



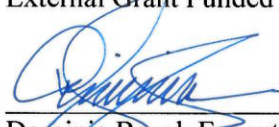
**DR. BUU NYGREN** *PRESIDENT*  
**RICHELLE MONTOYA** *VICE PRESIDENT*

**The Navajo Nation | Yideeskáadi Nitsáhákees**

January 10, 2024

**MEMORANDUM**

**TO :** Program Managers and Division Directors  
External Grant Funded Programs - The Navajo Nation

**FROM :**   
Dominic Beyal, Executive Director  
Office of Management and Budget (OMB)

**SUBJECT :** Indirect Cost Negotiation Agreement - FY 2024 IDC Rate of 15.90%

Attached as "Attachment 1" is resolution NABID-62-23 that Naabik'íyáti' Committee adopted on December 28, 2023 to approve and ratify the subject Agreement by which U. S. Department of Interior / Interior Business Center proposed the FY 2024 IDC rate of 15.90%. Effective immediately, implement the Agreement which is attached to the resolution as Exhibit "A". The Agreement is also available on the OMB website at [www.omb.navajo-nsn.gov](http://www.omb.navajo-nsn.gov).

Pursuant to the FY 2024 Navajo Nation Budget Instructions Manual (BIM), Appendix K, Sec. 7. C. 2., use the FY 2024 IDC rate to budget for recovery of IDC funds in grant applications and awards. Also, please ensure the budget for IDC is supported by the Check Sheet on Calculating Budget for IDC Recovery, available at Appendix L-4 of the BIM.

On recovery of IDC funds, be advised the approved IDC rate in place at the time the external grant is expended is applied to recover IDC funds. For example, if the FY 2023 grant ended on September 30, 2023, and was extended to September 30, 2024, the FY 2024 IDC rate of 15.90% shall be used to recover IDC funds on the expenditures incurred on or after October 1, 2023.

Program Managers are urged to write and inform their funding agencies the FY 2024 IDC rate will be applied to the respective grants. Please copy the Contracts and Grants Section (CGS) / OMB on correspondence to your funding agency.

Thank you for complying with the BIM regarding use of the IDC rate. Contact CGS/OMB at 871-6033 if you have questions.

**ATTACHMENT / Distribution**

**Cc:** file  
President Nygren / Vice President Montoya, OPVP  
Crystalyne Curley, Speaker – Navajo Nation Council  
JoAnn Jayne, Chief Justice – Judicial Branch  
Shaandiin Parrish, Chairperson – Budget and Finance Committee  
Ethel Branch, Attorney General - Office of the Attorney General  
Sean McCabe, Interim Controller - Office of the Controller

RESOLUTION OF THE  
NAABIK'ÍYÁTI' STANDING COMMITTEE  
25<sup>th</sup> NAVAJO NATION COUNCIL -- First Year, 2023

AN ACTION RELATING TO THE BUDGET AND FINANCE AND NAABIK'ÍYÁTI' COMMITTEES; APPROVING THE INDIRECT COST RATE AND THE INDIRECT COST AGREEMENT WITH THE U.S. DEPARTMENT OF INTERIOR/INTERIOR BUSINESS CENTER, FOR FISCAL YEAR 2024

BE IT ENACTED:

SECTION ONE. AUTHORITY

- A. The Budget and Finance Committee ("BFC") is a standing committee of the Navajo Nation Council empowered to review and recommend to the Council the budgeting, appropriation, investment, and management of all funds. BFC also has oversight responsibility for the Navajo Nation's Office of Management and Budget ("OMB"). 2 N.N.C. § 301(B) (2) and § 301(B) (13).
- B. The Naabik'íyáti' Committee is a standing committee of the Navajo Nation Council empowered to review and approve agreements with the appropriate federal agency for the setting of the Navajo Nation's indirect cost rate for each fiscal year. 2 N.N.C. § 701(A) (10).

