

UNITED STATES  
 DEPARTMENT OF THE INTERIOR  
 BUREAU OF INDIAN AFFAIRS

NIFC OFFICE ROUTE SLIP

SUBJECT: Administration Fee Memorandum			
FROM (NAME AND OFFICE) BUREAU OF INDIAN AFFAIRS-NATIONAL INTERAGENCY FIRE CENTER		PHONE 208/387-5378	DATE ROUTED April 25, 2008
ROUTE TO CODE	RELEASED		COMMENTS
	INITIAL	DATE	
Administration	AMW	4/25	Teresa Ann Wesley, Administrative Assistant
Administration			Administrative Officer Surname
Administration			Deputy Director- Branch of Wildland Fire Management SURNAME
Director	JL	4/25	SIGNATURE - Director, Branch of Wildland Fire Management SURNAME
Administration			Teresa Ann Wesley, Administrative Assistant Distribution and Filing

ADDITIONAL COMMENTS



United States Department of the Interior  
BUREAU OF INDIAN AFFAIRS  
NATIONAL INTERAGENCY FIRE CENTER  
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BOISE, IDAHO 83705-5354

April 25, 2008

To: All Regional Directors, All Regions  
Attention: Forestry and Fire Management

From: Director, Branch of Wildland Fire Management

Subject: Administrative Fees Charged to Suppression Account

The Bureau of Indian Affairs, Branch of Wildland Fire Management (BIA-NIFC), through this memorandum, is providing clarification for the use of administrative fees within the wildland fire suppression account (92310). Currently, BIA Regional Offices utilize cooperative agreements or contracts to reimburse some tribes for authorized expenditures from the suppression account. Tribes are reimbursed for authorized, direct cost, suppression expenditures on a fire-by-fire basis. Tribal indirect costs are not authorized.

Office of Management and Budget (OMB) Circular A-87 establishes principles and standards for determining costs for Federal awards carried out through grants, cost reimbursement contracts and other agreements with State and local governments and federally-recognized Indian tribal governments. OMB Circular A-87 clarifies that the total cost of federal awards is comprised of the allowable direct cost of the program, plus its allocable portion of allowable indirect costs, less applicable credits. Direct costs are those that can be identified specifically with a particular final cost objective. Indirect costs are those: (a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved. OMB Circular A-87 allows for minor direct cost items to be treated as an indirect cost for reasons of practicality.

Ideally, all direct costs of the fire suppression program would be identified by line item description. However, in some complex situations or programs, it is not practical to individually track all minor direct cost items due to the extensive workload required by all parties to the agreement. Therefore, for these situations, an administrative fee may be used to account for all minor direct cost items. In less complex agreements, the workload required to track and bill for all direct costs is manageable. In such agreements, an administrative fee is not warranted. The decision to utilize the administrative fee process to account for minor direct costs will be determined by the regional office.

It is important to note that an agreement with an administrative fee does not result in additional funding paid for a service. Items covered by the administrative fee are not billed as direct cost line items. Regions will determine appropriate types of expenditures to be covered by an administrative fee and determine the administrative fee rate applicable to each tribe. This should be documented and reviewed as appropriate to ensure the rate is appropriate. Regions should also provide BIA-NIFC the approved rates for tribes within their region. Regions must develop and implement a process to monitor and provide appropriate accountability measures to ensure there is no duplication of expenditures in either the direct costs line items or the administrative fee.

It is important to note that the administrative fee rate is not the same rate as the tribe's indirect cost contract support rate. The administrative fee is a minor direct cost described above and is not an indirect cost.

If you have any questions on this matter, please contact Lyle Carlile, Director, Branch of Wildland Fire Management at (208) 387-5575.

cc: Assistant Director, Operations  
Administrative Management Specialist  
Director, BIA-NIFC