



Descriptions of OST Trust Functions Management, Collection, and Investment of Indian Trust Funds

Investing

OST invests tribal trust funds and Individual Indian Monies (IIM) trust funds in U.S. Government securities, including U.S. Department of the Treasury (Treasury) issues, U.S. Government agency issues, and U.S. Government-sponsored entity issues, as mandated by law (25 USC 162a). Investment of Indian trust funds is controlled by specific legislation and case law. In Fiscal Year 2015, over \$4.9 billion of trust fund assets were invested to help meet the needs and objectives of tribal and individual Indian beneficiaries.

Accounting

OST provides for the full accounting and financial reporting of tribal trust funds and Individual Indian Monies (IIM) trust funds. OST uses a leading commercial-off-the-shelf trust accounting system. This system automates the processing and reporting of cash receipts, cash disbursements, financial asset purchases and sales, investment security settlement, and asset income processing. Additionally, periodic beneficiary statements of performance are produced and mailed. OST processes and accounts for over 10 million financial transactions each year with 99.99% accuracy.

Receipting

OST accepts income generated from various activities on Indian trust property including, but not limited to, leasing, mineral royalties, mineral sales, timber, easements, etc. Receipts also include payments from the U.S. Government to tribes or individual Indians for judgment awards and the settlement of legal claims. In Fiscal Year 2015, OST receipted over \$1.7 billion into tribal and Individual Indian Monies (IIM) accounts.

Disbursing

OST makes payments from tribal and Individual Indian Monies (IIM) trust accounts based on instructions received from the account holder. Tribes provide disbursement instructions for its different tribal accounts based upon its tribal needs. Certain accounts may have statutorily imposed limitations on disbursements. Under certain conditions, tribes disburse or authorize disbursement of per capita payments to its enrolled members. Individual Indians direct their disbursements by working with OST employees, through the Trust Beneficiary Call Center (TBCC), or through BIA social services. OST is also responsible for the financial document preparation and distribution of all individual Indian trust probate orders. OST assumed this function from BIA in 2004 due to OST's expertise in the fiduciary financial management of IIM trust accounts. In Fiscal Year 2015, approximately \$1.7 billion was disbursed from tribal and IIM accounts and 74% of these disbursements were made electronically.

Lockbox Management

The Lockbox system is a process that allows all lease payments to be mailed to a central location and processed by U.S. Department of Treasury (Treasury) for deposit into trust accounts. The Lockbox system was a trust reform initiative instituted pursuant to the Comprehensive Trust Management Plan. The Lockbox services have

decreased the amount of time it takes to deposit receipts into Treasury and provides an effective cash management control.

Reporting and Reconciliation

OST prepares various internal, external, and publically available reports, including independently audited financial statements. OST also prepares various periodic reconciliations of trust fund activities. OST reconciles over 10 million financial transactions each year (an average of over 40,000 financial transactions each business day).

Historical Accounting

OST conducts historical accounting of Individual Indian Monies (IIM) and tribal accounts in support of litigation and analyzes, researches, and distributes funds from Special Deposit and Youpee Escheat Accounts.

Risk Management

OST documents, analyzes, and tests its system of internal controls to ensure compliance with the Federal Managers Financial Integrity Act and OMB Circular A-123, with appendices. In addition, OST proactively identifies and mitigates risks to ensure effective internal controls are continually being evaluated and if necessary, updated.

Technical Assistance & Training

OST provides technical assistance and training to tribes who seek to withdraw its trust funds, which is permitted by law. The American Indian Trust Fund Management Reform Act of 1994 (Public Law 103-412) specifically allows for the voluntary withdrawal of judgment awards and settlement funds from tribal and other trust funds.

Interrelated Functions

Trust Reform

OST coordinates Indian trust reform initiatives within the Department. This covers bureaus and offices, including but not limited to OST, the Bureau of Indian Affairs (BIA), the Office of Natural Resources Revenue (ONRR), and the Bureau of Land Management (BLM). Trust reform initiatives seek to improve Indian trust management by streamlining processes and instituting best practices. OST's budget includes pass-through funding for the Office of Hearings and Appeals (OHA) for probate adjudication.

