I. AUTHORIZATION

A. Pursuant to 26 N.N.C., Section 101 (A), Beclabito Chapter is required to formulate, implement, and operate under a Five Management Systems to ensure accountability.

B. The Chapter has developed policies and procedures for the Five Management System, consistent with applicable Navajo Nation laws.

C. Pursuant to Beclabito Chapter Resolution #BECL-09-07-41, the Property Management Policies and Procedures Manual is hereby approved and adopted.

II. PURPOSE AND SCOPE OF POLICY

A. These policies set forth the authority, principles and policies governing the accounting for all Chapter property in terms of dollar value, units and location(s); and prescribe the Chapter administrative functions and Chapter Officials’ policy-making functions within the Chapter.

B. These policies also provide the basis for the implementation of the general supervision over procedures necessary to organize and protect all Chapter assets, through the maintenance of records, performance of inventories, thereby ensuring the provision of adequate and economical warehousing, receipt and delivery of Chapter properties.

C. The general principles of these policies are applicable to all employees and members of the Chapter, including Chapter Officials, who will monitor property management to ensure that property records are maintained and that these policies and procedures are enforced.

III. AMENDMENTS

Refer to Records Management Policy and Procedure Manual Section III.

IV. GENERAL STATEMENT OF POLICIES

A. The Chapter staff and Chapter Officials shall be responsible to ensure accurate inventory control and safekeeping of all Chapter property. In event of loss, the Chapter staff and Chapter Officials shall be prepared to show the precautionary actions taken to guard against loss, damage, theft, etc. The Chapter shall maintain adequate insurance coverage. Liability insurance coverage shall be mandatory, where required by law. All Chapter properties are for usage for Chapter business only.
B. An individual may be required to assume accountability for property remotely located. In such instances, they are required to maintain records which will show at all times, the general location of such property and the individuals responsible for its care and safekeeping.

C. Any person who, without authority, sells or otherwise disposes of Chapter property or through neglect allows Chapter property to be lost, or damaged, destroyed, sold or wrongly disposed of, may be lawfully punished pursuant to Navajo Nation laws.

D. Chapter property shall be identified by marking and/or tagging unless such marking would impair the utility of the item.

E. Chapter property records shall include serial numbers, quantity, condition and insurance for proper identification of items and to ensure proper reporting losses.

F. Chapter property shall be kept on the Chapter premises, except where it has been approved for other locations by the Chapter Manager.

G. All property discovered upon annual inventory (tagged or not) will be accounted and recorded as Chapter property.

H. The Chapter Manager shall report the existence or discovery of property, to safeguard; and secure such property until legal responsibility for it is established and proper authority assumes possession.

I. All property and equipment of significant value ($1000.00 and over) shall be capitalized and recorded in the Chapter’s fixed asset accounts.

J. All Capital Expenditure shall be included in a Chapter-approved budget and recorded as an expense in the year of their purchase. At the end of the fiscal year, the asset will be transferred to the General Fixed Assets Account Group (GFAAG).

K. The Chapter shall request for the release of all titles held by the Navajo Nation Property Management Department upon LGA Certification, and the Chapter shall maintain all aspects of the property it obtains from Navajo Nation Property Management Department establishing legal ownership.

V. GENERAL DUTIES AND RESPONSIBILITIES

A. Chapter Administrative Responsibilities:

The Chapter administration shall follow the duties and responsibilities prescribed in the Property Policies and Procedures enacted by the Chapter.

1. The Chapter Manager shall:
a. Be responsible and accountable for all Chapter property and shall be the designated property custodian.

b. Co-sign all checks for payment to vendors, along with the Chapter Secretary/Treasurer, and the Chapter President or the Vice President if the Secretary/Treasurer is not available.

c. Verify purchases to ensure costs are reasonable; materials as suitable, quantity and intended use are in the best interest of the Chapter.

d. Reconcile the Chapter inventory list maintained by the Office Specialist on an annual basis, and the re-sale inventory on a monthly basis.

e. Have the discretion of maintaining a separate inventory for assets not meeting the capitalization requirements, which shall be expensed when purchased.

f. Acquire Chapter property on an installment plan, with the approval of the Chapter Officials and report back to the Chapter membership on the purchase(s).

g. Be responsible for ensuring rental equipment is used for its approved purpose and for enforcing the Chapter approved rental fees.

