



The Navajo Nation Office of the Controller

FOR IMMEDIATE RELEASE

September 29, 2020

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Office of the Controller pleads to secure funding to manage the Coronavirus Relief Funds, budget previously line item vetoed

WINDOW ROCK, Ariz. — With less than 13 weeks left until Dec. 30 to spend down the \$714 million of Coronavirus Relief Fund or CARES Act funding, the Navajo Nation has only spent approximately \$30 million thus far according to the Navajo Nation Office of the Controller.

The Office of the Controller is responsible for ensuring compliance and reporting requirements of the grant but have not received additional funding to properly address the added responsibilities of the CARES Act funds despite pleading with tribal leadership numerous times.

On July 31, the Navajo Nation Council approved funding for the Office of the Controller through Legislation No. CJY-67-20 but it was line-item vetoed by the president. Since then, it has been resubmitted as Legislation No. 197-20 and is pending approval.

“We cannot continue to expend resources we do not have,” said Pearline Kirk, Controller of the Navajo Nation.

The fund contains many restrictions on spending and mandates for adherence to certain federal award terms and conditions. Included is a requirement to incur eligible expenses by Dec. 30 or the unspent fund balance must be returned to the U.S. Treasury.

“The administrative burden associated with managing and expending this fund in a compliant manner in a short period is significant,” said Kirk.

In comparison, the annual comprehensive budget for the Navajo Nation is approximately \$650 million, of which \$340 million is received from federal grants subject to the Uniform Guidance. With the addition of \$714 million in Coronavirus Relief Funds, this increases the workload nearly 210% to properly process and comply with federal and tribal grant requirements in less than three months.

Aside from monitoring and administering federal grants, the Office of the Controller’s 120 employees also have other existing duties and responsibilities which include coordinating the fiscal year-end close, processing continuing budget resolutions and completing the annual audits.

“The Office of the Controller is already understaffed when compared to other governmental entities of similar size and complexity,” said Kirk in comparing the City of Albuquerque’s 300

finance and accounting professionals devoted to similar efforts. “The administrative capabilities of the office are being stretched beyond their limits.”

The Office of the Controller is deemed an essential division and has been working throughout the duration of the pandemic, even during the shutdown to maintain critical operations including accounts payable, payroll and purchasing.

“This required management to seek assistance from outside parties to assist with expeditiously processing these funds while also maintaining and monitoring compliance for the Navajo Nation,” explained Kirk. “This has all been done through competitive solicitations resulting from an unfunded mandate for the Controller to oversee the compliance of the spending of Coronavirus Relief Funds.”

“In order to carry out our goals and objectives for the \$714 million received, we must maintain a steadfast focus on holding ourselves accountable,” said Kirk. “To that end, we are committed to provide the much-needed assistance to those members of the Navajo Nation that have been most impacted by the coronavirus. In order to achieve that objective, we must ensure we are adhering to established policies and procedures, particularly those that address administration of federal award programs in order to maintain our fiduciary responsibility to the Navajo Nation and the federal government.”

“The Office of the Controller stands ready to serve the Navajo Nation and carry out our duties while maintaining internal controls over these federal programs while maintaining compliance but we need resources — we need a budget,” said Kirk. “We urge the president to consider the budget request and help us help the Navajo people.”

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