technical assistance to TFMC@OVCTFMC.org or call 703.462.6900. Visit OVCTFMC.org for additional resources and information.**

Feedback Requested

OVC TFMC will continually work to provide resources to support grantees as they successfully manage their OVC financial awards. Your feedback assists us in creating these resources to meet your needs. To help us provide the most useful resources, we would appreciate your feedback on this guide sheet. Please send any comments or suggestions to Evaluation@OVCTFMC.org.

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