

COLORADO RIVER INDIAN TRIBES GENERAL WELFARE ASSISTANCE POLICY

I. Title

This Policy addresses multiple general welfare needs of Tribal members and shall be known as the Colorado River Indian Tribes General Welfare Assistance Policy ("Policy").

II. Authority and Purpose

- A. This Policy is established pursuant to the authority of the Tribal Council by the Tribal Constitution. This Policy is established in conformance with applicable federal law.
- B. The Policy is promulgated in compliance with the Tribal General Welfare Exclusion Act of 2014 (P.L. 113-168) and the Internal Revenue Service's Rev. Proc. 2014-35 which outline how Indian general welfare benefits provided under a Tribal government program may qualify for exclusion from the gross income of the individual receiving the benefit. The Assistance received does not constitute income and does not impact Tribal Members' access to other benefits or services.
- C. The purpose of this Policy is to provide for the needs of Tribal Members and to provide services that promote the general welfare of the Tribe. The Tribal General Welfare Exclusion Act of 2014 (P.L. 113-168) and the Internal Revenue Service's Rev. Proc. 2014-35 support this Policy. This Policy is intended to affirm the Tribe's inherent sovereign rights to promote the general welfare of the Tribe and provide qualifying assistance and Policy benefits on a tax-free basis. The Policy benefits authorized by this Policy are intended to qualify for tax-free treatment to the fullest extent permitted by law consistent with established safe harbors. The Policy is established in recognition of the following:
 1. Tribal Members have housing, home repair, and utility needs including, but not limited to, those identified in the Rev. Proc. 2014-35 under 5.02(2)(a). Rev. Proc. 2014-35 states that it is allowable to have "[p]rograms relating to principal residences and ancillary structures that are not used in any trade or business, or for investment purposes that (i) [p]ay mortgage payments, down payments, or rent payments . . . [and] (iv) [p]ay utility bills and charges." The average residential electricity bill in Arizona is about \$190/month (\$2,470 per year), and Tribal Members have more bills than electricity alone. For example, HUD 2021 Fair Market Rent prices in La Paz County per month are as follows: \$643 for a studio apartment; \$722 for a one-bedroom; \$952 for a two-bedroom; \$1,292 for a three-bedroom; and \$1,334 for a four-bedroom apartment.

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2. Tribal Members have healthcare, health insurance, and wellness needs, including, but not limited to health insurance premiums, co-pays, prescription costs, and non-prescription drug costs. For example, the average cost for health insurance premiums for individual coverage averages \$440 per month (\$5,280 per year), while premiums for family plans averaged \$1,168 per month (\$14,061 per year). Further, the average per capita expenditure on healthcare-related costs nationwide exceeds \$10,000 a year. This Policy provides benefits for those qualified medical expenses that are excludable from gross income under the Patient Protection and Affordable Care Act of 2010, Section 9021 Section 139D and shall be administered in accordance with Sections 139D(a)–(c), which limit the exclusion to payments, reimbursements, or coverage of “medical care” within the definition of Section 213 of the Internal Revenue Code. This Policy also provides for non-prescription drug costs as provided in Rev. Proc. 2014-35.
3. Tribal Members have unmet needs related to food and clothing, cleaning, transportation, and basic hygiene including, but not limited to those needs outlined in Rev. Proc. 2014-35.
4. Tribal Members have unmet needs related to educational supplies, childcare, and traditional cultural activities, including but not limited to those needs outlined in Rev. Proc. 2014-35.

III. Definitions

In the provisions of this Chapter, the following words and phrases shall have the meanings designated in this Section unless a different meaning is expressly provided or the context provides otherwise:

- A. “Assistance” means any Policy benefits or payments that qualify for tax free treatment under the General Welfare Exclusion Act.
- B. “Eligible Expenses” means those expenses as defined per the guidelines established in this Policy.
- C. “Tribal Member” means any currently enrolled member of the Colorado River Indian Tribes, including adults and minors.
- D. “Tribe” means the Colorado River Indian Tribes.

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IV. Administration

The Controller of the Accounting Department ("Controller") shall administer this Policy and may adopt additional rules with respect to each Policy benefit as needed and as is consistent with the Policy.

V. Policy Eligibility

Each Tribal Member is eligible for this Policy, provided income eligibility is satisfied during the application process.

