

Executive summary | April 28, 2022

# Wipfli Tribal Government CFO Peer Exchange

**Host:** Suresh Geer, Wipfli LLP

**SME:** Lisa Desotelle, Wipfli LLP

**Facilitator:** Austin Evans, Profitable Ideas Exchange

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# Introduction

Fourteen chief financial officers (CFOs) and leaders of finance from tribal governments met virtually to share leading practices and discuss topics of mutual interest based on an agenda created through a series of pre-interviews.

From Wipfli, Suresh Geer, tribal industry leader, hosted the exchange, and Austin Evans of Profitable Ideas Exchange facilitated. Lisa Desotelle, partner at Wipfli, joined to provide additional insights. The focus of the discussion covered the following topics over the course of the hour:

- ARPA funding and community needs
- Effective communication
- Project selection and administrative concerns

# ARPA funding and community needs

Wipfli's Suresh Geer introduced the conversation around the allocation and administration of the American Rescue Plan Act of 2021 (ARPA) funds and other sources of funding.

- The nature of tribal governments brings unique challenges, and planning and executing financial decisions is complex due to the changing nature of interim final rules and reporting changes.

Wipfli's Lisa Desotelle provided subject matter insight from her experience consulting with tribal organizations.

- To secure appropriate COVID-19 funding and ARPA funds, tribes have had to navigate a dense compliance and reporting environment at an accelerated pace, requiring a balance to utilize funding quickly while still identifying ways to meaningfully benefit the community. Imminent deadlines are forcing organizations to determine whether interim or final rules are appropriate for their reporting purposes.

# ARPA funding and community needs

In addition to meeting reporting requirements, CFOs are called upon to communicate effectively with tribal leadership and members about their plans for ARPA funding.

- One participant's team, whose tribe typically manages about \$90 million in federal and state grant funding, had to develop strategies and execute spending of CARES Act and ARPA funds just as their tribal government operations ceased for several months.
- While comments from their members expressed interest in direct distribution, particularly as funding was secured in part through their enrollment data, the unlikelihood of further investment in tribal communities at such a scale led them to carefully consider provisions and final rule progression to make continual support possible.

# Effective communication

Even with tribal council meetings accessible online and through local government broadcast channels, one CFO found they still relied on self-motivated feedback from members to ensure engagement. As a tribe with substantial resources and a large employee base, their structure can restrict them to top-down utilization planning.

- Since COVID-19 has disrupted in-session general membership meetings for some tribal organizations, governance models have had to adapt. Technology access and proficiency is often dependent on demographics — creating a barrier, often along generational lines, to some members' participation in virtual activities.

- Though in-person meetings are resuming, guidance based on survey data still has issues around data validity and sample size, which are unfortunately common among communities. This has made the disparity between survey results and original plans for utilizing funding even more difficult, since leaders are uncertain to what extent these results are reliable.
- In terms of messaging, CFOs are driving clear communication to program delivery leaders that this funding cycle is likely a once-in-a-generation occurrence. With midterms coming and little forecasted other than minor infrastructure bill investments, further federal relief is highly unlikely.

# Effective communication

Alignment of tribal leadership is essential to ensure key projects are not underappreciated.

- Though infrastructure work is crucial to keep communities functioning, the expense, lack of visibility and occasional disruptions that may arise can dissuade members from feeling this work is important.
- Some CFOs have had trouble finding consensus around the best allowable usage of funding, with certain council members looking to repay loans, or declare a full \$10 million revenue loss and circle funding through venues and businesses and back to members directly.
- It's important to communicate to members the long-term benefits of allowable projects that impact them directly, like housing and broadband. These benefits are easily understood and well received. Consistent messaging coming from leaders across the tribe provides membership with confidence in projects they may initially be uncertain about.

# Project selection and administrative concerns

Developing budgets based on estimated funding helped establish a rough-draft approach on investments for one participant's tribe.

- The approach also involved soliciting wish lists from across departments and trimming down spending plans as actual funding came through and the final rule was implemented.
- Such approaches require substantial effort, however, and other tribes with different capacity have leveraged consultants or coordinators to help monitor deadlines, forecast funding and write grant proposals. By forming a capital projects group to develop a long-term projects plan, another tribe has identified a list of nearly 100 projects that shift priority as funding sources change.

# Project selection and administrative concerns

Closure of gaming enterprises during the pandemic caused one tribe to temporarily lose a vital economic driver, but between savings and CARES Act funding, they were able to create a tribal public health entity that helped manage safety for the employees and guests in addition to members.

- Investments in government services benefitted both community health and gaming endeavors, through assessment and improvement of facilities like clinics as well as high-volume employee and guest areas. However, the workforce's interest in remote work or flexibility is causing them to reconsider what their needs will be around communications infrastructure and office environments.



# Project selection and administrative concerns

As concerns around COVID-19 subside, telecommuting has become a divisive issue in terms of effective administration.

- While some CFOs have seen success among their teams in off-site work environments, leadership preferences prohibited remote work after certain dates, which has caused some staff to resign in response. The volatility in the labor market is such that organizations often cannot afford to lose high-performing and experienced personnel, and CFOs are considering approaches to securing exceptions and other accommodations.
- Complications in income taxation also arise from remote and hybrid models, due to tribal tax exemption agreements with different states in which employees may reside. Convincing council leaders of the severity of potential mass resignations due to this issue is not easy but may be necessary.



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