**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

 A. Division of Community Development

Arbin Mitchell, Division Director
Division of Community Development
P. O. Box 1904

Window Rock, Arizona 86515
Phone: (928) 871-6810

Fax: (928) 871-7090

E-Mail: amitchell@nndcd.org

 B. Office of Management and Budget

Dominic Beyal, Executive Director
Office of Management and Budget
P. O. Box 646

Window Rock, Arizona 86515
Phone: (928) 871-6570

Fax: (928) 871-6567

E-mail: dbeyal@omb.navajo-nsn.gov

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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