



**United States Department of the Interior
BUREAU OF INDIAN AFFAIRS
NATIONAL INTERAGENCY FIRE CENTER
3833 SOUTH DEVELOPMENT AVENUE
BOISE, IDAHO 83705-5354**

May 16, 2007

To: All Regional Directors, All Regions
Attention: Forestry/Fire Management

From: Director, Branch of Wildland Fire Management *Lyle Caldwell*

Subject: Hazardous Fuels Reduction (HFR) Program--Indirect Cost Funding
Fiscal Year 2007.

The purpose of this memorandum is to notify regions concerning the indirect cost (IDC) cap established for the FY 07 Hazardous Fuels Reduction (HFR) program by the Bureau of Indian Affairs, National Interagency Fire Center (BIA-NIFC). This is the first year that restrictions have been placed on IDCs in the HFR program.

Since the HFR program's inception in 2001, tribal IDCs have been fully funded. IDCs have been estimated for total program need and based on rates currently approved by the tribes and the Office of Self Governance (OSG). In contrast, IDCs administered by other Bureau programs (non-fire), have not been fully funded and based on available funds only. Last year, due to budget shortfalls, the preparedness program administered an 86% cap (identical to the bureau-wide IDC cap) for the first time. This memo establishes a consistent process for the application of IDCs to all wildland fire management programs.

Timing is critical to the distribution of IDC funds. Ideally, we would like to fund all IDCs at the beginning of the fiscal year. Unfortunately, due to the lengthy negotiation process for tribes in determining Annual Funding Agreements and subsequent IDC rates; many rates not agreed upon until late in the FY. Of course, our ability to obligate funds decreases as the federal government moves closer to the FY closeout. We cannot take this risk in the HFR program.

The HFR program budget took its first major decrease in FY 2007 and more reductions are expected in future years. To reiterate, BIA-NIFC is establishing the cap of 86% to be applied to the HFR program for IDCs in 2007. This means that 86% of your planned IDC will be calculated and distributed by BIA-NIFC within the next 10 days. Upon receipt of the budget documents, each region should plan to prorate the tribe's requests for IDCs and distribute accordingly.

Please contact Mr. Bodie Shaw or Mr. Dennis Dupuis for any assistance or information concerning the distribution of IDCs at (208) 387-5620 or (208) 387-5041 respectively.

UNITED STATES
 DEPARTMENT OF THE INTERIOR
 BUREAU OF INDIAN AFFAIRS

NIFC OFFICE ROUTE SLIP

SUBJECT: Indirect Cost Memorandum			
FROM (NAME AND OFFICE) BUREAU OF INDIAN AFFAIRS-NATIONAL INTERAGENCY FIRE CENTER		PHONE 208/387-5696	DATE ROUTED May 16, 2007
ROUTE TO CODE	RELEASED		COMMENTS
	INITIAL	DATE	
Administration	<i>TAW</i>	5/16	Teresa Ann Wesley, Administrative Assistant
Administration	<i>[Signature]</i>	5/16	Deputy Director SURNAME
Administration	<i>JC</i>	5/17	Administrative Officer Surname
Chief			SIGNATURE - Chief, Branch of Fire Management SURNAME
Administration			Teresa Ann Wesley, Administrative Assistant Distribution and Filing
ADDITIONAL COMMENTS			