2. The Office Specialist shall:

a. Prepare the paperwork necessary for the acquisition of property and equipment including preparing purchase requisition and issuing purchase order.

b. Inspect equipment purchased, verify complete orders per invoices, and process payments.

c. Obtaining advance approval from Chapter Officials and community members regarding Chapter property.

d. Comply with the Procurement Policies and Procedures Manual for any and all acquisitions.

B. Chapter Official responsibility:

1. The Chapter President shall:

a. Work closely with the Vice-President and Secretary/Treasurer, to ensure that the Chapter administration is adequately meeting the Chapter's directives.
b. Expend funds according to conditions of the Budget Instruction Manual and/or the Chapter’s annual budgetary objectives.

c. Sign all contracts, resolutions and other documents on behalf of the Chapter after approval by the Chapter membership.

d. Monitor and review the property management and activities of the Chapter administration, on a quarterly basis.

e. Work toward resolving any discrepancies, irregularities or illegalities on the property control process.

2. The Chapter Vice-President shall:

a. In the absence of the President, the Vice President will assume delegated duties and responsibility for a reasonable time period or until the President is available.

b. Assist in the review of the Chapter Property control process on a quarterly basis.

3. The Secretary/Treasurer shall:

a. Monitor the maintenance of an accounting system to ensure accountability of all funds and expenditures.

b. Report all financial activities to the Chapter President and membership on a monthly basis.

c. Co-sign Chapter checks along with the Chapter Manager.

d. Monitor and review the Chapter's property control records on a monthly basis.

e. Work towards resolving any discrepancies, irregularities, or illegalities in the property control process.

VI. PROPERTY ACQUISITION

A. Policies:

1. It shall be the policy of Beclabito Chapter to acquire personal and real property through purchase, donation and transfer or assumption of abandoned property found within the Chapter’s premise.

2. All property purchases shall follow the Beclabito Chapter's Procurement Policies and Procedures manual where applicable.
B. Procedures:

The following procedures will apply for all property acquisitions:

1. Property:

   a. The Office Specialist will prepare all the necessary documents to initiate the purchase of property and equipment according to the Procurement Policy and Procedure.

   b. The Chapter Manager may acquire or purchase property and equipment, through use of check, or on an installment /lease plan, with the approval of the community membership.

   c. The Chapter Manager and Chapter President will sign property acquisition documents on behalf of the Chapter.

   d. The Office Specialist will perform the various functions, such as:

      1. Obtaining advanced approval from the Chapter Manager
      2. Preparing the purchase requisition or Budget Fund Approval Form
      3. Issuing the purchase order
      4. Inspecting goods
      5. Processing payments
      6. Completing Property Identification Sheet

   e. The Chapter Manager will review all documents for completeness and accuracy before co-signing the check for payment, along with the Secretary/Treasurer.

   f. When an agreement is set up with the vendor where installment payment is due, the Office Specialist shall process the Budget Fund Approval Form in accordance to the Procurement Policies and Procedures Section VII (A). Subsequent payments will be made in the same manner.

   g. The Chapter Manager shall update the property records/inventory to reflect acquisition immediately.

2. Acceptance of donation or gifts:

   a. Policies:

      1). All donations of items or gifts of property and equipment shall be addressed in writing to the Chapter.
2. The Chapter Manager will be responsible for the acceptance or rejection of the donated property or equipment offered to the Chapter.

b. Procedures:

1). The Chapter Manager will assess the proposed offer, or donation; advise and consult with the Chapter Officials of the cost or benefits of accepting the donation, or gifts.

2). The Chapter Manager will estimate the value of the donated property or equipment at its fair market value at the time the donation or gift proposed and accepted.

3). Chapter Manager will submit a written notification to the Chapter Officials with the intent to accept donation or gift offered.

