

**SAMPLE PROPOSAL
Native American Organization**

THIS IS A SHORT, SIMPLIFIED SAMPLE OF AN INDIRECT COST PROPOSAL. IF YOU WOULD USE THIS TYPE OF FORMAT, OR SIMILAR ONE, THE NATIONAL BUSINESS CENTER COULD SPEED UP THE NEGOTIATION OF YOUR FIXED-WITH-CARRYFORWARD INDIRECT COST RATE.

Information and examples used in this proposal are all fictitious and represent no particular Native American Organization.

This is an example only.

If your accounting year or other information differs from the example, appropriate changes are necessary.

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Office of the Secretary
National Business Center
Indirect Cost Section
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**[NATIVE AMERICAN ORGANIZATION]
INDIRECT COST RATE PROPOSAL
FOR THE PERIOD OCTOBER 1, 2004, THROUGH SEPTEMBER 30, 2005**

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**[NATIVE AMERICAN ORGANIZATION]
INDIRECT COST RATE PROPOSAL
FOR THE PERIOD OCTOBER 1, 2004, THROUGH SEPTEMBER 30, 2005**

INTRODUCTION

The [Native American Organization] has received an indirect cost rate from the Department of the Interior since fiscal year (FY) 1992. This proposal is based upon estimated budgets for all programs to be administered by the [Native American Organization] during the period October 1, 2004, through September 30, 2005. All Federal, State, and Native American programs have been included in the proposal.

We have also included audited financial statements for all programs and the indirect cost pool for FY 2003. Using the FY 2003 figures, we determined that the [Native American Organization] had an under-recovery carryforward of \$11,953 on Federal and non-Federal programs. This under-recovery was included in our computation of the proposed FY 2005 fixed carryforward rate of 13.01 percent.

The individuals to contact in regard to this proposal are:

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**[NATIVE AMERICAN ORGANIZATION]
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FOR THE PERIOD OCTOBER 1, 2004, THROUGH SEPTEMBER 30, 2005**

INDIRECT COST PROPOSAL (ICP) CHECKLIST (Tribal Organizations)
(Check Off Boxes Below)

- 1. The ICP is supported by audited financial statements that meet the requirements of the Single Audit Act of 1984, Public Law 98-502, as amended. (Please include a copy of the supporting document along with your ICP.)

- 2. A reconciliation of item 1. (above) to the ICP has been made and is included in this proposal.

- 3. The tribal certificate of indirect cost has been signed on behalf of the organizational unit by the Chairman/Agency Official or an individual at a level no lower than Chief Financial Officer of the organizational unit that submits the proposal or component covered by the proposal.

- 4. Current organization chart.

- 5. Schedule of indirect costs (proposed and actual) is sufficiently detailed to determine purpose and classification, including salaries.

- 6. Schedule of indirect cost rate computation base (proposed and actual) is complete (i.e., it includes all activities that benefit from the indirect cost pool) and sufficiently detailed and classified by funding agency and program title.

- 7. Schedule with recovered/collected indirect costs is provided with program detail and classified by funding agency. This can be provided with schedule discussed in item 6. above (base schedule).

- 8. Unallowable expenses have been eliminated from the indirect cost pool (e.g., contributed salaries and services, interest expense, bad debts, advertising, depreciation on federally funded assets and lobbying costs).

- 9. A carryforward schedule is included, if fixed with carryforward indirect cost rate is requested for the third year and beyond.

- 10. Any previous understandings with the Indirect Cost Section (ICS) have been incorporated into this ICP.

- 11. We have not made any significant changes during the proposal fiscal year, (1) to our accounting system, or (2) to the definition or to the accounting treatment of any expense category (e.g., a change in building/equipment costing methodology, capitalization level, or a change in charging an expense from direct to indirect or visa versa).

Please explain any boxes not checked on a separate sheet.

Signature

Date

Title

Organization

**[NATIVE AMERICAN ORGANIZATION]
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CERTIFICATE OF INDIRECT COSTS

This is to certify that I have reviewed the indirect cost proposal submitted herewith and that to the best of my knowledge and belief:

(1) All costs included in this proposal dated [identify date] to establish billing or final indirect costs rate for the period [identify period covered by rate] are allowable in accordance with the requirements of the Federal agreement(s) to which they apply and the cost principles applicable to those agreements, including OMB Circular A-87, "Cost Principles for State, Local, and Indian Tribal Governments."

(2) This proposal does not include any costs that are not allowable under applicable cost principles, such as (without limitation): Advertising and public relations costs, entertainment costs, fines and penalties, lobbying costs, and defense and prosecution of criminal and civil proceedings.

(3) Any costs excluded from this proposal, such as Tribal enterprises, gaming operations, and Tribal schools and programs, including all or portions of the general fund, are separately administered and do not benefit from Tribal administration included in the indirect cost pool.

(4) All costs included in this proposal are properly allocable to Federal agreements on the basis of a beneficial or causal relationship between the expenses incurred and the agreement(s) to which they are allocated in accordance with applicable requirements. Further, the same costs that have been treated as indirect costs have not been claimed as direct costs. Similar types of costs have been accounted for consistently.

I declare under penalty of perjury that the foregoing is true and correct.

Signature

Print Name

Title

[Native American Organization]

Date Signed

Note: The above certificate is a requirement of OMB Circular A-87. We will not be able to process your indirect cost proposal without this certificate.