SECTION TWO. FINDINGS

- A. The U.S. Department of the Interior/Interior Business Center ("DOI/IBC") has submitted its "Indian Organization Indirect Cost Negotiation Agreement" ("IDC Agreement") for the Navajo Nation, in a letter dated 10/04/2023. The proposed rate in the IDC Agreement is 15.90% for the period of 10/01/2023 to 09/30/2024, for all Navajo Nation Programs. EXHIBIT A.
- B. The Executive Director of OMB has provided a memorandum dated October 19, 2023, indicating the 15.90% IDC rate and describing the required procedures for the Navajo Nation to formally approve this proposed rate for Fiscal Year 2024. EXHIBIT B.
- C. Pursuant to the Navajo Nation's 2 N.N.C. § 164(A) review process, the OMB, the Navajo Nation's Office of the Controller and Department of Justice, and other reviewers, have indicated that the negotiated IDC Agreement and supporting documents are legally sufficient. EXHIBIT C.
- D. The Navajo Nation finds that approving DOI/IBC's proposed IDC rate of 15.90% for Fiscal Year 2024, and entering into the IDC

Agreement with the DOI/IBC that provides for such rate, is financially prudent and in the best interest of the Navajo Nation.

**SECTION THREE. APPROVAL OF IDC RATE AND IDC AGREEMENT**

- A. The Navajo Nation hereby approves the IDC rate of 15.90% for the Navajo Nation for Fiscal Year 2024 that has been proposed by the U.S. Department of the Interior/Interior Business Center, as described in EXHIBIT A and EXHIBIT B attached hereto.
- B. The Navajo Nation hereby approves and ratifies the Indian Organizations Indirect Cost Negotiation Agreement with the U.S. Department of the Interior/Interior Business Center for the Navajo Nation for Fiscal Year 2024, attached as EXHIBIT A.
- C. The Navajo Nation authorizes the President of the Navajo Nation, or his duly approved designee, to submit the ratified IDC Agreement on behalf of the Navajo Nation, attached as EXHIBIT A.

**SECTION FOUR. EFFECTIVE DATE**

This Action shall become effective pursuant to 2 N.N.C. § 701(A)(10) and 2 N.N.C. § 221(C).

**SECTION FIVE. SAVING CLAUSE**

If any portion of this Action is invalidated by the Supreme Court of the Navajo Nation, or by any Navajo Nation District Court without appeal to the Navajo Nation Supreme Court, the remainder of this Action shall be the law of the Navajo Nation.

CERTIFICATION

I, hereby certify that the foregoing resolution was duly considered by the Naabik'íyáti' Committee of the 25<sup>th</sup> Navajo Nation Council at a duly called meeting in Tse Bonito, New Mexico, at which a quorum was present and that the same was passed by a vote of 17 in Favor, and 01 Opposed, on this 28<sup>th</sup> day of December 2023.



Honorable Crystalyne Curley, Chairwoman  
Naabik'íyáti' Committee

1/5/24

Date

Motion: Honorable Vince R. James

Second: Honorable Norman M. Begay

Chairwoman Crystalyne Curley not voting



# United States Department of the Interior

OFFICE OF THE SECRETARY  
Washington, DC 20240

## Indian Organization Indirect Cost Negotiation Agreement

EIN: 86-0092335

Date: 10/04/2023

**Organization:**

Navajo Nation  
P.O. Box 646  
Window Rock, AZ 86515

Report Number: 2023-0551

Filing Ref.:  
Last Negotiation Agreement  
dated: 11/08/2022

The indirect cost rate contained herein is for use on grants, contracts, and other agreements with the Federal Government to which Public Law 93-638 and 2 CFR Part 200 apply subject to the limitations contained in 25 CFR 900 and Section II.A. of this agreement. The rate was negotiated by the U.S. Department of the Interior, Interior Business Center, and the subject organization in accordance with the authority contained in applicable regulations.

### Section I: Rate

Start Date	End Date	Rate Type					
10/01/2023	09/30/2024	Fixed Carryforward	Name	Rate	Base	Location	Applicable To
			Indirect	15.90 %	(A)	All	All Programs

(A) Base: Total direct costs, less capital expenditures and passthrough funds. Passthrough funds are normally defined as payments to participants, stipends to eligible recipients, or subawards, all of which normally require minimal administrative effort.

**Treatment of fringe benefits:** Fringe benefits applicable to direct salaries and wages are treated as direct costs; fringe benefits applicable to indirect salaries and wages are treated as indirect costs.

