

# Contract Support Cost (CSC) Federal/Tribal CSC Workgroup Update August 2023

Sharee Freeman  
Director  
Office of Self Governance  
(Stand-in for Office of Indian Services)

# Opening Comments

- Indian Affairs is committed to paying 100% of the annual calculated Contract Support Cost (CSC) need.
- No changes will be made without Tribal input
  - Upcoming Consultation

# Indian Affairs

## Contract Support Cost Policy

Joint Tribal Federal CSC Workgroup  
unanimously approved in August 2016

Issued 1/10/2017

Transmittal Letter:

<https://www.bia.gov/sites/bia.gov/files/assets/bia/ois/ois/pdf/idc2-060096.pdf>

BIA CSC Policy (IAM Part 13, Chapter 7)

<https://www.bia.gov/sites/bia.gov/files/assets/bia/ois/raca/pdf/idc2-064789.pdf>

# CSC Calculation: Data Components (all Tribes)

- OIP Eligible Funds
- CSC Amount Paid
- Negotiated IDC Rate
- Current Budgeted Salaries (without fringe)
  - Fringe cost: (Only Tribes with a SWF (Salaries/Wages with Fringe) distribution base submit fringe cost)
- Exclusions and Pass throughs

# CSC Calculation:

## Self-Governance Tribes Data Collection

**DCSC = (current Tribal budgeted salary cost [not including fringe] of section 106(a)(1) programs) x 18%.**

**Indirect CSC = Current approved IDC rate(s) x (the Secretarial Amount awarded to the Tribe, minus exclusions and pass-through).**

Data elements that are readily available, or could be obtained by OSG

- Secretarial Amount awarded to the Tribe (OIP funds)
- Indirect Cost Rate (IDC rate)
- CSC Amount Paid

Data elements NOT available to OSG until provided or reported by the Tribe.

- Tribal budgeted salary cost (not including fringe)
- Tribal budgeted fringe cost: Tribes with a SWF (Salaries/Wages with Fringe) distribution base, this data must also be submitted by the Tribe.
- Exclusions and pass-throughs: OSG does not have knowledge of this data until reported by the Tribe.

# CSC Issue: Payment of CSC for Self-Governance Tribes

## **Historical OSG process:**

- **Pay an initial payment (80% of the previous year's requirement) and**
- **Adjusted payment (100% of current year's requirement) upon the receipt of current data from the Self Governance Tribe.**

Regional Offices pay Title I Tribes based upon contract budgets that is submitted by the Tribes but make adjustments based upon any final or adjusted budgets submitted. Title IV Tribes are not required to submit budget data. This process allows OSG to treat the previous year's data as "preliminary budget data" or "estimated data" for the current year.

- Advantage: This option allows Self-Governance Tribes to receive funds at the beginning of the year with adjusted payment upon submission of current data. This has been the historical practice for many years, except the percentage of previous year's initial payment requirement was 70%, then went to 75% in 2000, and now is at 80%. This option also allows Self Governance Tribes to receive some funding as an initial payment at the beginning of the year to conduct operations.
- Disadvantage: This option can result in "overpayments" to Tribes if the initial payment is more than the adjusted current year data calculation. Fluctuation in any, or a combination, of the data elements can affect the current year's requirement. Once an "overpayment" occurs, it may take a long time for the Tribe to pay the funds back or, OSG will pursue a bill of collection. However, for FY 2022, there were 4 overpayments, all have been resolved.

# DOI CSC Recent Workgroup Activities

- The Policy took years to develop with many meetings to reach consensus on a complex topic.
- Current Workgroup has met twice
  - 04/2023, CSC Workgroup Meeting (Phoenix)
  - 05/2023, CSC Workgroup Meeting (Virtual)

## CSC Issue: Payment of CSC for Self-Governance Tribes

### **Option offered by Federal Workgroup Representatives:**

- **Pay an initial payment (100% CSC on current Base funds only).**
- **Adjusted payment (100% of current year's requirement) upon the receipt of current data from the Tribe.**

Reliant on two tribal data calls each year in order for OSG to accurately provide the 100% CSC payment. Initial payment 100% CSC on Tribal SG Base amounts and reported data from Tribes. OSG would request CSC data on all Operation of Indian Program (OIP) funds awarded during the funding year to make a calculation adjustment for 100% full CSC unmet need.



