

OUTLINE OF NET PROFITS ALLOCATION PLAN DOCUMENT

I. Overview

This will be a plan governing allocation of net profits for ITKN non-gaming business enterprises. Each participating business will be specified in the plan.

II. Definitions

- a. **Participating Business:** This will reference a schedule of businesses attached to the plan which may be adjusted from time to time to account for new businesses under the control of the ITKN.
- b. **Gross Profits:** Gross revenues less cost of goods sold.
- c. **Gross Revenues:** All revenues generated, with adjustments for items such as restricted funds and dividends received from wholly owned subsidiaries.
- d. **Net Profits:** This will be defined as Gross Profits less certain permitted expenses and allowances, such as
 - salaries, wages, and employee benefits
 - operating supplies
 - utilities
 - repairs and maintenance
 - debt service
 - lease payments
 - insurance and bonding premiums and deductibles
 - advertising and other marketing
 - accounting, legal and other professional fees
 - operating reserves, capital replacement reserves, and reserves for expansion of operations, all to the extent identified in a fiscal year budget for the Participating Business submitted by the Board for such business and approved by the Executive Committee, provided that aggregate reserves will not exceed ___% of Net Revenues computed before deduction of reserves.

NOTE: This list is for illustration and is not a final, exhaustive list.

III. Dividend mechanism

- a. Each Participating Business will compute its Gross Profits, Gross Revenues, and Net Profits on a quarterly basis. These items will be reported to the Executive Committee as part of a “Net Profits Allocation” report along with interim financial statements each fiscal quarter by a specified date in the calendar month following the fiscal quarter. Summary interim financial statements and the Net Profits Allocation report for each Participating Business will be promptly posted to the Members-only area of the ITKN website.
- b. On or before the last business day of the calendar month following each fiscal quarter, each Participating Business that is directly owned by the Tribe will dividend the previous quarter’s Net Profits Allocation to the Tribe. This dividend will include

the Net Profits Allocation for that Participating Business as well as all Net Profits Allocations for each of its wholly-owned subsidiaries.

- IV. The Executive Committee shall dedicate Net Profits Allocations to the following uses:
- a. **Education:** This may include programming to support members seeking degrees from early childhood, to trade schools, to masters' degrees and post-secondary education. ___%
 - b. **Workforce and business development:** This may include but is not limited to summer youth programming, JOM, business attraction and retention services. ___%
 - c. **Housing:** This may include non-HUD housing without income restrictions. ___%
 - d. **Governmental services expansion:** This may include expansion of existing programs like fish and wildlife, united tribes, social services, the park, and also include major capital improvement projects as well. ___%
 - e. **Culture:** This may include programming to support arts, language, events, the Mission, and the Tribal National Park. ___%
 - f. **Community services:** This may include support for a basketball court, fitness center, childhood development services and support for healthy kids, hearing aids, WIC programming, burial assistance, and veterans support services. ___%
 - g. **General Welfare program:** This will include benefit programs meeting the requirements of the federal Tribal General Welfare Exclusion Act of 2014, which added IRC Section 139E. Section 139E provides an exclusion from income for payments from certain benefit programs provided by an Indian tribal government for the general welfare of its members. Some of the items listed in items a -f above may be shifted into this bucket. ___%
- V. Approval and Amendments
- a. The Net Profits Allocation Plan will become effective upon its approval by a majority vote of the General Council of the ITKN.
 - b. Once effective, the Net Profits Allocation Plan may only be amended by a majority vote of the General Council of the ITKN.