

**Sample Indirect Cost Pool**

<b>Note:</b> This document illustrates an indirect cost pool which may be used for a Special Rate proposal. It is for illustrative purposes only. Actual indirect cost proposals require more detailed information than shown here.
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<b>Title/Description of Costs</b>	<b>Actual FY 2008</b>	<b>Proposed FY 2010</b>
Salaries:		
Administrator	47,600	49,266
Accountant	38,655	40,008
Bookkeeper	16,651	17,234
Purchasing Agent	35,254	36,488
Human Resource Director	36,012	37,272
Human Resource Clerk	18,289	18,929
Receptionist/File Clerk	15,882	16,438
Maintenance	15,142	15,672
Employee Assistance Director	29,370	30,398
Information Specialist	30,020	31,071
Subtotal Salaries 1/	<u>282,875</u>	<u>292,776</u>
Fringe Benefits on Above Salaries 1/	70,719	73,194
Travel	5,600	5,824
Training	3,200	3,328
Telephone	15,600	16,224
Office Supplies	14,500	15,080
Postage	3,700	3,848
Utilities	7,589	7,893
Equipment Repair/Maintenance	4,000	4,160
Bldg/Grds Repair/Maintenance	3,200	3,328
Indirect Costs	<u>410,983</u>	<u>425,654</u>
FY 2006 Underrecovery Carryforward to FY 2008	8,457	
FY 2008 Indirect Cost Pool	<u>\$419,440</u>	
<b>Shared FY 2010 Indirect Cost Pool</b>		<u><u>\$425,654</u></u>
(without the FY2008 Carryforward Included)		

**Illustration of a 2 Rate Base Summary Proposal**

**Note:** This document illustrates direct cost bases which may be used for a Special Rate proposal. It is for illustrative purposes only. Actual indirect cost proposals require more detailed information than shown here.

<b>Total Direct Cost Bases</b>	<b>Actual FY08</b>	<b>Proposed FY10</b>
FEDERAL PROGRAMS		
<b>ISDA Programs (638)</b>		
Department of the Interior:		
Bureau of Indian Affairs	\$585,369	\$608,784
Department of Health and Human Services:		
Indian Health Service	487,955	507,473
<b>ISDA (638) Subtotal (Base 1)</b>	<b><u>1,073,324</u></b>	<b><u>1,116,257</u></b>
Department of Interior BIA (100-297)	228,320	237,453
Department of Health and Human Services (Non-638)	218,744	227,494
Environmental Protection Agency	202,847	210,961
Department of Agriculture	86,185	89,632
Department of Education	4,000	4,160
Department of Justice	46,425	48,282
Department of Commerce	83,740	87,090
Subtotal Federal Programs	<u>1,943,585</u>	<u>2,021,328</u>
STATE PROGRAMS	65,845	68,479
TRIBAL PROGRAMS	2,581,948	2,685,226
<b>All Other Subtotal (Base 2)</b>	<b><u>3,518,054</u></b>	<b><u>3,658,776</u></b>
<b>Total Direct Costs</b>	<b><u><u>\$4,591,378</u></u></b>	<b><u><u>\$4,775,033</u></u></b>

### Sample Indirect Cost Base and Pool Allocation Computation - 2 Rate Proposal

**Note:** This document illustrates base and pool allocation computation methodologies which may be used for Special Rates.

For The Year Ending September 30, 2008  
 FY 2010 Rate Computation

<b><u>Base Allocation Computation</u></b>		
<b>Allocate Separate Bases As A Percentage of Total Base Amount</b>		
	<b>Base</b>	<b>%</b>
ISDA Rate (from page 2 - 2 Rate Base Proposal)	1,116,257	23.38%
All Other Rate (from page 2 - 2 Rate Base Proposal)	3,658,776	76.62%
Total	4,775,033	100%