**[NATIVE AMERICAN ORGANIZATION]
INDIRECT COST RATE PROPOSAL
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ACCOUNTING SYSTEM DESCRIPTION

The [Native American Organization] has a modified accrual system of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one-year availability period is used for revenue recognition for all government fund revenue. Expenditures are recorded when the related fund liability is incurred.

Principal and interest on general long-term debt are recorded as fund liabilities when due. Separate journals and ledgers are maintained for each individual program in the direct cost base. A separate journal and a general ledger are also maintained for the indirect cost pool.

**[NATIVE AMERICAN ORGANIZATION]
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POLICY STATEMENT ON DIRECT VERSUS INDIRECT COSTS

Direct costs consist of those costs that can be readily identified as a direct contract, grant, or program cost and addressed as benefiting a particular cost objective.

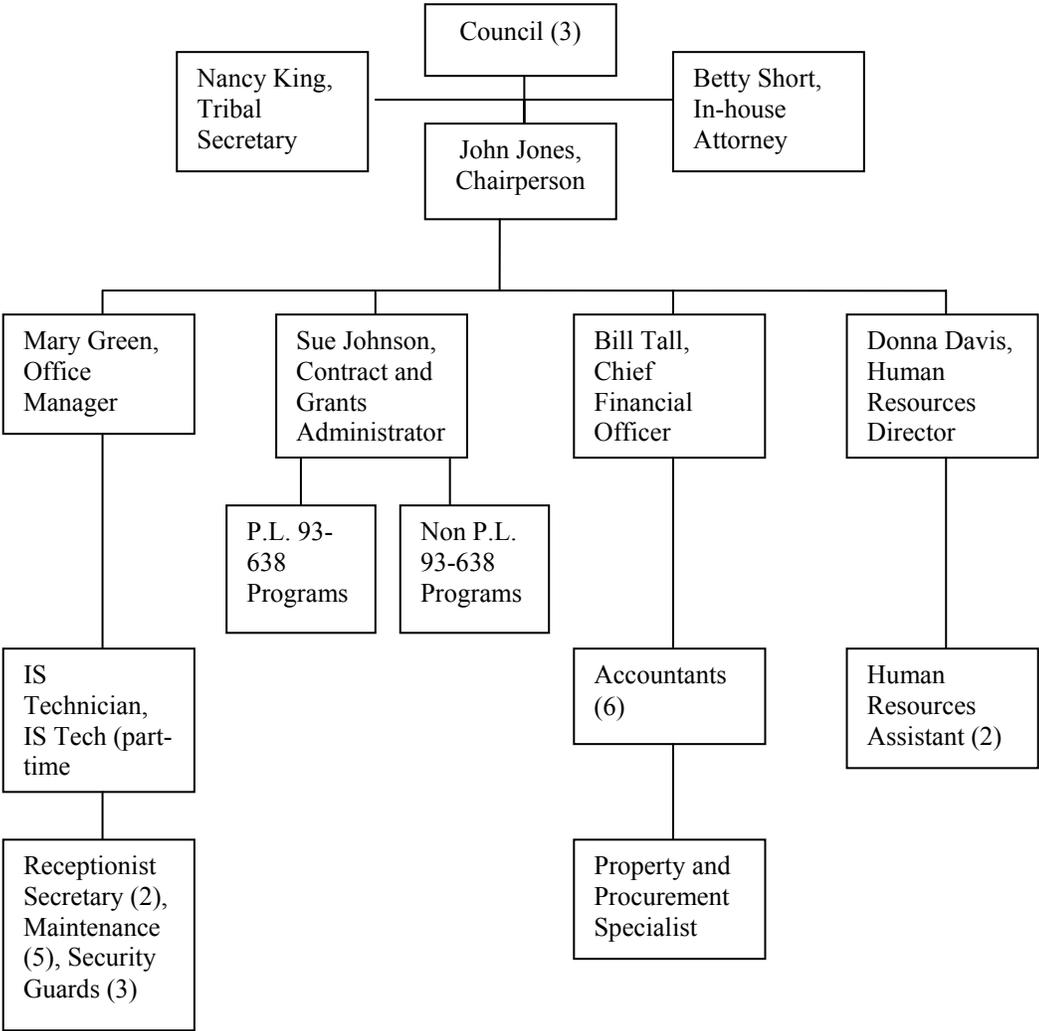
The following indirect costs incurred for the operation of the administration of the [Native American Organization] have been classified as indirect costs in accordance with the standards for indirect costs as described in Circular A-87 issued by the Office of Management and Budget. For reasons itemized below, these costs have been determined to comply with the above stated criteria and are therefore to be consistently charged as indirect costs within the funding formulas determined by the cognizant agencies. All items listed below have been determined to benefit more than one cost objective and are not readily allocable to benefiting contracts, grants, and programs.

1. Salaries paid to the administrative staff of the [Native American Organization].
2. Fringe benefits, including payroll taxes and medical insurance for the administrative staff.
3. Travel, including meals, lodging, and transportation costs for indirect personnel conducting Tribal business that is of an indirect nature (i.e., the benefit is not directly related to one program, but instead benefits many programs). Per diem follows the guidelines established for the Federal Government by the General Services Administration.
4. Insurance costs for the general umbrella policy and the fidelity bond of the Organization.
5. Office supplies, including office supplies used that cannot be specifically identified with a particular contract, grant, or program.
6. Telephone and utilities.
7. Consultants, including attorney fees, audit fees, and preparation of the indirect cost proposal.
8. Repairs and maintenance of the Organization facilities that are utilized by contracts, grants, and programs.