4). If accepted, the Office Specialist will tag and record the property or equipment in the appropriate general and subsidiary ledgers, including the General Fixed Assets Account Group (GFAAG).

3. Abandoned Property:

a. Policy:

Any and all property found abandoned within Chapter premises shall become the property of the Chapter.

b. Procedures:

1) If abandoned property is found, the Office Specialist/Chapter Manager will inform the Chapter Officials about the found property as soon as it is identified.

2) The rightful owner will be given thirty (30) calendar days to identify and request the property or establish ownership.

3) In the event there is no claim, the Chapter Manager will determine whether the property or equipment found abandoned becomes the property of the Beclabito Chapter.

4) The Chapter Manager will then notify and consult with the Chapter Officials regarding unclaimed property and/or equipment.
5) If the property or equipment is unacceptable as Chapter property, the property will be turned over to the local police department or dispose of the property.

6) The Chapter Manager will estimate the value of property found or abandoned at its fair-market value at the time of discovery. The date the property officially becomes Chapter property will be used as the purchased date.

7) The Office Specialist will tag and record any accepted property or equipment in the appropriate general and subsidiary ledgers including the GFAAG.

4. Property and/or Equipment Transfer

a. Policies:

1). All transfer of property and equipment shall be addressed in writing to the Chapter.

2). The Chapter Manager will be responsible for the acceptance or rejection of the transferred property or equipment offered to the Chapter.

b. Procedures:

1). The Chapter Manager will assess the proposed transfer and consult with the Chapter Officials concerning the costs or benefits of accepting or rejecting the transfer of property or equipment.

2). The Chapter Manager will estimate the value of the transferred property or equipment at the fair market value at the time the transfer is proposed and accepted.

3). If accepted and transferred, the Office Specialist will tag and record the transferred property or equipment in the appropriate general and subsidiary ledgers, including the GFAAG.

VII. PROPERTY IDENTIFICATION, CLASSIFICATION AND RECORDS

A. Policies:

1. The Beclabito Chapter shall maintain a complete, detailed and accurate identification of all Chapter properties at all times and to be reconciled annually.
2. All updates and reviews shall take place upon the resignation, termination, hiring or term of the Chapter Manager, Chapter Officials, or Chapter Staff within the Chapter administration to account for all property and equipment.

3. All properties of the Chapter shall be identified, classified and recorded on the Chapter Physical Equipment Inventory form.

4. All properties of the Chapter shall be tagged with the Chapter’s property number.

B. Procedures:

1. The Chapter Manager/Office Specialist will be responsible for classifying all chapter properties into the following categories:

a. Expendable
   1). Supplies
   2). Materials

b. Non-expendable (Non-capitalized, value less than $1000):
   1). Tool
   2). Furniture
   3). Equipment

c. Non-expendable (Capitalized, value of $1000 or more):
   1). Tool
   2). Furniture
   3). Equipment

d. Personal Property (Fixed asset, value less than $1000):
   1). Improvements
   2). Equipments
   3). Fixtures

e. Real property (Fixed asset, value of more than $1000):
   1). Improvement
   2). Building
   3). Land

2. The Chapter Manager/Office Specialist will record the proper classification of Chapter property to the Fixed Asset Inventory sheet, containing the following information:

   a. Property numbers  b. Description  c. Classification
   d. Serial number    e. Acquisition cost  f. Value
   g. Condition

3. The Chapter Manager/Office Specialist will ensure that the property identification, availability, and location of fixed assets are recorded on the
Fixed Inventory sheet, and filed securely in a locked safe.

4. If the date of purchase is unknown, the beginning fiscal year date shall be utilized, with specific notation regarding the substituted date.