<b><u>Pool Allocation Computation</u></b>			
<b>FY 2010 Indirect Cost Pool--Shared Pool BEFORE FY 2008 Carryforward is Included (from page 1)</b>			425,654
	Pool	% of Base	ISDA Pool
<b>Rate 1</b>			
ISDA Rate Computation			
	ISDAPOOL	425,654	23.38%
FY 2008 Carryforward to FY 2010 (from page 4-FY2008 CF)			99,505
1/Additional Costs If Any			-2,131
Total pool\			97,374
	ISDA Base		1,116,257
<b>FY 2010 ISDA Indirect Cost Rate</b>			<b>8.72%</b>
<b>Rate 2</b>			
ALL OTHER Rate Computation			
	OTHER POOL	425,654	76.62%
FY 2008 Carryforward to FY 2010 (from page 4-FY2008 CF)			326,149
1/Additional Costs If Any			-1,036
Total pool\			325,113
	ALL OTHER		3,658,776
<b>FY 2010 ALL OTHER Indirect Cost Rate</b>			<b>8.89%</b>

**1/NOTE: Special Rate with Allowable Indirect Costs Chargeable to a Specific Special Rate Base**

If a tribal contractor can (1) identify a type of an otherwise allowable indirect cost that is chargeable to particular special rate bases (e.g., an ISDA-only special rate base), but not to the other special rate bases, and (2) that identified cost is not funded as Direct CSC, the tribal contractor may choose to add the identified indirect cost to the indirect cost pool for that special rate base only. If the contractor wishes to pursue this option, the identified indirect cost would be added to the applicable special rate pool before calculating the rate for that applicable special rate base. These indirect costs must be identified and described in the indirect cost proposal submitted to NBC.

**Fixed with Carryforward Template for use with 2-Rate Proposal****Note:** This template is to be used for the first and second year of a Special Rate proposal.**For The Year Ending September 30, 2008**

Agreed Upon Changes to the 'Fixed with Carryforward' Schedule

**FY 2008 Carryforward Computation**

Program	FY 2008	% of Total	FY 2008	Indirect	Indirect	Underfunded Indirect	Overfunded Indirect	Carryforward
	Actual Direct Costs		Indirect Cost Pool	Rate at 9.50%	Costs Recovered/Collected			
BIA (638)	\$585,369	12.75%	\$53,479	\$55,610	\$58,845	\$0	3,235	-2,131
IHS (638)	487,955	10.63%	\$44,586	\$46,356	40,288	\$4,298	0	0
Subtotal ISDA (638)								<b>-2,131</b>
HHS (Non-638)	218,744	4.76%	\$19,965	\$20,781	15,877	\$4,088	0	0
EPA	202,847	4.42%	\$18,539	\$19,270	19,270	\$0	0	-731
Agriculture	86,185	1.88%	\$7,885	\$8,188	8,188	\$0	0	-303
Education	4,000	0.09%	\$377	\$380	380	\$0	0	-3
Justice	46,425	1.01%	\$4,236	\$4,410	0	\$4,236	0	0
Commerce	83,740	1.82%	\$7,634	\$7,955	7,250	\$384	0	0
State	65,845	1.43%	\$5,998	\$6,255	5,789	\$209	0	0
Subtotal								<b>-1,036</b>
Tribal	2,581,948	56.23%	\$235,851	\$245,285	1/			
BIA (100-297)	228,320	4.97%	\$20,846	\$21,690	2/			
Totals	<u>\$4,591,378</u>	100.00%	<u>\$419,440</u>	<u>\$436,180</u>	<u>\$155,887</u>	<u>\$13,216</u>	<u>\$3,235</u>	<u>-\$3,167</u>
			3/		4/		5/	

1/ Over or underrecovery from Tribal accounts is internal and therefore not included in the carryforward computation.

2/Over or underrecovery from BIA is not included in the carryforward computation according to Public Law 100-297 Section 1128A, (d) (3): "Funds received as grants under this section for Bureau funded programs operated by a tribe or tribal organization under a contract or agreement shall not be taken into consideration for purposes of indirect cost underrecovery and overrecovery determinations by any Federal agency for any other funds, from whatever source derived."

3/ The reported FY 2008 indirect costs of \$419,440 were adjusted to include the previously negotiated FY 2006 underrecovery carryforward to FY 2008 of \$8,457.

