



December 18, 1998

**TO:** All Tribal Government Leaders and Tribally Designated Housing Entities (TDHE)

**FROM:** Jacqueline Johnson, Deputy Assistant Secretary, P

**TOPIC:** Allowable Costs

**SUBJECT:** Board of Commissioners Stipends

**Purpose:** This guidance is to notify tribes and tribally designated housing entities (TDHEs) of the principles governing the allowability of the payment of stipends with Indian Housing Block Grant (IHBG) funds to Board of Commissioners (BOC) for attending monthly meetings.

**Background:** Based on numerous requests received, after the publication of the final regulations implementing NAHASDA, this Office has concluded that the payment of stipends to BOC may be an eligible cost of administrating the IHBG. However, please keep in mind, when making the business decision to pay stipends, the affect such a decision will have upon your alternative uses of housing funds.

**Procedure:** Office of Management and Budget (OMB) Circular A-87, Cost Principles for State, Local and Indian tribal Governments (Revised May 4, 1995, as further amended August 29, 1997), does not include this cost in Attachment B, Selected Items of Cost. Therefore, if the tribe or TDHE decides to pay the BOC stipends, it must comply with the basic guidelines of the circular as follows:

Be necessary and reasonable for proper and efficient performance and administration of the Federal award. The cost of the stipend for the BOC that manages the affairs of the housing entity which receives IHBG funds such as, approves policies, makes housing selections, hires executive director, approves financial documents would be an eligible cost of administering the IHBG. Also, the stipend itself needs to be reasonable, such as \$50 per meeting or such an amount that the tribe or TDHE determines to be reasonable in accordance with the circular.

Be authorized or not prohibited under Tribal (or other applicable) law. This may mean that the law governing the housing entity cannot prohibit the payment of stipends (which would be the case if the ordinance reflects the old HUD model for Indian housing authorities).

Be consistent with policies, regulation, procedures that apply UNIFORMLY to both Federal awards and other activities of the government units. The tribe or TDHE must have uniform, written policies regarding the payment of stipends to board members. This applies to the Indian Housing Authority or another housing entity and any other board for entities created by the tribe. The policy cannot be dependent on the existence of the federal grant to pay the stipend.

Be adequately documented.

**Responsibilities:** As the recipient under NAHASDA, the tribe or the TDHE assumes the responsibilities and obligations required to effectively carry out the new block grant program.

**Please note:** If members of the BOC are employees of a recipient of IHBG funds, and their official duties included attending meetings, they could not receive stipends in addition to their regular compensation.