5. If the purchase price is unknown, it will be estimated at the fair market value.

6. The value of donated equipment will be estimated at the current fair market value at the time of acquisition.

7. The total value of all listed property and equipment will be recorded in the GFAAG.

8. The Chapter Manager/Office Specialist will record and report the Chapter’s general fixed assets in its accounting records and financial statements, in accordance with the following example:

   a. The General Ledger - Fixed Assets

<table>
<thead>
<tr>
<th>DATE</th>
<th>ITEM</th>
<th>REF.</th>
<th>DEBIT</th>
<th>CREDIT</th>
<th>BALANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/1</td>
<td>Beg. Bal.</td>
<td></td>
<td></td>
<td></td>
<td>35,000</td>
</tr>
<tr>
<td>12/31</td>
<td>Machinery &amp; Equipment</td>
<td>GF</td>
<td>20,000</td>
<td></td>
<td>55,000</td>
</tr>
<tr>
<td>12/31</td>
<td>Office Equipment</td>
<td>GF</td>
<td>7,500</td>
<td></td>
<td>62,500</td>
</tr>
</tbody>
</table>

   Subsidiary Ledgers are detailed records and amounts of individual property items listed as general fixed assets (buildings, infrastructure or improvements other than buildings, machinery and equipment, and construction in progress). These ledgers permit for reconciliation between the General Ledger and Subsidiary Ledgers. The following are examples of fixed assets subsidiary ledgers:

   b. Fixed Asset Subsidiary Ledger-Machinery & Equipment:

<table>
<thead>
<tr>
<th>DATE</th>
<th>ITEM</th>
<th>REF.</th>
<th>DEBIT</th>
<th>CREDIT</th>
<th>BALANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/1</td>
<td>Beg. Bal.</td>
<td></td>
<td></td>
<td></td>
<td>25,000</td>
</tr>
<tr>
<td>12/31</td>
<td>GMC TRUCK</td>
<td>GF</td>
<td>10,000</td>
<td></td>
<td>35,000</td>
</tr>
<tr>
<td>12/31</td>
<td>CHEVY TRUCK</td>
<td>GF</td>
<td>10,000</td>
<td></td>
<td>45,000</td>
</tr>
</tbody>
</table>

   c. Fixed Asset Subsidiary Ledger-Office Equipment:

<table>
<thead>
<tr>
<th>DATE</th>
<th>ITEM</th>
<th>REF.</th>
<th>DEBIT</th>
<th>CREDIT</th>
<th>BALANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/1</td>
<td>Beg. Bal.</td>
<td></td>
<td></td>
<td></td>
<td>10,000</td>
</tr>
<tr>
<td>12/31</td>
<td>IBM COMPUTER</td>
<td>GF</td>
<td>5,000</td>
<td></td>
<td>15,000</td>
</tr>
<tr>
<td>12/31</td>
<td>CONF. RM TABLE</td>
<td>GF</td>
<td>2,500</td>
<td></td>
<td>17,500</td>
</tr>
</tbody>
</table>

   d. Fixed Asset Inventory Sheet:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Machinery and Equipment</td>
<td>$45,000</td>
</tr>
<tr>
<td>Office Equipment</td>
<td>$17,500</td>
</tr>
</tbody>
</table>
The Fixed Asset Inventory Sheet is basically a running total of all general fixed assets. Generally, this information is obtained from the Chapter’s Physical Equipment Inventory form.

VIII. PHYSICAL INVENTORY OF PROPERTY

A. Policy:

1. The Chapter shall conduct and maintain a complete, detailed and accurate physical inventory of all Chapter property and shall assign each piece of property to its proper category using the Property Assignment form and reconcile the entire property list annually.

2. An update or review shall be completed upon the hiring, new elected term, resignation, or termination of the Chapter administration and Chapter Officials.

B. Procedures:

1. The Chapter Manager and the Office Specialist will conduct the physical inventory, based on actual observation and identification of each piece of property using the Chapter Physical Equipment Inventory form (Exhibit A).

2. A property condition check will be a part of the inventory count and will be recorded on the Chapter Physical Equipment Inventory form.

3. The Office Specialist will ensure that all pertinent records and documentation of all Chapter property are kept on file including invoices, warranties and titles.

4. At the beginning of the fiscal year (October 1st) the Chapter Manager will provide a copy of the most current inventory listing to the Navajo Nation Risk Management Department or upon new purchases or disposition of any real or personal property.