VI. Procedure for Application

- A. The Controller shall provide Tribal Members access to the Policy application. The application must be completed annually in order to receive the Assistance. The Controller shall use applicants' statements as to income to verify eligibility.
- B. Tribal Members shall complete the application. Attorneys-in-fact shall not complete the application for the Tribal Member unless the Tribal Member is legally incompetent or serving in the military and deployed outside of the United States.
- C. The application may require such data from Tribal Members as is reasonably required to enroll a Tribal Member in the Policy.
- D. For a Minor Tribal Member, meaning a Tribal Member age 17 or younger, the primary custodian or legal guardian of the Minor Tribal Member shall submit the following with an application: (1) a copy of the birth certificate or court order naming the adult as the Minor Tribal Member's parent; (2) the primary custodian or legal guardian must provide one of the following: (i) certification that there is no court order that would preclude her from making these allocations and decisions on behalf of the Tribal Member; or (ii) certification that there is a court order that gives the adult the power to make these allocations and decisions and a copy of the order; and (3) a copy of photo identification (state issued identification, tribal identification, or passport) of the adult submitting the application. For minors that are in the care of CRIT Social Services or the State, said agencies shall request the Assistance on behalf of the Minor Tribal Member and the Assistance would be set aside in an account with CRIT Accounting to provide for the eligible needs of the Minor. The respective agencies shall submit requests for the use of the funds in accordance with this policy and maintain all required documentation.

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- E. In the event parents have joint legal custody of a minor child (pursuant to a divorce, paternity, custody or order of marriage) the parent who submits the application first in time will receive the payment on behalf of the minor child unless a court order is issued to the contrary and received by CRIT Accounting prior to payment.
- F. Under the guidance of the Tribal Council, the Controller may impose other limitations and/or conditions with respect to participation in the Policy on Tribal Members who apply for the Policy.

VII. Funding and Payment

A. Eligible Expenses

- 1. For each Tribal Member, a payment shall be made to cover all expenses for which the Tribal Member is eligible to receive Assistance. The categories of Eligible Expenses are listed below. Each Tribal Member should select the benefits requested on the application. For Minor Tribal Members, the custodial parent or legal guardian shall make the election.

Eligible Expense Distributions
Housing Assistance
Health Care Assistance
Food and Clothing Assistance
Transportation/Vehicle
Education Supplies & Fees
Traditional Culture

B. Funding

- 1. Tribal Members are eligible for an annual payment in an amount to be set yearly in the sole discretion of the Tribal Council. Tribal Council shall set the amount of funding available by resolution each year. Tribal Members may elect to use the Assistance for any Eligible Expense in any category.
- 2. A Tribal Member may apply this Assistance to defaulted or outstanding debts owed to the Tribes or the Federal government and said use shall be in compliance with the Policy.

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3. The Policy shall be discretionary and subject to the amount appropriated by the Tribal Council. The authorization of the Policy does not create any liability on the part of the Tribe for any future payment, nor shall any member have any vested right in benefit payments. The Assistance may be terminated at any time by the Tribal Council.

C. Distribution.

1. The Tribal Member shall complete the application for Assistance in order to be eligible for the Assistance. For Minor Tribal Members, the application shall be completed by the Minor Tribal Member's primary custodian or legal guardian.
 - (a) Each Tribal Member shall receive the Assistance once a year in the form of a check or direct deposit. A Minor Tribal Members payment may be direct deposited into an account in the name of the minor or the requesting adult.
 - (b) Payments shall be issued in accordance with the schedule set annually by Tribal Resolution.
 - (c) Tribal Members have only one calendar year after each years' payment to request Assistance. For example, for Payments approved by Tribal Council in 2022 a Tribal Member has until December 31, 2023 to request the payment. Assistance shall not be available beyond the following calendar year.

VIII. **Eligible Expenses**

- A. Housing Assistance. Funds shall only be used to pay for Eligible Expenses at the Tribal Member's primary residence. Eligible Expenses include:
 1. Basic utility services: water, sewer, trash, electricity, gas, and heat source (natural gas/propane/firewood/pellets);
 2. Basic communication services: landline and/or cellular telephone, internet, and basic cable services;
 3. Rent/mortgage/property taxes;
 4. Home repair costs to enhance habitability of the housing and provide basic

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housing repairs or rehabilitation (including but not limited to roof repair, remedying water, sewage, or safety issues).

- B. Health Care Assistance. Funds shall only be used to pay for eligible medical expenses, for non-prescription drugs, or for expenses that are beneficial to the general health of the Tribal Member, such as vitamins and participation in wellness programs.
1. "Medical expenses" refers to the costs of diagnosis, cure, mitigation, treatment, or prevention of disease, and the costs for treatments affecting any part or function of the body. These expenses include payments for legal medical services rendered by physicians, surgeons, dentists, and other medical practitioners. They include the costs of equipment, supplies, and diagnostic devices intended for these purposes.
 2. Medical expenses must be used primarily to alleviate or prevent a physical or mental defect or illness. They do not include expenses that are merely beneficial to general health.
 3. Medical expenses include the premiums one pays for health insurance that cover the expenses of medical care, and the amounts one pays for transportation to receive medical care.
 4. Medical expenses also include amounts paid for qualified long-term care services and limited amounts paid for any qualified long-term care insurance contract.
 5. Medical expenses also include traditional medicine and healers, including homeopathic healers, medicine, and practices.
 6. Wellness Programs, such as gym memberships, purchase of gym/wellness equipment, and any items that contribute to overall health and wellness.
 7. Eligible medical expenses are defined as those:
 - (a) Incurred while the Tribal Member is eligible for the Policy;
 - (b) Not attributable to a deduction allowed under IRS Code Section 213 for any prior taxable year; and