4/The amount of "Indirect Cost Collection" need not include direct funds (including direct program funds, direct CSC, or indirect CSC funds lawfully redirected to pay for unfunded direct CSC), private funds, or tribal funds diverted to pay indirect costs in the pool, provided that the amount listed is consistent with the tribal contractors' audited financial statements or post-audit statements, pursuant to Section III.B.1(a) and (b) of PSA III.

5/ Underfunded indirect costs should be reported to the respective granting agencies. Underfunded amounts may be, but are not necessarily, due to shortfalls in appropriations. The presence of an amount in either of these columns does not constitute a determination or admission that either the government or the contractor is liable to the other for any amount.

Note: The amounts shown as Indirect Costs Collections are based on the Tribe's audited financial statements.

**Illustration of the FY 2010 Rate Computation (Estimated and Actual)- 2 Rate Proposal**

**Note:** This document illustrates the rate computations (estimated and actual) which may be used for Special Rate proposals. It is for illustrative purposes only. Actual indirect cost proposals require more detailed information than shown here.

For The Year Ending September 30, 2010

	<b>FY 2010 Negotiated Indirect Cost Rate Based on FY 2010 Agreement</b>		
	<b>ISDA</b>	<b>Other</b>	<b>Total</b>
Fixed Carryforward Rate Computation	<u>8.72%</u>	<u>8.89%</u>	
<b>FY 2010 Estimates</b>			
<b><u>1. Indirect Cost Pool:</u></b>			
Indirect Costs	99,505	326,149	425,654
FY 2008 Over-recovery Carryforward to FY 2010	-2,131	-1,036	
FY 2008 Under-recovery Carryforward to FY 2010			
Adjusted Indirect Cost Pool	<u>97,374</u>	<u>325,113</u>	
<b><u>2. Direct Cost Base:</u></b>	<u>1,116,257</u>	<u>3,658,776</u>	4,775,033
Percentage of Direct Costs	<u>23.38%</u>	<u>76.62%</u>	
<b><u>3. FY 2010 Actual Costs Incurred:</u></b>			
(FY 2010 Actual Costs Reconcilable to FY 2010 Audited Financial Statements)			
FY 2010 Actual Direct Cost Base	1,138,582	3,731,952	4,870,534
Percentage of Direct	<u>23.38%</u>	<u>76.62%</u>	100.00%
Actual Indirect Costs (Based on Percentage of Direct)	101,851	333,837	435,688
FY 2008 Over/Under-recovery Carryforward to FY 2010 (above)	-2,131	-1,036	
Actual Indirect Cost Pool	<u>99,720</u>	<u>332,801</u>	
Actual Rate (For Comparison with Negotiated Rate)	<u>8.76%</u>	<u>8.92%</u>	

**Future Year - Fixed with Carryforward Template for use with 2 Rate Proposal**

**Note:** This template is to be used by Tribal Organizations submitting a proposal for a Special Rate for the 3rd year and after. For example, first year Special Rate proposal is submitted for FY2010, second year for FY 2011, third year is for FY 2012. In this scenario this carryforward template would be used for FY 2012 and after.)

For The Year Ending September 30, 2010

**FY 2008 Carryforward Adjustment Computation**

	AA	BB	CC	DD	EE
	Actual FY 2010 Direct Cost	% of Total	Actual FY 2010 I/C	+under/ -over RECOVERY FY 2008 Carryfwd	FY 2010 I/C Pool
BIA (638)	\$620,959	54.54%	55,550	-\$2,131	\$53,419
IHS (638)	517,623	45.46%	46,301	0	46,301
Subtotal ISDA (638)	1,138,582	100.00%	101,851	-2,131	99,720
HHS (Non-638)	232,044	6.22%	20,765		
EPA	215,180	5.77%	25,139		
Agriculture	91,425	2.45%	10,674		
Education	4,243	0.11%	479		
Justice	49,248	1.32%	5,751		
Commerce	88,831	2.38%	10,369		
State	69,848	1.87%	8,147		
Tribal	2,738,930	73.39%	319,751		
BIA (100-297)	242,202	6.49%	28,276		
Other Total	3,731,951	100.00%	333,837	-\$1,036	\$332,801
Totals	\$4,870,533		\$435,688	-\$3,167	\$432,521