Other indirect costs may be included in the administration of the indirect cost pool. Costs included in the indirect cost pool may not be limited to the above list; however, they are the only such costs foreseen at this time. Each cost is examined for compliance with prescribed criteria before being classified as an indirect cost.

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**[NATIVE AMERICAN ORGANIZATION]
ORGANIZATIONAL CHART
FY 2005**



**[NATIVE AMERICAN ORGANIZATION]
INDIRECT COST RATE PROPOSAL
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FY 2005 Rate Computation

	<u>FY 2003</u> Negotiated Costs Per FY 2003 Rate Agreement	<u>FY 2005</u> Based on Budgeted or Prior Year Costs
Fixed Carryforward Rate Computation	<u>10.00%</u>	<u>13.01%</u>
A. Indirect Cost Pool:		
Indirect Costs	1,650,184	1,806,200
FY 2001 Over-recovery Carryforward to FY 2003	-33,532	
FY 2003 Under-recovery Carryforward to FY 2005		11,953
Indirect Cost Pool	<u>1,616,652</u>	<u>1,818,153</u>
B. Direct Cost Base:	<u>16,169,439</u>	<u>13,971,200</u>
C. FY 2003 Actual Costs Incurred: (FY 2003 Actual Costs Reconcilable to FY 2003 Audited Financial Statements)		
Actual Direct Cost Base		<u>13,436,481</u>
Actual Indirect Costs		1,721,637
FY 2001 Over-recovery Carryforward to FY 2003 (above)		<u>-33,532</u>
Actual Indirect Cost Pool		<u>1,688,105</u>
Actual Rate (For Comparison with Negotiated Rate)		<u>12.56%</u>

**[NATIVE AMERICAN ORGANIZATION]
INDIRECT COST RATE PROPOSAL
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**Tribal Organization
Indirect Cost Rate Proposal
For The Year Ending September 30, 2005**

	C	E	G	I	K	M	O
FY 2003 Carryforward Computation							
Program	FY 2003 Actual Direct Costs	% of Total	FY 2003 Indirect Cost Pool	Indirect Rate at 10.00%	Indirect Costs Collection	Shortfall	Carryforward
BIA (638)	\$284,918	2.12%	\$35,788	\$28,492	\$24,550	\$3,942	\$7,296
IHS (638)	2,344,502	17.45%	294,574	234,450	168,949	65,501	60,124
BIA (100-297)	0	0.00%	0	0			
HHS (Non-638)	96,705	0.72%	12,154	9,671	23,209	0	-11,055
Interior (Non-638)	29,404	0.22%	3,714	2,940	7,056	0	-3,342
Agriculture	189,638	1.41%	23,802	18,964	38,494	0	-14,692
HUD	34,692	0.26%	4,389	3,469	8,326	0	-3,937
Education	355,839	2.65%	44,735	35,584	0	35,584	9,151
Energy	237,705	1.77%	29,879	23,771	57,049	0	-27,170
EPA	133,619	0.99%	16,712	13,362	7,081	6,281	3,350
Justice	85,806	0.64%	10,804	8,581	0	8,581	2,223
EEOC	42,858	0.32%	5,402	4,286	13,072	0	-7,670
State	156,055	1.16%	19,582	15,606	21,907	0	-2,325
Tribal	9,444,740	70.29%	1,186,569	944,474	2/		
Totals	<u>\$13,436,481</u>	<u>100.00%</u>	<u>\$1,688,105</u>	<u>\$1,343,650</u>	<u>\$369,693</u>	<u>\$119,889</u>	<u>\$11,953</u>

1/ 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."

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

3/ The reported FY 2003 indirect costs of \$1,721,638 was adjusted to include the previously negotiated FY 2001 overrecovery carryforward to FY 2003 of \$33,532.

4/ Program shortfalls should be reported to the respective granting agencies.

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

**[NATIVE AMERICAN ORGANIZATION]
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FY 2003 Actual Direct Cost Base And Indirect Costs Recovered

Programs By Funding Agency	FY 2003 Expenditures Per Financial Statements	Exclusions							FY 2003 Direct Cost Base	Indirect Cost Recovered/ Collected Per Audit
		Capital Equipment	Contractual Services (Subcontracts)	Indirect Costs	Passthrough Funds 1/	Unallowable Costs 2/	Directly Funded Indirects 3/	Depreciation		
FEDERAL PROGRAMS										
P.L. 93-638 Programs										
Department of the Interior:										
Bureau of Indian Affairs-										
Consolidated Tribal Government	\$223,812				\$15,600				\$208,212	\$20,300
Aid to Tribal Government	59,325						\$29,325		30,000	
Family Counseling Program	46,706								46,706	4,250
Subtotal BIA	<u>329,843</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,600</u>	<u>0</u>	<u>29,325</u>	<u>0</u>	<u>284,918</u>	<u>24,550</u>
Department of Health and Human Services:										
Indian Health Service-										
Consolidated Health Program	1,876,483	\$2,997							1,873,486	168,949
Tribal Management Grant	18,981								18,981	
Supplemental Diabetes Program	161,490	1,759							159,731	
Child Care Development	262,041								262,041	
Developmental Disabilities	30,263								30,263	
Subtotal IHS	<u>2,349,258</u>	<u>4,756</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,344,502</u>	<u>168,949</u>

