



CONTRACT SUPPORT COSTS

Direct CSC



- Direct CSC funding (other than pre-award and startup funding) covers ongoing activities that are not funded in the Secretarial amount or contained in the IDC pool or an “indirect-type” cost budget.
- The determination and payment of Direct CSC requires a proposal from the awardee.
- A Direct CSC proposal requires adequate detail and documentation for the IHS to determine whether the requested costs are allowable as Direct CSC.
- Documentation usually includes the salary and fringe information for the program, detailed fringe benefit information, and justification for costs in other budget categories being requested.
- The majority of Direct CSC is usually composed of certain fringe benefit costs for employees that are reasonable and necessary and exceed the amounts for such benefits provided in the Secretarial amount.

- Funds for Direct CSC need not be recalculated each year, except for:
 - *If an awardee submits a proposal or request and renegotiates*
 - *If a cost that has previously been funded as Direct CSC is moved to the Tribe's IDC pool.*
 - *To add amounts in connection with IPA or MOA employees who have converted to tribal employees*
 - *In the case of withdrawal*

- If not renegotiated, the ongoing Direct CSC need shall be adjusted at the end of the 1st quarter of the Federal fiscal year, by the most recent OMB medical inflation rate.

- New & Expanded – it is the Tribe's option to choose not to renegotiate ongoing Direct CSC and only negotiate a need on the new & expanded portion of the program.

- IHS will provide technical assistance at the request of the Tribe.

Negotiating Direct CSC - IHS CSC Policy

- *Manual Exhibit 6-3-G, Section C*

■ Steps:

1. The Tribe must submit a proposal to initiate the process
 - The policy identifies what the proposal should typically include. Examples:
 - *Budget breakdown*
 - *Full Salary listing*
 - *Detailed fringe benefit breakdown*
 - *Justification for costs in other budget categories that are being proposed.*
 - The policy also identifies that in the event the awardee needs assistance in preparing the proposal, IHS will provide technical assistance.
2. The IHS verifies the amounts in the proposal
 - Reasonableness
 - Verify fringe rates that are identified
 - *May require requesting further documentation from Tribe*
 - Reviews to confirm not included in indirect cost pool or indirect-type costs budget
 - Reviews to confirm eligible for CSC funding under the ISDEAA, e.g., that it is not an activity or cost already funded in the Secretarial amount.

■ Steps continued:

3. To compute the Direct CSC requirement, the awardee and the IHS must negotiate the total cost to the awardee of the activities to be supported with CSC.
4. For fringe benefits, IHS will identify the amount of IHS's fringe costs that are funded in the Secretarial amount. This will be completed using specific information that identifies how the Agency operated the program in question. When documentation is not available, the Area should rely on the established averages demonstrating how the Secretary would normally operate programs. (See Manual Exhibit 6-3-G, Section C of the Policy.) The net difference between item 3 and the amount in item 2 for fringe benefits reflects the direct CSC need for fringe benefits.
4. DCSC may be proposed on expenditures of 3rd Party funds, for technical assistance or proposal reviews the same methodology and template should be utilized. The aim in negotiation should be to complete two separate templates to identify a breakout of DCSC tied to Secretarial and 3rd Party.

■ Direct CSC calculation template

- *The Agency has a templates available for use.*
- *It is important to communicate to Tribes that the template outlines how the Agency will review any Direct CSC proposal.*
- *Many Tribes have found the template very helpful and straight forward.*
- *The template can be used by Tribes to help determine whether they want to move forward with proposing a Direct CSC renegotiation.*