Oversight

OST provides general oversight to ensure that the Secretary's fiduciary trust responsibilities are fulfilled throughout the Department. OST has the authority to review that appropriate policies, procedures and systems are in place, and takes affirmative action to correct any deficiencies. In carrying out the management of Indian trust funds, the Secretary has a responsibility to ensure that trust accounts are properly maintained, invested, and reported in accordance with Public Law 103-412 and other applicable laws.

Self-Determination Services

OST provides information to Indian tribes about self-governance and self-determination opportunities under the Indian Self-Determination and Education Assistance Act, and amendments (Public Law 93-638) and provides technical assistance to encourage tribes to consider contracting or compacting available OST programs.

Congressional Liaison/Communication/Tribal Consultation

OST provides Congress with an annual report on the progress of trust reform efforts and communicates a wide range of other information on the status of trust reform initiatives. OST also communicates directly with individual Indian and tribal beneficiaries about trust reform efforts and other information that might affect their trust assets. The Tribal Liaison Officer (TLO) ensures that OST complies with the Department's policy on tribal consultation, and acts as point of contact for tribes that want to consult on OST actions or policies.

Beneficiary Advocacy and Outreach

OST is the primary point of contact to assist beneficiaries on a daily basis regarding all aspects of their accounts, as well as to provide information that affects the management of trust assets, such as changes in the law. OST conducts outreach efforts for beneficiaries, including attendance at tribal/community meetings. OST also operates the Trust Beneficiary Call Center (TBCC) and conducts financial skills education for tribes and Individual Indian Monies (IIM) account holders. OST services over 400,000 IIM accounts and 3,300 tribal accounts for approximately 250 federally recognized tribes.

Information Resources (e.g. Security, Network Management)

OST maintains and operates the information technology (IT) systems, provides day-to-day computer support to OST personnel nationwide, and develops specialized IT applications to support its mission. The IT function also involves capital planning, procurement of hardware and software, security management and the implementation of departmental IT initiatives.

Program Support (e.g. Budget, Finance, Ethics, etc.)

OST provides support services that enable it to carry out its larger mission. These services include budget formulation and execution, facilities and space management, administrative support, human resources management, acquisition, financial and appropriated fund accounting services.

Litigation Support

OST provides litigation support to the Department's Office of the Solicitor and the Department of Justice for lawsuits related to trust funds and natural resources or land management. Litigation support includes data analysis in connection with evaluating claims for trial and for settlement purposes and for implementation of the Claim Resolution Act of 2010, responding to court ordered discovery requests, and expert witness services. OST's budget includes pass-through funding for the Solicitor's office for tribal trust litigation cases and caseload management efforts.

Trust Evaluations

OST conducts independent evaluations of Indian trust programs to determine their compliance with applicable federal regulations, policies, and procedures. In addition, OST conducts records management assessments to determine if Indian trust records are managed and safeguarded in accordance with records management policies. Finally, OST also evaluates Indian trust programs managed by Indian tribes under Self-Determination compact agreements (Title 25 CFR, Part 1000).

Trust Records Management

OST develops records management policies and procedures for Indian trust fiduciary records; provides records management training and support services to the Department and Indian tribes/consortia; and manages the American Indian Records Repository, which is responsible for the inventory, preservation, and storage of all of the Department's Indian fiduciary trust records. To build workplace capacity, OST has collaborated with Haskell Indian Nations University (HINU) to fund and develop a records management curricula, which has been offered to HINU students since 2004.

Management of Non-Monetary Trust Resources

Appraisal Services

OST provides surface land valuations of real property held in trust or restricted status for tribes and individual Indians. These impartial valuations are required for certain transactions, including sales, leases, rights-of way, land exchanges, partitions, probates, grazing permits and trespass settlements. By Secretarial Order 3240, the Office of Appraisal Services was moved from Bureau of Indian Affairs (BIA) to OST in 2002 to create a separation of duties between valuation and real estate services.