5. The Chapter Manager will consult with the Navajo Nation Risk Management Department annually, as part of the budget process, to determine that insurance costs are appropriate and property inventory is sufficiently insured at all times.

6. The Chapter Manager and Office Specialist will reconcile and adjust the inventory form for accuracy and completeness on an annual basis or upon new acquisition and disposition.

IX. LOST, STOLEN OR DAMAGED PROPERTY
A. Policies:

1. Pertinent records and documentation of all Chapter property shall be kept on file including invoices, warranties and titles to ensure protection against property lost, stolen or damaged.

2. To prevent loss of any Chapter property, all property shall be tagged and records kept on file.

3. To prevent theft or damage of any Chapter property, all property shall be secured in its proper place at all times.

B. Procedures:

1. The Chapter Manager will provide a copy of current Property Inventory sheet to the Navajo Nation Risk Management Department, for insurance coverage.

2. The Office Specialist will check all locations to ensure the property and/or equipment have not been lost, stolen or damaged.

3. In the event the property becomes missing, stolen, or vandalized, the Chapter Manager or Office Specialist will immediately notify law enforcement and obtain a written police report.

4. The Chapter Manager will immediately notify the Chapter Officials of the incident.

5. The Office Specialist will compile all information from the latest physical inventory for the purpose of providing an estimate of the cost of the item(s) that were stolen, vandalized or damaged, to Risk Management Department.

6. The Chapter Manager will submit a memorandum and a copy of the police report to the Risk Management Department, Navajo Nation, Window Rock, Arizona along with all essential information regarding the property.

7. The Office Specialist will take any damaged and/or recovered property from the Chapter and send it to a vendor to obtain a cost estimate on the following:

   a. Repair cost
   
   b. Replacement cost through new purchase, if the repair cost exceeds the acquisition cost

8. The Chapter Manager will review insurance records to determine adequate coverage.
9. Each time a new general fixed asset is acquired, the Chapter Manager will obtain insurance coverage.

X. PROPERTY MAINTENANCE AND STORAGE

A. Policies:

1. All property shall be maintained on Chapter premises unless temporarily rented, repaired, etc.

2. All property and equipment shall have a preventive maintenance/repair schedule.

3. All property shall be used according to guidelines established to prevent high maintenance.

4. The Chapter shall provide reasonable security for Chapter property to ensure safeguarding of property.

5. The Chapter staff shall be responsible for the development and implementation of these policies and procedures.

B. Procedures:

1. Maintenance of Facilities:

a. The Chapter Manager or Office Specialist will provide maintenance and repair schedule for all the Chapter facilities, including but not limited to the Chapter house, warehouse, and any other building structures within the acreage legally withdrawn for Chapter government operation.

b. Unless there is a maintenance agreement under separate memorandum of agreement with a Navajo Nation government program, county, state or federal entity, the Chapter will be liable and responsible for the maintenance and repairs of all of its own facilities.

c. Routine maintenance will be conducted as a preventive measure against damage and wear.

Maintenance of Equipment:

a. Preventive Maintenance:

1). The Office Specialist will schedule for maintenance of equipment, including but not limited to computers, photocopy machines, printers, fax machines, and vehicles.
2). All office equipment mentioned above will have a monthly preventive maintenance schedule. If the product is on lease to the Chapter, the lesser will supply the routine maintenance.

3). The Chapter Manager will randomly inspect all equipment for proper maintenance and compliance with the maintenance schedule.

4). The Chapter Manager shall be responsible for monitoring the routine maintenance and start-up of the Chapter vehicles and equipment as needed.

5). The Office Specialist will date and log all maintenance performed on the Monthly Inspection and Maintenance form.

b. Repairs:

1) The Office Specialist will be responsible for scheduling and requisitioning of routine repairs of equipment, in accordance with the Chapter's Procurement Policies and Procedures.

2) The Chapter Manager will be responsible for emergency repairs, in accordance with Section VI (H) of the Chapter Procurement Policies and Procedures.

