



25TH NAVAJO NATION COUNCIL

# 25TH NAVAJO NATION COUNCIL OFFICE OF THE SPEAKER

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## **Budget and Finance Committee holds work session to address amendments to Budget Instruction Manual**



**The Budget and Finance Committee held a work session with Navajo Nation departments and divisions to address amendments to the Budget Instruction Manual.**

**WINDOW ROCK, Ariz.** - On Monday, the Budget and Finance Committee (BFC) held a work session to discuss proposed amendments to the Budget Instruction Manual (BIM) in preparation for the Fiscal Year 2026 Comprehensive Budget formulation.

BFC Chair Shaandiin Parrish said that the goal of the session was to engage with all three branches of the Navajo Nation government to evaluate and consider amendments to the BIM.

“The work session served as an opportunity for various departments and branches to come together and engage in meaningful discussions aimed at improving the Nation’s fiscal accountability,” said Chair Parrish.

The Committee coordinated with Controller Sean McCabe in considering several key recommendations to enhance the BIM.

During the work session, the Office of the Controller (OOC) proposed aspects of a two-year budget model with more flexibility in the movement of funds within business units. These concepts included the transfer of funds between operating and personnel budgets and would require monthly reporting and quarterly reviews to ensure alignment with the overall budget. The Committee will consider these concepts as they address Title 12 amendments later this year.

While recommending increased flexibility, the Committee stressed that funds from one business unit should not be used to cover expenses in another. They emphasized that the transfer of funds from one business unit's budget should remain prohibited, and any additional funds needed should be requested through the quarterly review process.

In addition to these changes, the BFC highlighted the importance of enforcement provisions within the BIM. They recommended implementing clear consequences for violations, including possible disciplinary actions and termination for the misuse of public funds. The provisions should ensure that general funds are spent according to Navajo Nation accounting and procurement policies.

The Committee further recommended that the OOC develop similar enforcement measures within its accounting policies, including mechanisms for reporting non-compliance to oversight committees and the Office of Ethics and Rules.

Additionally, the Committee proposed redefining fixed costs in the BIM to include essential operational expenses such as utilities, internet, and maintenance—fundamental costs necessary to sustain day-to-day operations.

Finally, the BFC addressed the allocation of indirect costs. They recommended revisiting the distribution of these expenses to ensure they are not disproportionately applied to business units that are not included in the indirect cost pool within annual budget proposals.

Guided by the implementation of priorities gathered through the FY2025 Comprehensive Budget public hearings, the Committee looks to strengthen the policies that guide the Nation's budget formulation through additional work sessions. The work sessions serve as a guide for the Committee to consider recommendations as the BIM legislation comes before the BFC in April.

The BFC extends its gratitude to the OOC, Office of Management and Budget, and the Division of Community Development's Administrative Services Center for their insightful recommendations to the BIM.

The Budget and Finance Committee will schedule a second work session to address the BIM. Amendments can be sent to Budget and Finance Committee Legislative Advisor Rodney L. Tahe at [rodneytahe@navajo-nsn.gov](mailto:rodneytahe@navajo-nsn.gov).

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