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Programs By Funding Agency	FY 2003 Expenditures Per Financial Statements	Exclusions							FY 2003 Direct Cost Base	Indirect Cost Recovered/ Collected Per Audit
		Capital Equipment	Contractual Services (Subcontracts)	Indirect Costs	Passthrough Funds 1/	Unallowable Costs 2/	Directly Funded Indirects 3/	Depreciation		
Non P.L. 93-638 Programs										
Department of Health and Human Services:										
Administration on Aging	108,281	21,900		\$16,719					69,662	16,719
Title III-Aging	2,584			500					2,084	500
Indian Child Welfare Services	18,197			3,522					14,675	3,522
Building Stronger Families	4,037			781					3,256	781
Pilot Prevention	8,715			1,687					7,028	1,687
Subtotal HHS	141,814	21,900	0	23,209	0	0	0	0	96,705	23,209
Department of the Interior:										
Bureau of Reclamation-										
Water Management	31,392			6,076					25,316	6,076
Monitor Ground Water Wells	787			152					635	152
Bureau of Land Management-										
Cultural Resource Monitoring	4,281			828					3,453	828
Subtotal	36,460	0	0	7,056	0	0	0	0	29,404	7,056
Department of Agriculture:										
Food and Nutrition Service-										
Food Distribution	123,410			19,479					103,931	19,479
Elderly Feeding	11,372			2,201					9,171	2,201
Economic Development Shopping Complex	23,240	23,240							0	
Sewer Replacement Project	194,196		\$116,397	13,804					63,995	13,804
Nutrition	1,815			351					1,464	351
Summer Food	13,736			2,659					11,077	2,659
Subtotal	367,769	23,240	116,397	38,494	0	0	0	0	189,638	38,494

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Programs By Funding Agency	FY 2003 Expenditures Per Financial Statements	Exclusions							FY 2003 Direct Cost Base	Indirect Cost Recovered/ Collected Per Audit
		Capital Equipment	Contractual Services (Subcontracts)	Indirect Costs	Passthrough Funds 1/	Unallowable Costs 2/	Directly Funded Indirects 3/	Depreciation		
Department of Housing and Urban Development:										
Irrigation	43,018			8,326					34,692	8,326
Department of Education:										
Vocational Rehabilitation	355,719								355,719	
IMLS Assistance	120								120	
Subtotal	355,839	0	0	0	0	0	0	0	355,839	0
Department of Energy:										
Bonneville Power Administration-										
Reservation Habitat Enhancement Project	264,622			51,217					213,405	51,217
Enhanced Fish and Wildlife Comm. Cultural	35,552		14,528	4,069					16,955	4,069
Wildlife Coordinator	14,608	5,500		1,763					7,345	1,763
Subtotal	314,782	5,500	14,528	57,049	0	0	0	0	237,705	57,049
Environmental Protection Agency:										
PWSS	2,814								2,814	256
General Assistance	61,966								61,966	2,980
Clean Air Act	76,174	7,335							68,839	3,845
Subtotal	140,954	7,335	0	0	0	0	0	0	133,619	7,081
Department of Justice:										
Tribal Resources (COPS)	145,608	59,802							85,806	
Equal Employment Opportunity Commission:										
Tribal Employment Rights Office	67,537	9,387		13,072	2,220				42,858	13,072
Subtotal Federal Programs	4,292,882	131,920	130,925	147,206	17,820	0	29,325	0	3,835,686	347,786

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Programs By Funding Agency	FY 2003 Expenditures Per Financial Statements	Exclusions							FY 2003 Direct Cost Base	Cost Recovered/ Collected Per Audit
		Capital Equipment	Contractual Services (Subcontracts)	Indirect Costs	Passthrough Funds 1/	Unallowable Costs 2/	Directly Funded Indirects 3/	Depreciation		
STATE AND OTHER PROGRAMS										
Tabacco Prevention	41,648	10,556		7,193					23,899	7,193
Juvenile Justice & Delinquency Prevention	19,474			1,726					17,748	1,726
State Fire Protection	84,661			8,452					76,209	8,452
ARCO Bull Trout Recovery	42,735			4,536					38,199	4,536
Subtotal State and Other Programs	<u>188,518</u>	<u>10,556</u>	<u>0</u>	<u>21,907</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>156,055</u>	<u>21,907</u>
TRIBAL PROGRAMS										
General Fund	2,519,684	21,101		1,721,637	152,360				624,586	
Housing Fund	24,426								24,426	
Scholarship Fund	27,589								27,589	
Charitable Organization Grants	20,581								20,581	
State Grants	110,836								110,836	
Enterprise Funds	12,842,440					2,215,632		1,990,086	8,636,722	
Subtotal Tribal Programs	<u>15,545,556</u>	<u>21,101</u>	<u>0</u>	<u>1,721,637</u>	<u>152,360</u>	<u>2,215,632</u>	<u>0</u>	<u>1,990,086</u>	<u>9,444,740</u>	<u>0</u>
Total Direct Costs	<u>20,026,956</u>	<u>163,577</u>	<u>130,925</u>	<u>1,890,750</u>	<u>170,180</u>	<u>2,215,632</u>	<u>29,325</u>	<u>1,990,086</u>	<u>13,436,481</u>	<u>369,693</u>
	4/	5/	5/		5/	5/	5/	5/		
Program Indirect Cost Booked in Accounts				<u>169,113</u>						
				5/						