A	B	C	D	E	F	G	H	I	K
FY 2010 Carryforward Computation to Calculate FY 2012 Rate									
Adjusted for 2008 Carryforward									
Program	FY 2010 Actual Direct Costs	% of Total	FY 2010 Indirect Cost Pool	FY 2010 Indirect Rate	Indirect Costs at FY 2010 Rate	Indirect Costs Recovered/Collected	Underfunded Indirect	Overfunded Indirect	Carryforward
BIA (638)	\$620,959	54.54%	\$53,419	8.72%	\$54,148	\$58,702	\$0	4,554	-729
IHS (638)	517,623	45.46%	46,301	8.72%	45,137	41,110	\$4,027	0	1,164
Subtotal ISDA (638)	1,138,582	100%	99,720		99,285	99,812	4,027	4,554	435
HHS (Non-638)	232,044	6.22%	20,700	8.89%	20,629				
EPA	215,180	5.77%	19,203	8.89%	19,130				
Agriculture	91,425	2.45%	8,154	8.89%	8,128				
Education	4,243	0.11%	366	8.89%	377				
Justice	49,248	1.32%	4,393	8.89%	4,378				
Commerce	88,831	2.38%	7,921	8.89%	7,897				
State	69,848	1.87%	6,223	8.89%	6,209				
Subtotal Other	750,819	20.12%	66,960		66,748				212
Tribal	2,738,930	73.39%	244,243	8.89%	243,491				1/
BIA (100-297)	242,202	6.49%	21,599	8.89%	21,532				2/
Subtotal Other, Tribal & BIA (100-297)	3,731,951	100.00%	\$332,801		331,771				
Totals	\$4,870,533		\$432,521		\$431,056			\$4,554	
			3/			4/		5/	

1/ Over or underrecovery from Tribal accounts is internal and therefore not included in the carryforward computation.

2/Over or underrecovery from BIA is not included in the carryforward computation according to Public Law 100-297 Section 1128A, (d) (3): "Funds received as grants under this section for Bureau funded programs operated by a tribe or tribal organization under a contract or agreement shall not be taken into consideration for purposes of indirect cost underrecovery and overrecovery determinations by any Federal agency for any other funds, from whatever source derived."

3/ The reported FY 2008 indirect costs of \$432,521 were adjusted to include the previously negotiated FY 2008 carryforwards as displayed in the FY 2008 Carryforward Adjustment Computation above.

4/The amount of "Indirect Cost Collection" need not include direct funds (including direct program funds, direct CSC, or indirect CSC funds lawfully redirected to pay for unfunded direct CSC), private funds, or tribal funds diverted to pay indirect costs in the pool, provided that the amount listed is consistent with the tribal contractors' audited financial statements or post-audit statements, pursuant to Section III.B.1(a) and (b) of PSA III.

5/ Underfunded indirect costs should be reported to the respective granting agencies. Underfunded amounts may be, but are not necessarily, due to shortfalls in appropriations. The presence of an amount in either of these columns does not constitute a determination or admission that either the government or the contractor is liable to the other for any amount.

Note: The amounts shown as Indirect Costs Collections are based on the Tribe's audited financial statements.

**Electronic Version of Exhibit 1 to Appendix A**

**Future Year - Fixed with Carryforward Template for use with 2 Rate Proposal**

The electronic form of the document appended as Exhibit 1 to Appendix A to the Third Partial Settlement Agreement Settling all Claims for Equitable Relief is an Excel spreadsheet containing the underlying formulas which generate the hard copy of Exhibit 1 as attached to Appendix A. That electronic version of Exhibit 1 is on a CD-ROM which has been filed with the Clerk. That spreadsheet illustrates a two-rate option: an ISDA-only rate and a non-ISDA rate (which includes all other programs).