# CSC Issue: Payment of CSC for Self-Governance Tribes

- Advantages: Tribes would have 100% of CSC funding on established Base amounts only agreed upon by Tribes once CSC funding has been made available by OIS. This option could possibly decrease any true overpayment issues. This scenario utilizes the *current year* Base amount, then additional *current year funds* that are received.
- Disadvantages: If a tribe did not respond to the Base request for data, it would not receive an initial payment at the beginning of the year. This option is reliant on two data calls each year in order for OSG to accurately provide 100% CSC payment. Tribes who do not report data in a timely manner in either of the two data calls would experience a delay in CSC distribution as payment would be contingent on Tribal submission of data and funding available from OIS.

## CSC Issue: Calculation and Payment for Self-Governance Tribes

### **Option offered by Tribal Workgroup Representatives:**

- Feedback received expressed concern with the Department's interpretation of Policy pertaining to current data being annually supplied data. The Workgroup Tribal Representatives recommended the following:
- When a Tribe elects not to supply CSC data annually, OSG should use "best available" data for CSC calculations that can be up to 4-years old.
- Consider using reported BIA paycosts, and Single Audit Reports.
- Provide 100% CSC payment on recurring base funding at the beginning of the fiscal year and pay CSC on additional program funds as they are added throughout the year.

## CSC Issue: Calculation and Payment for Self-Governance Tribes

### **Option offered by Tribal Workgroup Representatives:**

- Tribes may voluntarily reconcile at end of the year or throughout the year if things change.
- If a Tribe refuses to engage or return an overpayment, then OSG would file a claim.
- When OSG only has data older than 4-years old for a Tribe, OSG would attempt a Lump Sum Negotiation.

## CSC Issue: “Best available data” for Self-Governance Tribes

**Advantages:** Allows Tribes to receive funding without submission of current data to calculate CSC for the year. Later in the year once the Tribe submits current data at their option the CSC payment may be calculated and result in an overpayment or an under payment or possibly an accurate 100% payment for the year. If a Tribe opts to not submit current data, the payment would be not be 100% need for that particular year.

**Disadvantages:** The CSC Policy would need to be changed to allow SG Tribes to submit data elements that are up to four years old for calculation of CSC payments. “Best available data” has not been defined for all data elements. Without the Tribe providing the data elements that are not available to OSG, the CSC requirement is unknown.

This option is currently contrary to the CSC Policy as the Policy allows for a rate that is up to four years old, however it does not allow for use of previous years’ salary, fringe, exclusion or passthrough data to calculate the current year 100% CSC need.

## Other Options

**Option: IHS Option - Pay 100% of the previous year's CSC unmet need with an adjusted payment based upon the receipt of current year data from the Tribe.**

IHS Policy [6-3.2 E.(1)b.(vi)] states,

*“If any amount is still owed, IHS will make payment according to the payment provisions of the award. If the awardee was overpaid, the awardee will have the option to either: (a) reimburse IHS for the overpayment; or (b) agree that IHS will apply the overpayment to the awardee's CSC need in the subsequent year.”*

**Option: Pay CSC only upon receipt of current year data using Tribal budget submissions, Self Governance Tribes would then be treated the same as Self Determination Tribes.**

# CSC Payment: Funding Transfers- Federal systems

1. Disconnect with when funds are apportioned to DOI:
  - OIP Funds received via Excepted Apportionment
  - CSC Funds received via OMB Continuing Resolution
2. Treasury requests and transfer of funds from OIS to Regions/OSG (a quarterly Treasury request is contemplated)

BIA's Office of Indian Services (OIS), Field Operations, AS-IA's Office of Budget and Performance Management (OBPM), and Office of Self Governance (OSG) are working on a process and timeline that can be placed in the BIA's Contract Support Cost (CSC) Handbook to speed payment of CSC funds to all Tribes.