**Appendix M**

**MEMORANDUM OF UNDERSTANDING   
BETWEEN THE**

**OFFICE of MANAGEMENT and BUDGET**  
**AND THE**

**DIVISION OF COMMUNITY DEVELOPMENT**

This Memorandum of Understanding (MOU) is entered into between the Office of Management and Budget   
(OMB) and the Division of Community Development (DCD).

I. BACKGROUND

The OMB develops, prepares and compiles the annual Navajo Nation comprehensive budget and   
provides technical assistance to Navajo Nation programs, including Navajo Nation Chapters and   
other entities requesting or expending funds from the Navajo Nation government.

The OMB also develops budget policies and instructions, including budget formats and timetable. to   
guide the development of Navajo Nation budgets.

The formulation of the Navajo Nation Chapter government budgets has changed to a web-based   
budget application process.

The Local Governance Support Centers (LGSC), under the Division of Community Development,   
provide teclmical assistance and administrative support to the Chapter governments to becoming   
self-sustaining and self-governing entities. The LOSC and Chapter governments coordinate with   
local, county, state, and federal government entities to provide direct services.

II. PURPOSE

The purpose of this MOU is to clarity and define the delegation from OMB, of the budgetary roles.   
functions, and responsibilities and of preparing and processing the Fiscal Year 2012 Navajo Nation   
Chapter government budgets. to the Local Governance Support Centers.

With this MOU, all budget preparation. development, and compilation at the Navajo Nation Chapter   
government level will be completed through the LGSC for the Fiscal Year 2011 Navajo Nation   
Comprehensive Budget cycle. It is anticipated that the co-development of Chapter government   
budgets will reduce duplicate levels of review, approval, and improve the efficiency of the budget   
process for the benefit of the Navajo Nation Chapter governments.

It is the intent of both parties, after approval of this MOU, to work cooperatively tor the mutual   
benefit of each party, in budget preparation and development processes at the Navajo Nation Chapter   
government level.

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III. ROLES AND RESPONSIBILITIES

1. The LGSC, under the Division of Community Development, will perform the listed roles and   
   responsibilities in cooperative manner with the Office of Management and Budget, as   
   follows:
2. Guide and coordinate the preparation and compilation of all Navajo Nation Chapter   
   government budgets consistent with Navajo Nation approved processes, instructions.   
   formats, and timelines.
3. Provide budget preparation, technical assistance and training to Chapter governments for   
   development of all budgets, including the annual, carryover, capital and supplemental   
   budgets.
4. Receive and review all Chapter budgets for accuracy, completeness, and adherence to   
   applicable Navajo Nation laws, policies, and procedures.
5. Delegate signature authority to the LGSC Senior Program and Projects Specialists on the   
   space provided on OMB Budget Form 1.
6. Maintain and safeguard all official budgetary documents, including budget revisions and   
   chapter resolutions.
7. Monitor and ensure all Chapter budgets and expenditures are compliant with applicable   
   Navajo Nation laws, policies, and guidelines.
8. Provide technical assistance to Chapter governments to initiate corrective action plans   
   related to budgetary matters, as requested or as determined necessary.
9. Establish with Chapter government's input, performance measures for each Chapter   
   budget, complete chapter assessments and report Chapter performance on a quarterly   
   basis to OMB and oversight committee.
10. Communicate with OMB regarding Chapter government budget development and   
    Navajo Nation Council on related issues or problems which require immediate and   
    appropriate responses.

B. The Division of Community Development Administration will:

1. Assure that all duties and responsibilities are performed through quarterly reports as   
   outlined in this MOU.

2. Direct and assist in the coordination and development of Chapter government budgets.

3. Provide budget planning allocations to LGSC and Navajo Nation Chapters governments.

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C. The Office of Management and Budget will:

1. Provide technical assistance, guidance and, if necessary, training to the LGSC in all   
   budget preparation, development and related matters.
2. Assist the Division of Community Development and LGSC to develop written budget   
   policies and instructions, including formats, specifically for Chapter governments.
3. Communicate with Division of Community Development and LGSC, as necessary, to   
   address budget development and related issues or problems which require immediate   
   responses.
4. Access and download chapter budgets, including Budget Form 2, from the web-based   
   budget application (www.wind.enavajo.org).

D. Both parties to this agreement and LGSC offices will:

1. Meet periodically to review budget development issues and progress to improve the   
   Chapter web-based budget application process. At a minimum. hold a quarterly   
   information meeting for updates on budget activities throughout the fiscal year.

IV. GENERAL PROVISIONS

1. This MOU is effective upon the signatures of both Executive Directors of OMB and DCD   
   and shall remain in effect until amended or terminated (as specified in Section IV General   
   Provision, C).
2. This MOU is not intended to create any right, benefit, or trust, substantive or procedural,   
   enforceable at law or equity, by a party against the Navajo Nation, its agencies, its officers,   
   or any person.
3. Termination of this agreement will not affect the production and approval of Navajo Nation   
   budgets under this MOU. Either party may terminate this MOU with a thirty (30) day   
   written notice to the other or by action of the Budget and Finance Committee.
4. Each party and their respective officers will manage their own activities and utilize their own   
   resources, including expenditures of their own funds in pursuing the purpose of this MOU.   
   Each party will carry out its separate activities in a coordinated and mutually beneficial   
   manner.
5. None of the activities or information generated by this MOU shall require either party to   
   obligate or transfer any funds to other parties. Negotiation, execution. and administration   
   must comply with all applicable MOU standards and regulations.
6. The term of this MOU will commence from date(s) of signatures to the MOU agreement to   
   the end of the Fiscal Year 2012.

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V. AMENDMENT

1. This MOU may be extended or amended upon written request of either party or the   
   subsequent written concurrences of the other.

VI. TECHNICAL AND ADMINISTRATIVE CONTACTS

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B. Office of Management and Budget

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VII. ATTEST

The undersigned parties hereby agree to the terms and conditions specified in this MOU.

Executive Director

Office of Management and Budget

Division Director

Division of Community Development

Date

Date

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