Footnotes:

- 1/ Passthrough funds normally require minimal administrative effort and include scholarships, stipends, direct assistance payments, payments to participants, etc.
- 2/ Unallowable costs include donations, interest and debt service expense, penalty, lobbying costs, etc.
- 3/ Directly funded indirect costs are indirect in nature but directly funded by the program.
- 4/ At a minimum the total expenditures must reconcile directly to the audited financial statements.
- 5/ Column totals are used on the reconciliation of audited financial statement costs to indirect cost proposal costs.

**[NATIVE AMERICAN ORGANIZATION]
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FY 2005 Proposed Direct Cost Base

Funding Agency	Proposed FY 2005 Expenditures	Exclusions							FY 2005 Direct Cost Base
		Capital Equipment	Contractual Services (Subcontracts)	Indirect Costs	Passthrough Funds 1/	Unallowable Cost 2/	Directly Funded Indirects 3/	Depreciation	
FEDERAL PROGRAMS									
P.L. 93-638 Programs									
Department of the Interior:									
Bureau of Indian Affairs-									
Consolidated Tribal Government	\$250,000								\$250,000
Aid to Tribal Government	\$60,000						\$30,000		30,000
Family Counseling	47,000								47,000
Subtotal BIA	<u>357,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>30,000</u>	<u>0</u>	<u>327,000</u>
Department of Health and Human Services:									
Indian Health Service-									
Consolidated Health	2,500,000	\$150,000							2,350,000
Tribal Management Grant	35,000								35,000
Supplemental Diabetes	200,000	25,000							175,000
Child Care Development	300,000								300,000
Developmental Disabilities	100,000								100,000
LV Health Clinic Construction	1,100,000		\$1,100,000						0
Subtotal IHS	<u>4,235,000</u>	<u>175,000</u>	<u>1,100,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,960,000</u>

**[NATIVE AMERICAN ORGANIZATION]
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Funding Agency	Proposed FY 2005 Expenditures	Exclusions							FY 2005 Direct Cost Base
		Capital Equipment	Contractual Services (Subcontracts)	Indirect Costs	Passthrough Funds 1/	Unallowable Cost 2/	Directly Funded Indirects 3/	Depreciation	
Non P.L. 93-638 Programs									
Department of Health and Human Services:									
Administration on Aging	150,000				\$100,000				50,000
Title III-Aging	5,000								5,000
Indian Child Welfare Services	25,000				5,000				20,000
Building Stronger Families	5,000								5,000
Pilot Prevention	10,000								10,000
LV Health Clinic Construction	800,000		800,000						0
Subtotal	995,000	0	800,000	0	105,000	0	0	0	90,000
Department of the Interior:									
Bureau of Reclamation- Water Management	50,000			\$20,000					30,000
Department of Agriculture:									
Food and Nutrition Service-									
Food Distribution Program	100,000			18,000					82,000
Elderly Feeding	20,000			2,000					18,000
Sewer Replacement Project	150,000		100,000	15,000					35,000
Nutrition Program	10,000			1,000					9,000
Summer Food	10,000			800					9,200
Subtotal	290,000	0	100,000	36,800	0	0	0	0	153,200

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Funding Agency	Proposed FY 2005 Expenditures	Exclusions						FY 2005 Direct Cost Base
		Capital Equipment	Contractual Services (Subcontracts)	Indirect Costs	Passthrough Funds 1/	Unallowable Cost 2/	Directly Funded Indirects 3/ Depreciation	
Department of Housing and Urban Development: Irrigation	50,000			8,000				42,000
Department of Education: Vocational Rehabilitation	300,000			10,000				290,000
Department of Energy: Bonneville Power Administration- Reservation Habitat Enhancement Project	200,000			40,000				160,000
Enhanced Fish and Wildlife Comm.Cultural	50,000	20,000		3,000				27,000
Wildlife Coordinator	20,000	10,000		1,000				9,000
Subtotal	270,000	30,000	0	44,000	0	0	0	196,000
Environmental Protection Agency: General Assistance	100,000	8,000						92,000
Department of Justice: Tribal Resources (COPS)	150,000	60,000						90,000
Equal Employment Oppoortunity Commission: Tribal Employment Rights Office	60,000	10,000		9,000	5,000			36,000
Subtotal Federal Programs	6,857,000	283,000	2,000,000	127,800	110,000	0	30,000	4,306,200

**[NATIVE AMERICAN ORGANIZATION]
INDIRECT COST RATE PROPOSAL
FOR THE PERIOD OCTOBER 1, 2004, THROUGH SEPTEMBER 30, 2005**

Funding Agency	Proposed FY 2005 Expenditures	Exclusions						FY 2005 Direct Cost Base
		Capital Equipment	Contractual Services (Subcontracts)	Indirect Costs	Passthrough Funds 1/	Unallowable Cost 2/	Directly Funded Indirects 3/ Depreciation	
STATE AND OTHER PROGRAMS								
Tabacco Prevention	40,000	15,000		6,000				19,000
Juvenile Justice & Delinquency Prevention	20,000			2,000				18,000
State Fire Protection	80,000			8,000				72,000
ARCO Bull Trout Recovery	40,000			4,000				36,000
								0
Subtotal State and Other Programs	180,000	15,000	0	20,000	0	0	0	145,000
TRIBAL PROGRAMS								
General Fund	3,800,000			1,806,200	693,800			1,300,000
Housing Fund	50,000							50,000
Scholarship Fund	50,000							50,000
Charitable Organization Grants	20,000							20,000
State Grants	100,000							100,000
Enterprise Funds (net)	12,500,000					2,500,000	2,000,000	8,000,000
Subtotal Tribal Programs	16,520,000	0	0	1,806,200	693,800	2,500,000	0	9,520,000
Total Direct Costs	23,557,000	298,000	2,000,000	1,954,000	803,800	2,500,000	30,000	13,971,200

Footnotes:

- 1/ Passthrough funds normally require minimal administrative effort and include scholarships, stipends, direct assistance payments, payments to participants, etc.
- 2/ Unallowable costs include donations, interest and debt service expense, penalty, lobbying costs, etc.
- 3/ Directly funded indirect costs are indirect in nature but directly funded by the program.

**[NATIVE AMERICAN ORGANIZATION]
INDIRECT COST RATE PROPOSAL
FOR THE PERIOD OCTOBER 1, 2004, THROUGH SEPTEMBER 30, 2005**

Indirect Cost Pool

Title / Description	Actual FY 2003 Expenditures @ 100% 1/	Applied Rate	Actual FY 2003 Indirect Pool 1/	Proposed FY 2005 Indirect Costs	Comments
Salaries:					
Tribal Chairperson	22,182	50%	11,091	11,646	Other 50 % is excluded from indirect cost
Council Members (3)	14,925	50%	7,463	7,836	same as above
Tribal Secretary	44,647	50%	22,324	23,440	same as above
Chief Financial Officer	79,252	100%	79,252	83,215	Increase due to 5 percent cost of living increase
Office Manager	46,450	100%	46,450	48,773	Increase due to 5 percent cost of living increase
Property & Procurement Specialist	40,350	100%	40,350	42,368	Increase due to 5 percent cost of living increase
Accountants (6)	169,582	100%	169,582	178,061	Increase due to 5 percent cost of living increase
IS Technician	42,400	100%	42,400	44,520	Increase due to 5 percent cost of living increase
IS Tech; Part-time	19,154	100%	19,154	20,112	Increase due to 5 percent cost of living increase
In-house Attorney	104,000	25% 3/	26,000	27,300	Increase due to 5 percent cost of living increase
Contract and Grants Administrator	40,398	100%	40,398	42,418	Increase due to 5 percent cost of living increase
Human Resources Director	38,786	75% 4/	29,090	30,545	Increase due to 5 percent cost of living increase
Human Resources Assistants (2)	81,377	4/	61,749	64,836	Increase due to 5 percent cost of living increase
Receptionist/Secretary (2)	30,077	100%	30,077	31,581	Increase due to 5 percent cost of living increase
Maintenance Staff (5)	220,415	60%	132,249	138,861	Increase due to 5 percent cost of living increase
Security Guards (3)	57,061	100%	57,061	59,914	Increase due to 5 percent cost of living increase
Subtotal Salaries 2/	<u>1,051,056</u>		<u>814,690</u>	<u>855,425</u> 5/	
Fringe Benefits on the Above Salaries 2/					
Audit and Other Professional Fees	346,848		268,848	282,290	Fringes about 33%, increase due to increase in salaries
Attorney's Office Expenses	182,780	100%	182,780	191,919	See supplementary schedules
Supplies	59,300	25% 3/	14,825	15,566	25 % directly associated with indirect cost services
Travel and Training	57,475	100%	57,475	60,000	No substantial increase
Property and Liability Insurance	67,301	50% 3/	33,651	35,000	No substantial increase
Telephone and Other Utilities	40,776	100%	40,776	42,000	No substantial increase
Automobile Expenses	45,536	100%	45,536	48,000	No substantial increase
Repairs and Maintenance	36,170	100%	36,170	38,000	No substantial increase
Depreciation of General Fixed Assets	6,578	100%	6,578	7,000	See supplementary schedules
Security Expense	294,502	50% 3/	147,251	155,000	See supplementary schedules
Other Expense	142,568	15% 3/	21,385	22,000	15 % directly associated with indirect cost services
	103,346	50% 3/	51,673	54,000	See supplementary schedules
Subtotal Other Indirect Expenditures	<u>1,383,181</u>		<u>906,948</u>	<u>950,775</u>	
Total Indirect Costs	<u>2,434,237</u>		<u>1,721,637</u>	<u>1,806,200</u>	
FY 2001 Over-recovery Carryforward to FY 2003			-33,532		
Net Indirect Costs After Carryforward			<u>1,688,105</u>		

1/ Actual expenditures reconcilable to the audited financial statements.

2/ Costs are treated as indirect costs and should not be allowed as direct charges to contracts and grants. All other costs are either direct or indirect depending on whether they apply to direct or indirect activities.

3/ Method of allocating costs has been based on Circular A-87 requirements and was approved by the cognizant federal agency prior to use.

4/ 25 percent of the Human Resource Director and \$19,628.5 of the Human Resource Assistant positions was directly funded (ATTG).

5/ \$1 added due to rounding

**[NATIVE AMERICAN ORGANIZATION]
INDIRECT COST RATE PROPOSAL
FOR THE PERIOD OCTOBER 1, 2004, THROUGH SEPTEMBER 30, 2005**

SUPPORTING SCHEDULES TO FY 2003 INDIRECT COST POOL

Detail of Audit & Other Professional Fees - FY 2003

	<u>Professional & Consulting</u>	<u>Cleaning & Pest Control</u>	<u>Audit Services</u>	<u>Legal Expense</u>	<u>Court Services</u>	<u>Totals</u>
Administration	\$78,122	\$586	\$68,390	\$23,520	\$5,762	\$176,380
Law Enforcement	3,000	267		55,687	20,586	79,540 1/
Maintenance	4,154	686		1,560		6,400
Annual PowWow	1,362			0		1,362 1/
Snow Mountain Sanitation	23,171			0		23,171 1/
Environmental Programs	23,439			36,205		59,644 1/
	<u>\$133,248</u>	<u>\$1,539</u>	<u>\$68,390</u>	<u>\$116,972</u>	<u>\$26,348</u>	<u>346,497</u>
				1/ Left in direct cost base		163,717
				Total allowable audit and other professional fees		<u>\$182,780</u>

Detail of Repairs & Maintenance Expense - FY 2003

	<u>Equipment Repairs</u>	<u>Maintenance Contracts</u>	<u>Repairs and Replacements</u>	<u>Maintenance Department*</u>	<u>Totals</u>
Administration	\$1,296	\$33		\$3,883	\$5,212
Law Enforcement	163	33		1,007	1,203 1/
Maintenance	382	33	\$951		1,366
Annual PowWow			2,253	346	2,599 1/
Snow Mountain Housing				564	564 1/
SM Sewage Plant				83	83 1/
Smokeshops				279	279 1/
Colony				12,487	12,487 1/
	<u>\$1,841</u>	<u>\$99</u>	<u>\$3,204</u>	<u>\$18,649</u>	<u>23,793</u>
				1/ Left in Direct Cost Base	17,215
				Total allowable repairs and maintenance expense	<u>\$6,578</u>
				For FY 2005 rounded to	<u>\$7,000</u>

* The Tribe has its own Maintenance Department with 6 staff that perform work for other departments of the Tribe.

**[NATIVE AMERICAN ORGANIZATION]
INDIRECT COST RATE PROPOSAL
FOR THE PERIOD OCTOBER 1, 2003, THROUGH SEPTEMBER 30, 2004**

SUPPORTING SCHEDULES TO FY 2003 INDIRECT COST POOL (continued)

Detail of Other Expense - FY 2003

Employment Advertising	\$4,913
Uniform Expense	3,734
Equipment Rentals	29,309
Postage and Mailings	15,852
Licenses & Permits	2,825
Dues & Subscriptions	9,529
Special Occasions Expense 1/	28,044
Printing of Letterheads and Envelops	5,614
Computer Software	3,526
	\$103,346

1/ Does not include expenses unallowable under OMB Circular A-87, such as entertainment, amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities).

Detail of General Fixed Asset Depreciation Expense - FY 2003

	Asset Balances 9/30/2003	Life/Years	Depreciation Expense
Land 1/	\$4,705,441		
Buildings & Improvements 2/	4,475,084	30	\$149,169
Equipment 2/	1,453,330	10	145,333
	\$10,633,855		\$294,502 3/

1/ Land is not a depreciable asset (OMB Circular A-87, Attachment D, Section 15.c.)

2/ Detailed depreciation schedule should be on file with cognizant agency. This schedule should contain an asset description, date of purchase or completion, method of purchase, full life expectancy, total costs, and yearly depreciation amount.

3/ According to Circular A-87, assets financed or donated partially or in whole by the Federal Government or related to donor organizations or matching requirements are not considered depreciable assets.

**[NATIVE AMERICAN ORGANIZATION]
INDIRECT COST RATE PROPOSAL
FOR THE PERIOD OCTOBER 1, 2003, THROUGH SEPTEMBER 30, 2004**

INDIRECT COST PERSONNEL JUSTIFICATIONS

In determining the allowable share of the [Native American Organization]'s costs identified with administering programs, the Chief Financial Officer reviewed time and attendance records, and minutes of the Tribal Council meetings. Support of salaries and wages for personnel services of employees working on multiple activities or objectives is in compliance with OMB Circular A-87, Attachment B, section 11.h. and is part of the annual single audit review process. If substitute systems are used, they have been approved by the cognizant Federal agency prior to use.

The following account of each position should provide the necessary justification to fund administrative costs through the indirect cost pool for fiscal year 2005.

CHAIRPERSON: The Chairperson is the Chief Executive Officer of the [Native American Organization] administering the day-to-day operation of the executive office. Although duties vary, the Chairperson is responsible for representing the Organization in negotiations of grants/contracts, coordinating the direction of the Organization, and, in general, meeting constituent needs. Therefore, 50 percent of the Chairperson's time is applicable and chargeable to indirect costs.