3) The Office Specialist will date and log all repairs of any equipment.

XI. RENTAL AND UTILIZATION OF CHAPTER PROPERTY

A. Policies:

1. No chapter property or equipment shall be rented without the approval of the Chapter Manager, documented on a Chapter Equipment Rental Agreement Form and establishment of a standard rental fee for each type of Chapter property and equipment.

2. The Beclabito Chapter may also require a deposit for personal usage of equipment or facilities to cover damaged, lost equipment or cleaning.

3. The Beclabito Chapter shall not be responsible of any liabilities caused by failure to comply or negligence on the part of the requestor.
4. If any Chapter property becomes damaged or lost while on rental, the renter or user shall be responsible for the cost of replacing or repairing the property and subject to prosecution under the Navajo Nation Laws.

5. The Chapter Equipment Rental Agreement Form shall be used to identify the location of the equipment whether in repair or other chapter utilization.

6. There will be no loan with the Chapter equipment or property at any time.

B. Procedures:

1. The Chapter Manager and/or Chapter Officials will be responsible for assuring the equipment is used for its intended purpose.

2. The Chapter Manager will implement the standard rental fees established by the Chapter Manager and approved by the Beclabito Chapter membership at a duly called Chapter meeting.

3. The individual(s), group or organization of the Beclabito Chapter must fill out an Equipment Rental Agreement Form (Exhibit B) at the Chapter administration office, specifying which of the Chapter equipment he/she wants to rent.

4. The Office Specialist will be responsible for assisting and making sure all documents and information regarding the rental policies are transmitted and understood by the requestor(s), including the required deposit, if applicable.

5. The Chapter Equipment Rental Agreement Form will be forwarded to the Chapter Manager to approve or disapprove the rental request.

6. If approved, the renter will pay the fees and assume responsibility for the equipment and its intended use, and return the equipment at the specified time agreed upon.

7. If the equipment is damaged, the renter shall forfeit the deposit (if applicable) and/or be billed for the cost of repair of the damage.

8. The Chapter Manager will be notified immediately if the equipment has been damaged or lost.

9. The Chapter Manager will have the sole authority to approve any waiver of fees upon providing ample documentation and evidence and the Chapter Manager will conduct a site visit, if necessary.

C. Utilization of Chapter House:

1. Policies:
a. For events not sponsored by the Chapter government a short-term liability insurance, which can be obtained from the Navajo Nation Risk Management Department, shall be required to use the Chapter building for requests from non-Chapter groups, organizations and individual(s) prior to renting the facility or compound.

b. The renters shall abide by the maximum number of occupancy established for the facility.

c. Chapter Manager shall approve or deny the request to rent the kitchen facility. For specific events, food prepared on Chapter premises for public consumption requires a food handler’s permit.

d. The Chapter shall not assume any responsibility or liability for loss or theft of any valuables of the renters, nor will it be liable for any injury that may be caused due to negligence, unattended children or carelessness of the persons or groups renting the Chapter facilities.

e. The individual renter shall be responsible for making sure that all Chapter property remains on the premises and that the area is cleaned before leaving, prior to the deposit refund, if applicable.

f. Requestor shall be responsible to safeguard Chapter property and cleaning of facility. Requestors shall be responsible for any damages and cleaning costs or shall forfeit deposit and/or future requests to rent facilities.

g. The Chapter Manager shall be responsible for making that determination, depending on the circumstances and damages done.

h. There will be no usage of telephone calls, shower, water hauling and other incidentals for the community member during the facility usage.

i. The requesting party(s) shall notify the local law enforcement for the safeguard of the facility and security purposes. The requesting party shall provide their own additional manpower for security to be on premises during the events.

j. Waiver The rental fee shall be waived for events that the Chapter sponsors or community oriented activities (community dinners, public hearing, service providers, educational, agricultural purposes, health fair, standing committee, donation gathering for funeral, etc) that benefit the community upon approval by the Chapter Manager and Chapter Officials.

k. The Chapter Manager and/or Chapter Officials shall reserve the right to refuse any individual(s) the usage of the Chapter Facility if
the individual(s) is behaving unprofessionally and using vulgar language or profanity.

