New Trust Funds Accounting System In Place

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For Immediate Release: April 19, 2000
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Effective April 2000, all remaining Individual Indian Monies (IIM) trust fund accounts have been converted to a new, automated Trust Fund Accounting System (TFAS). The implementation of this new accounting system at all BIA Regional Offices marks the completion of a significant component of the Secretary of the Interior's Trust Management Improvement Project. TFAS is the responsibility of the Office of the Special Trustee for American Indians (OST).

"Every tribal and IIM account and all investments have now been converted to the same commercial trust fund accounting system that is used in many major banks nationwide," Secretary of the Interior Bruce Babbitt said. "The completion of this effort is a credit to the efforts of OST and this milestone marks the Department's commitment to the implementation of comprehensive Indian trust fund reform."

The IIM trust fund accounts in the Southern Plains, Eastern Oklahoma, and Northwest Regions of BIA were the last to be converted from an antiquated accounting system to a commercial off-the-shelf system created and operated by SEI Investments, Inc., Oaks, Pennsylvania. The new system will provide basic receipt, accounting, investment, scheduled disbursing and reporting functions to account holders, functions that are common to commercial trust funds management systems.

SEI, a major industry provider of trust management systems, will operate the TFAS system, while the day-to-day trust fund accounting activities will continue to be performed by OST's Office of Trust Funds Management (OTFM). TFAS is the same basic system in use at more than 150 other major financial and investment institutions.

This conversion successfully completes an effort that began August 1998 at BIA's Western, Pacific and Alaska Region pilot sites. Since that initial work was conducted, over 262,000 IIM trust fund accounts have been converted to TFAS. This effort included manually examining, verifying and correcting the account data prior to conversion, and testing the validity and accuracy of the data once it was on the new system.

OTFM Director, Donna Erwin, whose office spearheaded the conversion effort is very satisfied with TFAS, "The utilization of this commercial trust system provides state-of-the-market software, and enables the government to participate with other private sector trust companies in future enhancements and products of the system."

Eventually, the functions of TFAS will be interfaced with an asset management system currently under development. BIA's Trust Asset and Accounting Management System (TAAMS) will be responsible for tracking the land title, lease, billing and accounts receivable information for improved asset management. The interface of TFAS and TAAMS will complete the information circle on account and asset management to tribes and IIM beneficiaries.

The conversion of the trust fund accounts to TFAS is one of eleven separate projects described in the revised (February 29, 2000) High Level Implementation Plan, the Department's framework to implement comprehensive trust reform.
