



**THE
NAVAJO
NATION**

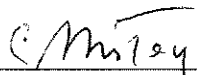
DR. JOE SHIRLEY, JR.
PRESIDENT

BEN SHELLY
VICE - PRESIDENT

September 12, 2008

MEMORANDUM

TO : Managers and Supervisors
Contracts and Grants Funded Programs
The Navajo Nation

FROM : 
Cordell Shortey, Contracting Officer
Contracts and Grants Section
Office of Management and Budget (OMB)

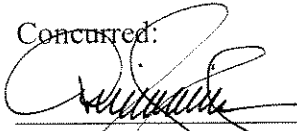
SUBJECT : Indirect Cost Rate (IDC) for the Navajo Nation (Nation)

Pursuant to Section VI. D. 3., of the FY 2009 Navajo Nation Budget Instructions and Policy Manual, please continue to use the latest negotiated IDC rate of 21.6% for FY 2006 between the Nation and Department of Interior as approved by National Business Center (NBC). The rate applies to period ending September 30, 2006. In the absence of a current new negotiated rate, the 21.6% should be used on a provisional basis to budget for and/or recover IDC funds in the application/award of funding contracts and grants. This is with the understanding that adjustments will be processed retroactively as soon as a new IDC rate is approved.

At present, every effort is being made to negotiate the Nation's IDC rates for fiscal years beyond FY 2006 and bring it current. The FY 2007 rate was offered by NBC but it has not been accepted by the Nation. A consultant has been retained to develop IDC Rate Proposals for FY 2008 and 2009. The objective is to fast track submission of the proposals to NBC, negotiate the IDC rate expeditiously and execute IDC Negotiated Agreements. We will keep you apprised of the development and status on this matter.

We appreciate your understanding and assistance. Should you have questions, contact us at (928) 871-6470 or facsimile at (928) 871-6567.

Concurred:



Dominic Beyal, Executive Director
Office of Management and Budget

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