

If . . .	Then . . .
(1) The tribe or tribal organization has an approved indirect cost rate or an indirect cost proposal currently under consideration by the National Business Center (NBC)	(1) The Regional Director or Office of Self-Governance Director must use the tribe's or tribal organization's current indirect cost.
(2) The tribe or tribal organization proposes to use the prior-year approved rate or the rate that is in the current proposal under consideration by the NBC*	(2) The most current of the two rates must be used in determining the amount to award.
(3) The tribe or tribal organization can document that it is unable to negotiate an indirect cost rate because of circumstances beyond its control and requests a lump sum amount	(3) The Awarding Officials may negotiate a reasonable lump sum amount with the tribe or tribal organization for FY 2003.**

*This rate is temporary and subject to finalization through negotiation with NBC and may result in actual over- or under-recovery of indirect costs.

**Beginning with 2004 enacted appropriations, a reasonable lump sum amount must not exceed 15 percent of total current-year program funds, less capital expenditures and pass-through.

1.13 What Happens if the "CSF Needs Report" Identifies an Overall BIA CSF Need That Exceeds Available CSF?

The CSF distribution will be made on a pro rata basis so that all eligible tribes and tribal organizations receive the same percentage of their reported need. For example, if the pro rata amount is 92 percent, each tribe or tribal organization will receive 92 percent of its identified indirect cost need.

1.14 How Does BIA Compute the Indirect Cost Need?

BIA uses one of the following formulas when determining a tribe's or tribal organization's CSF need:

- (1) Total direct cost \times indirect cost rate = Indirect cost need.
- (2) Total salaries and wages \times indirect cost rate = Indirect cost need.
- (3) Direct cost base \times lump sum rate = Indirect cost need.

1.15 Are Construction Contracts Eligible for CSF?

No additional CSF funds are authorized to meet these costs. All administrative or indirect costs must come from the total funding provided for the construction project.

1.16 Who Is Responsible for Submitting the "CSF Needs Report" to the Office of Tribal Services (OTS)?

Each regional office and the Office of Self-Governance must submit a "CSF Needs Report" for ongoing/existing contracts and annual funding agreements.

1.17 How Does BIA Distribute CSF to Tribes and Tribal Organizations?

(1) In the initial distribution of CSF, BIA will distribute to each regional office and the Office of Self-Governance 85 percent of the total amount of CSF provided in the previous fiscal year. From this 85 percent, the regional office will award 75 percent of the CSF need identified for each contract or annual funding agreement that meets the established criteria.

(2) In the second or final allotment of CSF, all tribal contractors and self-governance tribes/consortia will receive a pro-rated share of the CSF, based on the program funds in the contract or annual funding agreement at that time.

1.18 What Can a Contractor Do To Cover Its Total CSF Needs if the CSF Provided Are Insufficient?

If your CSF funds are insufficient, you may reprogram funds to make up deficiencies to recover your full indirect cost need. This reprogramming authority is limited to funds in the Tribal Priority Allocation (TPA) portion of the BIA budget or annual funding agreement.

1.19 Can Funds From Other BIA Programs That Are Not in the TPA Be Used To Meet a CSF Shortfall?

No. Congressional appropriation language does not provide authority for BIA to reprogram funds from other Bureau programs to meet any CSF shortfall. However, appropriation language provides individual tribes authority to reprogram funds from within its total TPA base to meet any CSF shortfalls.

Part 2—Indian Self-Determination Funds

2.1 What Are Indian Self-Determination Funds (ISDF)?

The ISDF are funds that pay the CSF and start-up costs for new or expanded contracts or annual funding agreements.

2.2 What Are the Definitions of the Terms "New Contract or Annual Funding Agreement" and "Expanded Contract or Annual Funding Agreement"?

(a) A new contract or annual funding agreement is defined as the initial

transfer of a program, function, service, or activity previously operated by BIA to a tribe, tribal organization or consortium.

(b) An expanded contract or annual funding agreement is defined as a contract or annual funding agreement which has become enlarged, during the current fiscal year, through the assumption of additional programs, functions, services, or activities (or portion thereof) previously operated by BIA.

2.3 How Are ISDF Distributed?

BIA provides ISDF on a "first-come, first-served" basis. BIA funds requests at 100 percent of the "identified need" until the ISDF are depleted.

2.4 How Does BIA Distribute ISDF for a New and Expanded Contract or Annual Funding Agreement?

Each regional office or the Office of Self-Governance must submit an "ISDF Needs Report" to the Office of Tribal Services when a new contract or annual funding agreement is awarded, or when existing contracts or annual funding agreements are expanded.

2.5 What Must a Complete "ISDF Request Package" for New and Expanded Contracts/Annual Funding Agreements Contain?

A complete request package for a new/expanded annual funding agreement must contain:

- (1) Indirect cost needs; and
- (2) Startup cost needs.

2.6 What Happens if Requests Are Received After the ISDF Have Been Depleted?

The ISDF request will not be funded for the fiscal year. However, requests received after the ISDF have been depleted will be considered first for ISDF funding in the following fiscal year.

2.7 How Does BIA Compute the Indirect Cost Need?

We compute the indirect cost need following the indirect cost base computation methodology provided in this announcement.

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

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