

FUND DISTRIBUTION PROCESS

Program: Contract Support Costs

Type of Funding: Formula/Criteria Based

Funding Authority/Responsibility: Indian Self-Determination and Education Assistance Act (ISDEAA), Public Law (P.L.) 93-638 (25 U.S.C section 5301 et seq.) as it pertains to contract support costs (CSC).

The Deputy Bureau Director, Office of Indian Services (OIS) is the Sub Allottee and is responsible for this funding.

The Division of Self-Determination is responsible for coordinating the calculations and the distribution of lump-sum funding to the regions, Division of Workforce Development (DWD), and the Office of Self-Governance (OSG). The regions, DWD and OSG calculate the direct and indirect CSC need for each contract or compact for each recipient tribe in accordance with Indian Affairs Manual, Part 13, Chapter 7, Contract Support Costs.

Criteria for Distribution: Direct CSC (DCSC)(25 U.S.C section 5325(a)(3)(A)(i)) need is calculated annually by the Awarding official for self-determination contracts or OSG funding agreements. DCSC is part of the direct cost base from which indirect CSC is calculated. $DCSC = \text{Current Tribal budgeted salary cost, or most current pay cost report data [not including fringe]} \times 18\%$.

Indirect CSC (25 U.S.C. section 5325(a)(3)(A)(ii)) need is calculated by the Awarding Official for self-determination contracts or OSG funding agreements based on the Tribe's current approved Indirect Cost (IDC) rate(s). $\text{Indirect CSC} = \text{Current approved IDC rate(s)} \times \text{The Secretarial Amount awarded to the Tribe [minus exclusions and pass-through]}$.

If a Tribe does not have an approved IDC rate, or the IDC rate is more than four years old, BIA or OSG will negotiate a lump-sum amount for indirect-type costs or the Tribe can recover its total CSC need using the Simplified Method. If a Tribe does not initiate any of these options, Indian Affairs will not pay the Tribe any indirect CSC.

The negotiated lump sum amount may be used for a Tribe that meets the single-audit threshold in the prior fiscal year and does not have an approved IDC rate that is four or fewer years old, and is for indirect-type costs. The amount negotiated will be effective for the entire contract year and the Tribe will be required to have a new approved IDC rate or a new negotiated lump-sum amount for each succeeding contract year.

The simplified method may be used for a Tribe that did not meet the single-audit threshold in the prior fiscal year, and does not have an approved IDC rate that is four or fewer years old. The indirect CSC is calculated at 30% of the secretarial amount the Tribe receives, minus exclusions and pass-through. The amount will be independently calculated each year.

Distribution Process:

Upon apportionment, OBPM moves CSC funding as a whole from the budget address directly to the Office of Indian Services, (within 3 days of apportionment)

OIS prepares Funding Execution Documents (FEDs); for the regions and 1 for the Office of Self-Governance (OSG) and gets approval. (within 2 days)

The regional FED is forwarded directly to the Division of Budget Execution for processing. (within 3 days)

The FED for OSG is forwarded to OSG for review and approval. OSG then forwards the FED to Budget Execution. (within 3 days)

OBPM, Budget Execution processes funding to OSG. (within 3 days)

Upon processing, the transfer of funds is complete and funding is available to the region, DWD, or OSG as a lump sum.

Regional Office

Regional Budget Officer: The budget officer accepts the funding provided by the FED and notifies the regional self-determination office of the availability of funds. [same day]

Regional Self-Determination Staff: The agency offices are notified of the availability of CSC funds. In accordance with the Implementation Plan for each region, the staff prepare to reallocate funds to the tribal level.

Regional/Agency Self-Determination Specialist: The self-determination specialist calculates the CSC need based on the formula for eligible program funding dollars for each contract. The process includes analyzing the tribal budgets, indirect cost rates, exclusions and pass through funding, and other technical assistance requested by the Tribe. [within 5 days]

Regional/Agency Self-Determination Specialist: The self-determination staff prepares a FED to reallocate CSC funds from the regional level to the tribal level. [within 1 day]

Regional Budget Office: The regional budget officer approves and processes the FED for CSC funds. The CSC funds are now available at the tribal level and ready for obligation. [within 2 days]

Regional/Agency Self-Determination Specialist: Contract awards and modifications are prepared and provided to the Tribe for signature. [within 2 days]

Tribe

Tribal Elected Official: The authorized elected official approves and signs the award/modification and returns the document to the regional/agency self-determination office.

Regional Office

Regional/Agency Self-Determination Specialist: Upon receiving the signed award/modification from the tribe, the awarding official executes the award/modification. The funds are released and available to the Tribe.

Tribe

Tribal Office: The program and/or CSC funds as specified on the contract award or modification are made available to the Tribe. The Tribe may log into the Automated Standard Application for Payments (ASAP) system to draw the funds.