

BIA will follow the procedures in this notice.

The FY 2003 ISDF requirements for new and expanded contracts and self-governance funding agreements may be submitted to BIA throughout the year as the need arises.

Part 1—Contract Support Funds

1.1 What Is the Purpose of Contract Support Funds (CSF)?

BIA provides CSF to meet the indirect cost need identified for ongoing/existing self-determination contracts and self-governance compacts that are financed with funds appropriated to us under the Snyder Act.

1.2 What Is Designated as an Ongoing/Existing Contract or Funding Agreement?

An ongoing/existing contract or annual funding agreement is a BIA program operated under a self-determination contract or self-governance compact on an ongoing basis, which was entered into before the current fiscal year.

1.3 What Criteria Does BIA Use To Determine CSF Amounts for Existing Contracts and Annual Funding Agreements?

(1) All contracted or compacted programs, functions, services or activities included in annual funding agreements in the previous fiscal year and continued in the current fiscal year that are financed with funds appropriated to BIA;

(2) Direct funding increases because of inflation adjustments and general budget increases for programs financed with funds appropriated to BIA;

(3) Programs, functions, services, or activities started or expanded in the current fiscal year that are a result of a change in priorities from other already contracted, annual funding agreement programs, functions, services, or activities financed with funds appropriated to BIA;

(4) CSF differentials associated with tribally-operated schools that receive indirect costs through the application of the administrative cost grant formula. These differentials must be calculated under the criteria prescribed in the "Choctaw" decision dated September 18, 1992, issued by the contracting officer, Eastern Area Office. Copies of this decision can be obtained by calling the telephone number provided in the **FOR FURTHER INFORMATION CONTACT** section. Tribes that received differential funding under this category in the past are eligible to receive funding from this account. Tribes that did not receive

differential funding under this category in the past may be eligible for funding from the ISDF;

(5) Funds available for Indian Child Welfare Act (ICWA) programs or reprogrammed from ICWA programs to other programs will be considered ongoing for purposes of payment of contract support costs; and

(6) Programs, functions, services, or activities funded from sources other than those listed above that were contracted in the previous year and are to be continued under contract in the current year are considered ongoing.

1.4 Does an Increase or Decrease in the Level of Funding From Year to Year Affect the Designation of an Ongoing/Existing Contract or Annual Funding Agreement?

No.

1.5 How Does BIA Determine Eligibility for CSF?

All self-determination contractors and self-governance tribes/consortia with either an approved indirect cost rate, current indirect cost rate proposal, or an approved current lump sum agreement are eligible to receive CSF.

1.6 Can I Use Current Fiscal Year CSF To Pay Prior Year Indirect Cost Shortfalls?

No. The use of current CSF to pay prior year indirect cost shortfalls is not authorized.

1.7 Are There Any Restrictions on Distributing CSF for Indirect Costs?

Yes. The following conditions must be met before BIA distributes CSF to pay indirect costs:

(1) Programs, functions, services, activities, or portions thereof, must be financed with funds appropriated to BIA under the Snyder Act; and

(2) Programs, functions, services, activities, or portions thereof, must be included in a self-determination contract or a self-governance funding agreement with BIA.

1.8 Is There Any Other Restriction on Distributing CSF for Indirect Costs?

Yes. Self-determination contracts or self-governance agreements that receive appropriated funds from other Federal agencies, the Department of the Interior bureaus, offices, or other sources are not eligible to receive CSF.

1.9 How Can Tribes or Tribal Organizations Find Funding To Pay for Their Indirect Cost Needs for Programs That Are Excluded From Receiving CSF?

Those programs that are not eligible to receive CSF or ISDF to cover indirect

cost needs must use program-appropriated funds to cover their indirect cost needs. For example, funding for Indian Reservation Roads construction is transferred to BIA from the Federal Highway Trust Fund by the Department of Transportation. Therefore, this program is excluded from receiving CSF and must use allowable program funds to cover indirect cost needs.

1.10 How Does BIA Determine the Amount of CSF a Tribe or Tribal Organization Is Eligible To Receive?

BIA determines the amount of CSF a tribe or tribal organization is eligible to receive by taking the tribe's or tribal organization's direct cost base (DCB) and multiplying it by the indirect cost rate (ICR).

(DCB × ICR = 100 percent CSF need)

1.11 How Does BIA Decide What Direct Cost Base To Use To Determine CSF Need?

BIA uses the following procedures to determine the direct cost base:

If a tribe's direct cost base is . . .	Then BIA will make the following adjustments . . .
(1) Total direct cost, less capital expenditures and pass-through	(1) Total direct cost × indirect cost rate = 100 percent CSF need.
(2) Total salaries and wages	(2) Funding amounts for everything except salaries and wages will be excluded. (Total salaries and wages × indirect cost rate = 100 percent CSF need.)
(3) A negotiated lump sum, which is the total current year program funds, less capital expenditures and pass-through	(3) Capital expenditures and pass-through funds will be excluded. (Total direct cost × lump sum rate = 100 percent CSF need.)

1.12 How Does BIA Determine What Indirect Cost Rate To Use When Calculating the Amount of CSF That Eligible Tribes or Tribal Organizations Will Receive?

When calculating the amount of CSF that eligible tribes or tribal organizations will receive, BIA uses the following procedures: