

Contract Support Costs – Policy Updates

Indian Health Manual Part 6 Chapter 3

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Rhonda Butcher
rbutcher@potawatomi.org

IHS CSC Policy – Changes/Updates

- Provides guide for IHS and Tribes
- Intensive collaboration—Federal/Tribal
- Highly detailed, complex policy
- Substantial agreement on many items
- Areas of disagreement are footnoted

Indian Health Manual

Part 6 Chapter 3

6-3.1 Introduction (Guiding Principles and Definitions)

6-3.2 *Determining CSC Amounts*

6-3.3 CSC Payments

6-3.4 Roles and Responsibilities

6-3.5 CSC Reports

EXHIBITS

- A. ISDEAA—Sections on Contract funding and Indirect Costs
- B. Calculating IDC on Tribal Shares– Detailed Analysis
- C. Calculating IDC on Tribal Shares-- 80/20 method
- D. Calculating IDC on Service Unit Shares– Detailed Analysis
- E. Calculating IDC on Service Unit Shares– 97/3 method
- F. CSC Negotiation Template
- G. Standards for Review

Categories of CSC

- *Pre-Award (one time)*
- *Start Up (one time)*
- *Direct Contract Support Costs*
- *Indirect Costs*
- *Indirect-Type Costs*

IHS CSC Policy –

Determining CSC Amounts

- Pre-Award and Start-Up
 - Paid on one-time basis only
 - Requires Prior notification
 - Negotiated amounts paid during initial 12-month period
 - Within 90 after the initial year or 12 months, Awardee certifies that all funds were spent

IHS CSC Policy –

Determining CSC Amounts

- Direct CSC
 - Medical Inflation Rate
 - Apply the inflation rate by the end of the first quarter (final percent issued in November)
 - Conditions for renegotiation of CSC
 - Tribal Request
 - DCSC Costs are moved to the IDC Pool
 - Withdrawal from a consortium
 - Conversion of IPA/MOA to Tribal direct hires
 - New or Expanded PSFAs

IHS CSC Policy –

Determining CSC Amounts

Indirect CSC

- Estimate of IDC need
 - Utilizes the ACC Tool– EXHIBIT F
 - Use of rate up to three years old
- Reconciliation
 - Final Amount-- Determine if prior year CSC funds were expended
 - 90 day closeout after contract term
 - Use of Negotiated IDC Rates
 - Fixed w/ Carry Forward – current or one year old rate
 - Provisional final – 2 year, final rate
 - Allows for grace period for 2014 – 2017
 - Overpayments: Pay back or withhold future CSC payment

Indirect-Type Cost

- Tribes with IDC rates older than 3 years
- Current IDC rates may negotiate additional Indirect-Type costs
- Must be renegotiated every 3 years

IHS CSC Policy –

Determining Duplication 6-3.2E3

Alternate Methods for Calculating IDC Associated with Recurring Service Unit Shares (Duplication)

- Applies to all New & Expanded. Only applies to ongoing contractors under the few circumstances identified: Tribal request, new or expanded PSFA (or JV), new type of cost in IDC pool resulting in a 5% change in the value of the IDC pool
 - Alternative A – IHS and Awardee Negotiate Duplication Offset
 - Alternative B – 97/3 Approach
- Alternative Methods for Calculating IDC Associated with Recurring Tribal Shares (Duplication)
 - Alternative A – IHS and Awardee Negotiate
 - Alternative B-- 80/20 Split Method

IHS CSC Policy –

Payments, Roles & Responsibilities, and CSC Reports

- CSC Payments– Withdrawal, Initial Funding, and Ongoing Awards
- Roles and Responsibilities
 - New and Expanded Requests Negotiate with Area Director or designee
 - Ongoing CSC Requests negotiate using ACC tool with AD or ALN
 - Other Responsibilities include Disputes, Appeals, Pilot Projects, etc.
- CSC Reports
 - IHS CSC Funding Report to Tribes provided by May 30th
 - Annual CSC Report to Congress per ISDEAA

Contract Support Costs (CSC) Negotiation Template (FY 20XX)