"Exhibit A"

## Section II: General

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- A. **Limitations:** Use of the rate(s) contained in this agreement is subject to any applicable statutory limitations. Acceptance of the rate(s) agreed to herein is predicated upon these conditions: (1) no costs other than those incurred by the subject organization were included in its indirect cost rate proposal, (2) all such costs are the legal obligations of the grantee/contractor, (3) similar types of costs have been accorded consistent treatment, and (4) the same costs that have been treated as indirect costs have not been claimed as direct costs (for example, supplies can be charged directly to a program or activity as long as these costs are not part of the supply costs included in the indirect cost pool for central administration).
- B. **Audit:** All costs (direct and indirect, federal and non-federal) are subject to audit. Adjustments to amounts resulting from audit of the cost allocation plan or indirect cost rate proposal upon which the negotiation of this agreement was based will be compensated for in a subsequent negotiation.
- C. **Changes:** The rate(s) contained in this agreement are based on the accounting system in effect at the time the proposal was submitted. Changes in the method of accounting for costs which affect the amount of reimbursement resulting from use of the rate(s) in this agreement may require the prior approval of the cognizant agency. Failure to obtain such approval may result in subsequent audit disallowance.
- D. **Rate Type:**
  - 1. **Fixed Carryforward Rate:** The fixed carryforward rate is based on an estimate of the costs that will be incurred during the period for which the rate applies. When the actual costs for such period have been determined, an adjustment will be made to the rate for a future period, if necessary, to compensate for the difference between the costs used to establish the fixed rate and the actual costs.
  - 2. **Provisional/Final Rate:** Within six (6) months after year end, a final indirect cost rate proposal must be submitted based on actual costs. Billings and charges to contracts and grants must be adjusted if the final rate varies from the provisional rate. If the final rate is greater than the provisional rate and there are no funds available to cover the additional indirect costs, the organization may not recover all indirect costs. Conversely, if the final rate is less than the provisional rate, the organization will be required to pay back the difference to the funding agency.
  - 3. **Predetermined Rate:** A predetermined rate is an indirect cost rate applicable to a specified current or future period, usually the organization's fiscal year. The rate is based on an estimate of the costs to be incurred during the period. A predetermined rate is not subject to adjustment.
- E. **Rate Extension:** Only final and predetermined rates may be eligible for consideration of rate extensions. Requests for rate extensions of a current rate will be reviewed on a case-by-case basis. If an extension is granted, the non-Federal entity may not request a rate review until the extension period ends. In the last year of a rate extension period, the non-Federal entity must submit a new rate proposal for the next fiscal period.
- F. **Agency Notification:** Copies of this document may be provided to other federal offices as a means of notifying them of the agreement contained herein.
- G. **Record Keeping:** Organizations must maintain accounting records that demonstrate that each type of cost has been treated consistently either as a direct cost or an indirect cost. Records pertaining to the costs of program administration, such as salaries, travel, and related costs, should be kept on an annual basis.
- H. **Reimbursement Ceilings:** Grantee/contractor program agreements providing for ceilings on indirect cost rates or reimbursement amounts are subject to the ceilings stipulated in the contract or grant agreements. If the ceiling rate is higher than the negotiated rate in Section I of this agreement, the negotiated rate will be used to determine the maximum allowable indirect cost.
- I. **Use of Other Rates:** If any federal programs are reimbursing indirect costs to this grantee/contractor by a measure other than the approved rate(s) in this agreement, the grantee/contractor should credit such costs to the

## **Section II: General (continued)**

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affected programs, and the approved rate(s) should be used to identify the maximum amount of indirect cost allocable to these programs.

### **J. Other:**

1. The purpose of an indirect cost rate is to facilitate the allocation and billing of indirect costs. Approval of the indirect cost rate does not mean that an organization can recover more than the actual costs of a particular program or activity.
2. Programs received or initiated by the organization subsequent to the negotiation of this agreement are subject to the approved indirect cost rate(s) if the programs receive administrative support from the indirect cost pool. It should be noted that this could result in an adjustment to a future rate.
3. Each Indian tribal government desiring reimbursement of indirect costs must submit its indirect cost proposal to our office within six (6) months after the close of the Tribe's fiscal year, unless an exception is approved.

### Section III: Acceptance

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Listed below are the signatures of acceptance for this agreement:

By the Indian Organization


By the Cognizant Federal Government Agency

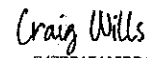
Navajo Nation

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US Department of the Interior - BIA

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Signature

Signature

Buu Nygren

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Craig Wills

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Name:

Name:

Division Chief

Indirect Cost & Contract Audit Division

Interior Business Center

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President of the Navajo Nation

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Title:

Title:

10/18/2023

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10/12/2023

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Date

Date

Negotiated by: Omar Sheyyab

Telephone: (916) 930-3806

Next Proposal Due Date: 03/31/2024