COUNCIL MEMBERS: Council members sitting on the Tribal Council receive a meeting stipend for their attendance. They establish policy, set direction, and approve all major decisions for the Tribe and its operations. 50 percent of the Council members' expenses are chargeable to the indirect costs.

TRIBAL SECRETARY: The Secretary keeps minutes of all meetings and records all actions of the Council in the form of resolutions. The position is treated the same as the governing body and officials of the Tribe because her position requires the recording of all business activities. 50 percent of the Tribal Secretary's time is applicable and chargeable to indirect costs.

TRIBAL ATTORNEY: The attorney is responsible for all day-to-day legal matters, contract negotiations, civil court decisions, and negotiations between the Tribe and outside parties. 25 percent of his time was chargeable to administrative (indirect) costs.

CHIEF FINANCIAL OFFICER: This position is responsible for all accounting and financial activities of the [Native American Organization], including investing of idle funds, preparing financial reports, and supervising general ledger maintenance, payroll, and grant/contract accounting. Since the Chief Financial Officer is responsible for the accounting and finance department and involved in program business activities, the Finance Manager's time is chargeable to indirect costs.

ACCOUNTANTS (6): Two accountants and four accounting clerks maintain the general ledger, including accounts receivable, accounts payable, payroll, and ensure compliance with the federal and tribal regulations. All these positions are chargeable to indirect costs.

**[NATIVE AMERICAN ORGANIZATION]
INDIRECT COST RATE PROPOSAL
FOR THE PERIOD OCTOBER 1, 2003, THROUGH SEPTEMBER 30, 2004**

OFFICE MANAGER: This position is responsible for the overall coordination and management of the administrative services to the grants and contract programs as well as the smooth running of the various business departments. Program and department directors report to this position. The position is chargeable to indirect costs.

INFORMATION SYSTEMS TECHNICIANS (one full time and one part time): These technicians coordinate and maintain all personal computer and networking systems, purchase and install software, replace IT equipment and in general keep the network fully functioning. The time for these positions is chargeable to administrative (indirect costs).

PROPERTY & PROCUREMENT SPECIALIST: This position is part of the business department and provides purchasing control and support to the grants and programs. This position also keeps inventory of tribal assets and performs periodic inventories. All of the Specialist's time is applicable and chargeable to indirect cost.

CONTRACT & GRANTS ADMINISTRATOR: This position provides support to the program directors in the area of grants and contracts administration. This position also provides assistance in the areas of long range planning, grant and contract development, budgeting, community planning processes, and policies and procedures development. The time for this position is chargeable to indirect cost.

HUMAN RESOURCE DEPARTMENT: The department consists of a director and two assistances. Together they are responsible for developing and maintaining personnel systems and policies, which are utilized by grant and program personnel. These systems and policies may include the maintenance of files, keeping records, hiring and firing of personnel, and providing for promotions and pay increases. These positions are all chargeable to indirect cost.

RECEPTIONIST/SECRETARY (2): These positions are part of the administrative department and provide secretarial services, maintain contact with all levels of management, and establish cooperative working relationships. These positions involve high-volume contact with all program staff and governmental agencies, including tribal, federal, state, and local entities. All of the receptionist/secretary's time is applicable and chargeable to indirect cost.

MAINTENANCE DEPARTMENT: A maintenance staff of five is employed for most preventive maintenance work, coordination, quality control, emergencies and to perform many work tasks that are not feasible to contract out. Two of the staff members work exclusively at the Tribe's enterprise. The remaining staff is chargeable to indirect cost.

SECURITY GUARDS (3): These positions are responsible for the overall security of the tribal complex housing program and administration personnel. The guards are responsible for keeping order, reporting disturbances to the proper authority, keeping people and property safe and in an orderly condition.

**[NATIVE AMERICAN ORGANIZATION]
INDIRECT COST RATE PROPOSAL
FOR THE PERIOD OCTOBER 1, 2003, THROUGH SEPTEMBER 30, 2004**

**Reconciliation of Audited Financial Statement Costs to Indirect Cost Proposal
For The Year Ended September 30, 2003**

		Page
Costs per Audited Financial Statements:		
General Fund	2,519,684	F/S 5
Special Revenue Funds	4,664,832	F/S 5
Enterprise Funds	12,842,440	F/S 7
Total Costs to be Accounted For	20,026,956	
Costs Per Indirect Cost Proposal (Actual)		
Direct Cost Base	13,436,481	ICP 12
Indirect Cost Pool	1,721,637	ICP 12,17
Subtotal	15,158,118	
Add Costs Excluded From the Proposal		
Capital Equipment *	163,577	ICP 12
Contractual Services (Subcontracts)	130,925	ICP 12
Unallowable (COGS, In Kind, Interest, etc.)	2,215,632	ICP 12
Passthrough (Scholarship, Stipends, etc.)	170,180	ICP 12
Directly Funded Indirects	29,325	ICP 12
Program Indirect Cost	169,113	ICP 12
Depreciation	1,990,086	ICP 12
Total Exclusions	4,868,838	
Total Costs Accounted For	20,026,956	
Difference	0	
* Tribal Programs	21,101	
Special Revenue Funds	142,476	
Total capital equipment	163,577	