Check one box:			
Estimate of CSC need		<input type="checkbox"/>	
Final CSC Reconciliation		<input type="checkbox"/>	
Check one box:			Number
FA Amendment		<input type="checkbox"/>	#
FA Cumulative Funding Report (CFR)		<input type="checkbox"/>	#
Date Completed:			
Tribal/Tribal Organization (T/TO):		Example T/TO	
		Subtotals	Totals
			Source of Inputs
A	Program (Service Unit) Funding	\$655,943.00	Recurring and Non-Recurring Eligible Funding for the T/TO's Programs, Functions, Services, or Activities (PFSA) at the Service Unit Level. Depending on the structure of an awardee's indirect cost (IDC) rate, this may include buy-backs.
A.1	Expenditures from carryover funds (for which CSC was not funded previously), Net of pass-throughs and exclusions	\$0.00	Pursuant to Section 6-3.2.E.1.b.1.b.i. This is determined by whether the parties included the funds in the CSC calculation in the year awarded and not by how the T/TO allocates funding in its accounting records.
B	Total Area Tribal Shares	\$75,000.00	Recurring and Non-Recurring Eligible Funding for the T/TO's PFSA at the Area Level (Area Office Tribal Shares, or AOTS).
C	Total Headquarters Tribal Shares	\$30,000.00	Recurring and Non-Recurring Eligible Funding for the T/TO's PFSA at the Headquarters Level (Headquarters Tribal Shares, or HQTS).
D	Total Secretarial Amount	\$760,943.00	Items A + B + C (Total Recurring and Non-Recurring eligible funding awarded under the Secretarial Amount)
E.1	IDC Associated With Recurring Service Unit Shares	\$0.00	Negotiated and calculated pursuant to Section 6-3.2.E.3 either: (a) case-by-case analysis, or (b) 97-3 method.
E.2	IDC Associated With Tribal Shares	\$21,000.00	Negotiated and calculated pursuant to Section 6-3.2.E.4, either: (a) case-by-case analysis, or (b) 80-20 method.
E.3	Total IDC Identified As Associated With the Secretarial Amount	\$21,000.00	This represents PFSA funded in the Secretarial amount determined to be duplicative of T/TO IDC Pool.
F	Direct Costs Funded through Secretarial Amount		\$739,943.00 Item D - E.3
G	Prior Year Direct CSC (DCSC) Need	\$76,390.00	Per prior-year agreement.
H	Inflation Factor	1.6%	To be provided by IHS when final inflation rate for previous year becomes available (usually in November). Final rate would be used to update this amount, and award T/TO inflation on DCSC at the end of IHS's first quarter. See Section 6-3.2.D.3.
I.1		\$77,612.24	
I.2	Current Year DCSC Need	\$0.00	\$77,612.24 D21-22 will automatically incorporate either the prior-year DCSC need (reflected in D21) or, if there is a current-year renegotiation, the renegotiated amount (reflected in D22).
I.3	Startup and Pre-Award Need		\$450.00 Summarizes the negotiation for Nonrecurring Pre-Award and Startup costs for new or expanded PSFAs in the upcoming year.
J	Total Direct Costs		\$818,005.24 Items F + I, but subject to Section 6-3.2, Paragraph E.1.a, Estimate of Indirect CSC Need and Funding Prior to the Contract Year and E.1.b, Determination of Final Amount for Indirect CSC Need and Funding.
K	Less: Passthroughs and Exclusions		\$14,262.29 The amount of passthroughs and exclusions funded by IHS.
L	Direct Cost Base		\$803,742.95 Item J - K
M	Most current IDC rate		15.00% Current IDC rate. If T/TO has multiple IDC rates, enter blended rate and submit detailed calculation of the blended rate.
N	IDC Need (Non-Recurring) Based on IDC Rate		\$120,561.44 Item L * M (Direct Cost Base x IDC Rate)
O	Credit for IDC Associated with the Secretarial Amount		\$12,600.00 Equals Item E.3 if the T/TO has higher than a 25.00% IDC rate; if T/TO has a rate of 25.00% or lower the credit in Item O is based on the total IDC need for Tribal Shares generated by the T/TO's rate plus the IDC Associated with Recurring Service Unit Shares (Item E.1)
P	Current-Year Indirect CSC Need		\$107,961.44 Item N - O (Total IDC need less credit for IDC associated with the Secretarial amount)
Q	IDC-Type Costs		\$0.00 As negotiated, pursuant to Section 6-3.2.E.2; see also Exhibit G, footnote 10. Enter \$0 if the T/TO negotiates indirect CSC solely based on its IDC rate.
R	Current-Year Total CSC Need		\$186,023.68 Items I.2 + I.3 + P + Q (Total need for DCSC, indirect CSC, and Pre-Award and Startup)
S	Current-Year DCSC Need		\$77,612.24 Item I.2
T	Total DCSC Paid Year-to-Date		\$0.00 Total DCSC funding paid to the T/TO year-to-date.
U	Current-Year Indirect CSC Need		\$107,961.44 Items P + Q
V	Total Indirect CSC Paid Year-to-Date		\$100,000.00 Total indirect CSC funding paid to the T/TO year-to-date.
W	Current-Year Startup and Pre-Award Need		\$450.00 Item I.3
X	Total Startup and Pre-Award CSC Paid Year-to-Date		\$0.00 Total Startup and Pre-Award CSC funding paid to the T/TO year-to-date.

Note Regarding Sub-Awards: The template awards CSC on the direct cost base incurred by the T/TO. If the T/TO has an agreement(s) with a sub-awardee whose costs are eligible to be considered in the CSC need of the T/TO AND the T/TO treats sub-awards as a passthrough cost when determining its direct cost base, the total CSC negotiated can be adjusted to incorporate eligible costs specifically identified for each sub-awardee (while recognizing sub-awardee passthroughs and exclusions and the sub-awardee's indirect cost rate).

Footnote: This Template is a tool used by the Indian Health Service (IHS) for calculating and negotiating CSC. Neither this Template nor any other negotiation documents creates a contractual obligation on behalf of either IHS or a T/TO. The CSC amount that the parties agree is required under any Indian Self-Determination and Education Assistance Act (ISDEAA) agreement will be identified in the agreement itself.

IHS CSC Policy —

Outstanding Issues

- *“Duplication Issue” – MOST SIGNIFICANT ISSUE REMAINING*
 - *All: Agree statute requires CSC must not be “duplicated”*
 - *IHS: Unduplicate by category such as HR, facilities, IT*
 - *Tribes: Unduplicate dollar for dollar by amount*
 - *Policy language neutral...Tribal/Federal differences footnoted in Policy*
- *CSC Funding for third-party revenues*
- *Carryover of CSC or “incurred cost” approach*
- *CSC for CHEF, MSPI, and DVPI*
- *Salaries in DCSC*
- *Disclosure of Draft National Tribal Data (former shortfall report)*

IHS CSC Policy

- Policy includes new Statute citations
- Be mindful of the updated Exhibits
 - CSC Negotiation Template (previously called ACC) is incorporated as Exhibit F
 - Standards for Review and Approval is now Exhibit G
 - Footnotes at the end of Exhibit G
 - IHS CSC Contact: **Roselyn Tso**, Roselyn.Tso@IHS.gov
- https://www.ihs.gov/IHM/index.cfm?module=dsp_ihm_pc_p6c3#6-3

Questions