1. Facility usage for any political functions shall be subject to all applicable fees and deposits with no refunds or fee waivers and no requests for office equipment usage will be granted.

2. Procedures:

   a. Requesting individual(s), group or organization, must contact the Beclabito Chapter administration at least ten (10) business days in advance for Chapter house usage.

   b. The Chapter will have priority for facility usage; therefore, any scheduled meeting maybe canceled.

   c. The Office Specialist will provide the Chapter House Rental Agreement form (Exhibit C) and explain the conditions and requirements.

   d. The Office Specialist will prepare all documents and forward to the Chapter Manager for consideration.

   e. The Chapter Manager will review all the documents for completeness and either approve or disapprove the request.

   f. If denied, the Chapter Manager will provide justification for the denial upon request.

   g. The Chapter Manager will return all documents to the Office Specialist whom will notify the requesting party(s).

   h. The Office Specialist will record and file all documents into the appropriate ledgers and filing system.

   i. The Cash Receipt Control policy and procedures will be applied to account for all rental proceeds to ensure proper reporting and recording pursuant to Section VII, (B, 2) of the Chapter Fiscal Policy and Procedures Manual.

   j. The Chapter Administration or Chapter Officials will be designated as the responsible person(s) to open/lock the Chapter house after each facility usage on weekends or after hours.

   k. The Chapter Manager will be the sole authority to approve any waiver of fees.

XII. PROPERTY AND EQUIPMENT INSURANCE
1. Liability insurance coverage on all Chapter property and equipment shall be mandatory, to cover against injuries to third party.

2. Other coverage, including collision, fire/smoke damage, theft/vandalism, may also be mandatory.

3. The Chapter shall participate in the Navajo Nation Insurance Services Program for its insurance coverage, pursuant to Title 26 N.N.C., Section 2003 (C).

4. The Chapter shall use the insurance premium schedule to determine premium rate in accordance to the Navajo Nation Budget Instructions Manual.

**XIII. PROPERTY DISPOSITION**

**A. Policies:**

1. The Beclabito Chapter shall properly dispose of its property and equipment and also the reconciliation of the accounting records to reflect such disposal.

2. General fixed assets may be disposed of in-sale, retirement, or replacement transactions.

3. The Chapter Manager shall update properly records to reflect disposal.

4. The Chapter Manager in consultation with the Chapter Officials shall approve any disposal of Chapter property and/or equipment.

**B. Procedures:**

1. Types of Disposal:
   
a. Ordinary disposal will include property disposed through ordinary means (sales, trade-in, wear and tear, obsolete, etc), using the Declaration/Disposition of Equipment Form. (Exhibit D)
   
b. Extraordinary disposals will be defined as property that are stolen, lost, damaged or destroyed which requires inventory report.

2. Surplus Property:
   
a. Excess properties are supplies or equipments for which there is no longer a need by the Beclabito Chapter.
   
b. If the Chapter identifies surplus property, the Chapter Manager will inform the Chapter membership that such property exists, so
that the Chapter membership may have opportunity to purchase such property.

3. Sale of Property:
   a. When a sale of the Beclabito Chapter property will be made, a notice of sale will be posted in conspicuous places for thirty (30) days prior to sale.
   b. Such property shall be sold at a price reflecting the property's fair-market value.
   c. The Chapter Manager will be responsible for ensuring that all documents verifying the sale is provided in order that the proceeds of such a sale will be credited to miscellaneous in the fund that generated the original purchase.
   d. If information on the fund source is not available, the proceeds shall be credited to the General Fund (01 - Account).
   e. The Cash Receipt Control policies and procedures will be applied to account for sales proceeds for proper reporting and recording, pursuant to Section V, (B) of the Beclabito Chapter Fiscal Policies and Procedures Manual.
   f. The Chapter Manager/Office Specialist will remove the asset carrying value by debiting the Investment in General Fixed Asset Accounts and crediting the asset account(s) in the general and subsidiary ledgers.
   g. The cost of retirement, as well as the proceeds received from the sale of salvage, shall be taken into consideration.
   h. The salvage costs will be temporarily recorded as expenditures, which are then recorded and subtracted from the gross salvage proceeds. The net amount is then reported as Revenue - Salvage Proceeds.