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- (c) Not covered, paid or reimbursed from any other source, including but not limited to IHS.
- 8. Non-Eligible Medical Expenses.
 - (a) Cosmetic procedures. Specifically, cosmetic surgery is not an eligible expense. This includes any procedure that is directed at improving a patient's appearance and does not meaningfully promote the proper function of the body and/or prevent and/or treat illness or disease.
 - (i) An exception will be made if the surgery or procedure is necessary to ameliorate a deformity arising from, or directly related to, a congenital abnormality, a personal injury resulting from an accident or trauma, or disfiguring disease. Prior approval from the Controller will be required at least 90 days prior to any surgery or procedure. Proper documentation should include a letter of medical need from the medical doctor performing the service outlining services to be performed and the scheduled date of service. An itemized medical bill will be required after the procedure is performed to substantiate all expenses.
 - (b) Controlled Substances. Out-of-pocket expenses associated with the used of controlled substances (such as marijuana, laetrile, etc.) which are federally illegal are not Eligible Expenses, regardless of whether such substances are legal under state law.
- C. Food and Clothing Assistance. Funds shall only be used to pay for Eligible Expenses per household.
 - 1. Eligible Expenses include:
 - (a) Food and personal hygiene expenses.
 - (b) Clothing expenses.
- D. Transportation.
 - 1. Eligible Expenses include:
 - (a) Gas
 - (b) Bus pass, ferry tickets, or similar toll lane expenses
 - (c) Repairs/maintenance to the Tribal Member's primary vehicle for purposes of work or school.

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- E. Education Supplies and Fees. Funds shall be used to pay for Eligible Expenses for the household and to provide students transportation to and from school, tutors, and supplies (including but not limited to clothing, backpacks, laptop computers, musical instruments, and sports equipment) for use in school activities and extracurricular activities.

- F. Traditional Culture. Funds shall be used to pay Eligible Expenses: to attend or participate in an Indian tribe's cultural, social, religious, funerary, or community activities such as pow-wows, ceremonies, and traditional dances; to pay the costs of receiving instruction about an Indian tribe's culture, history, and traditions (including but not limited to traditional language, music, and dances); to pay for hunting and fishing licenses, supplies, and equipment; or to cover expenses for traditional crafting supplies and regalia.

IX. Documentation and Audits

A. Documentation.

- 1. Tribal Members are responsible for maintaining all necessary documentation for all Eligible Expenses as may be required for substantiation to the IRS for individual income tax purposes.

- 2. Receipts may be required by the Tribe. If requested, Tribal Members must submit all receipts.

- 3. Specifically for Housing Assistance, Tribal Members must be able to show that their primary residence (i.e., where they live more than 51% of the year) was serviced by utilities. The Tribal Member shall retain a utility bill and rent statement or mortgage statement in the Tribal Member's name or in the case of a minor Tribal Member, in the name of the parent or legal guardian.

- 4. Specifically for the Health Care Assistance, proof of insurance is required where funds are used for insurance premiums.

B. Audits.

- 1. To ensure that the Assistance is used for Eligible Expenses, the Tribe reserves the right to request a receipt or other proof of payment and/or proof of service address for any transaction from a Tribal Member at any time.

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2. On a yearly basis, the Tribe may select a random percentage of Tribal Members to audit. Tribal Members selected shall submit all receipts and documentation to prove that the Assistance received was spent on Eligible Expenses.
 3. The Tribe reserves the right to require a Tribal Member suspected of abuse of the Policy to provide receipts and billing statements or other documentation as verification.
- C. Taxability. Any Tribal Member who fails to keep documentation and cannot prove Eligible Expenses shall receive a Form 1099 for the amounts that cannot be shown to be spent on Eligible Expenses, and may be subject to federal income tax for the amounts shown on the Form 1099.

X. Non-Discrimination Policy

The distribution of benefits under this Policy shall not discriminate in favor of any person, including the members of the Tribal Council.

XI. Non-Compensatory in Nature

The benefits available under this Policy are not granted as compensation for services.

XII. Not Lavish or Extravagant

The benefits available under this Policy are not lavish or extravagant taking into account needs unique to the Tribe as well as the social purpose being served by the particular Assistance.

XIII. Effective Date

This Policy shall be effective as of the date of adoption by the Tribal Council, with the first distribution to be made November 17, 2022. The Policy is not retroactive. Any amendments to this Policy and eligibility guidelines shall be effective as designated in the enacting resolution, and if no date is designated, then upon the date the resolution is approved by the Tribal Council.