1. Example: If an asset’s book value is $150,000, and it costs $10,000 to destroy it, then the sale of salvage is $140,000.

- **GFAAG**
  - Investment in GFA 
    - Building 
    - $150,000 
    - $150,000
- **General Fund**
  - Expenditure-others 
    - Cash 
    - $10,000 
    - $10,000
i. All disposal of Chapter property shall be reported to the Chapter membership via notices or at Chapter meetings by the Chapter Manager.

XIV. DEFINITIONS

The language contained in this section applies generally to this policies and procedures manual except as otherwise provided elsewhere in the Five Management Systems.

A. Accountability - the basic obligation of accounting for Chapter property, whereas responsibility for Chapter property arises from possession of Chapter property and/or obligation of supervision of Chapter staff or employee, or even Chapter member, who are in possession of that property.

B. Acquisition Cost - fair-market value at the time of receipt, (if asset is received by donation) is the general accepted basis of accounting for general fixed assets used.

C. Chapter Manager - the individual responsible for administering the Chapter Five Management Systems and Chapter administration.

D. Chapter Officials - comprise of the Chapter President, Chapter Vice-President, and Chapter Secretary/Treasurer.

E. Equipment in place - Chapter personal property of a movable nature which has been fixed in place or attached to a Chapter facility or other real property, but which may be severed or removed from the structure to which it is attached without damaging the usefulness of the structure. It does not include installed building equipment.

F. Expendable Property - Chapter property that is of relatively low monetary value, is consumed in the performance of a function, or is incorporated into an end product. Examples of property under this description include operating supplies, office supplies, janitorial supplies, building material, hay and feed, firewood, fencing material, small tools, and so forth.

G. Fair Market Value - the price at which a willing seller will sell and willing buyer will buy, in an arm's length transaction, when neither is under compulsion to sell or buy and both have reasonable knowledge of relevant facts.

H. General Fixed Assets - a classification non-expendable of Chapter property that includes land, buildings, infrastructure, improvements other than building, machinery, equipment, and construction-in-progress, meeting the following criteria:

a. Value of $ 500.00 or more.

b. Non-expendable.
c. Classified as a Sensitive Item Property by the Chapter.

I. General Fixed Assets Account Group (GFAAG) - a self-balancing group of accounts, set up by the Chapter to account for the general fixed assets of the Chapter.

J. Historical Cost - an accounting principle requiring all financial statement items to be based on original cost. It is usually based upon the dollar amount originally exchanged in an arm's-length transaction; an amount assumed to reflect the fair market value of an item at the transaction date.

K. Installed building equipment - the items of Chapter equipment and furnishings, including material for installations, which are required to make a Chapter facility useful and are fixed as a permanent part of the structure. Examples of items included under this description are plumbing fixtures and equipment; fixed heating, cooling, ventilation, or fire protection; and counters and cabinets.

L. Non-expendable Property - an item of personal property of the Chapter of any dollar value that retains its identity throughout its useful life. For classification purposes, a minimum dollar value is assigned and the amount is significant enough to warrant maintaining of item accountability. The items of property under this classification, for property management and accounting purposes, will be carried on the Chapter property records as general fixed assets until disposed of the chapter through transfer, sale or other means.

M. Real Property - any interest in Chapter land, together with improvements, structures and fixtures that are located on it. The Chapter Community Land Based Use Plan may be consulted for property land and other real property information, descriptions and classifications administered by the Chapter.

N. Responsibility - the obligation of a Chapter staff or employee, or even Chapter member, with respect to the proper custody, care and safekeeping of Chapter property entrusted to that individual.

O. Property Record - a basic record showing, by items, the receipt, the Chapter may require use and disposition of Chapter property and such other identifying data.