

## XV. Reporting Requirements

**Overview.** There are several categories of required reports which need to be submitted.

Financial reports are the documents and records put together to track and review how much funds a Tribes is expending.

Progress Reports (also called Performance Reports or Accomplishment Reports) document the measure of progress achieved on a project(s), and help identify programmatic and administrative problems that may need to be resolved. [Exhibit 15.1](#) (form type) and [Exhibit 15.2](#) (narrative type example) in Appendix A show acceptable forms of Progress Reports to be submitted. [Exhibit 15.2](#) is just one example of a narrative type Progress Report. Tribes with smaller TTP programs would likely prepare a shorter version.

There are many reasons for the reporting requirements. Information from these reports helps in the oversight by FHWA. In addition, information from these report are used to collectively provide information and support for the Administrator's when reporting to Congress.

### A. Statutory Requirements

- Tribal/FHWA Program Agreement – Reports must be developed in accordance with Article III, Section 1.G.
- 2 CFR

### B. Guidelines/ Procedures

Report	Reporting Period	Due	Submit Through
Single Agency Audit Report	Annual	When completed	FHWA Tribal Coordinator
Progress Report (see form type - <a href="#">Exhibit 15.1</a> or narrative type - <a href="#">Exhibit 15.2</a> in Appendix A)	Semi-annual: October 1 through March 31	Within 90 days of conclusion of reporting period reporting period (NLT June 30)	FHWA Tribal Coordinator
	April 1 through September 30	Within 90 days of conclusion of reporting period reporting period (NLT December 30)	FHWA Tribal Coordinator
Financial Status Report*	Semi-annual October 1 through March 31	Within 90 days of conclusion of reporting period reporting period (NLT June 30)	FHWA Tribal Coordinator
	April 1 through September 30	Within 90 days of conclusion of reporting period reporting period (NLT December 30)	FHWA Tribal Coordinator

**\*Note:** See Appendix A - [Exhibit 15.3](#) and [Exhibit 15.4](#) for the SF 425 Form, and instructions on how to fill out the form for TTP Semi-Annual Reports.

- i. **The Federal Financial Report (SF 425) requires Indirect Cost information.** Indirect costs represent the expenses of doing business that are not readily identified with a particular grant, contract, project function or activity, but are necessary for the general operation of the organization and the conduct of activities it performs.

Indirect costs are those costs that are not classified as direct. Direct costs can be identified specifically with particular cost objectives such as a grant, contract, project, function, or activity. Direct costs generally include:

- Salaries and wages (including vacations, holidays, sick leave, and other excused absences of employees working specifically on objectives of a grant or contract – i.e., direct labor costs).
- Other employee fringe benefits allocable on direct labor employees.
- Consultant services contracted to accomplish specific grant/contract objectives.
- Travel of (direct labor) employees.
- Materials, supplies, and equipment purchased directly for use on a specific grant or contract.
- Communication costs such as long distance telephone calls or telegrams identifiable with a specific award or activity.

An indirect cost rate is simply a mechanism for determining fairly and conveniently, within the boundaries of sound administrative principle, what proportions of departmental/organization administration costs each program should bear. An indirect cost rate represents the ratio between the total indirect costs and benefiting direct costs, after excluding and or reclassifying unallowable costs, and extraordinary or distorting expenditures (i.e., capital expenditures and major contracts and sub-grants). The indirect costs in the numerator of the equation should bear a reasonable relationship to the direct costs from the denominator. This will allow for each program or activity represented in the direct costs base to assume their fair share of indirect costs when the rate is applied. See [Exhibit 15.4](#) for more information on how to fill out indirect costs on the SF 425 form.

- ii. **The application of Tribal Indirect Costs to the Tribal Transportation Program (TTP)**

**a. Background**

Each Indirect Cost Rate (ICR) for a federally recognized Tribe is negotiated with the Department of the Interior's National Business Center (NBC). This ICR is then applied to grants, contracts, and other agreements that the Tribe receives from the Federal government to which P.L. 93-638 and OMB Circular A-87 apply, subject to the limitations contained in 25 CFR 900. However, how a Tribe applies indirect costs to the TTP funds it receives through agreements/contracts/compacts from the Federal Highway Administration (FHWA), Bureau of Indian Affairs (BIA), or the Office of Self-Governance (OSG) has become an issue that requires resolution from a national level. Some tribes have insisted on applying their Tribe's ICR to the entire amount of TTP funding it receives, thus removing a significant portion of those funds from their primary purpose of improving the transportation facilities serving the Tribe.

TTP funds that a Tribe receives can be broken into two categories; program administration and pass-through/project. For purposes of this determination, pass-through funds are defined as all project related costs including major contracts or subcontracts, payments to participants, sub-grants that a Tribe enters into as well as all direct labor, equipment, and

materials costs for projects carried out by the Tribe. The NBC has stated in their reports that the determination of whether or not a Tribe's ICR is applicable to pass-through funds is up to the discretion of the awarding agency but generally it is not permitted.

**b. Guidance**

Under the TTP, two distinct and separate Indirect Cost Rates (ICRs) will be allowed per Tribe:

- The NBC negotiated ICR is allowed to be applied only to the TTP funds that are used by a Tribe for program administration activities (non pass-through);
- An ICR of not more than 3% is allowed to be applied to pass-through funds as identified above.

Both FHWA and BIA will carry out this guidance uniformly with all Tribes nationwide. In addition, they will provide technical assistance to the Tribes to ensure that it is understood with respect to requirements of the TTP.

**NOTE:** The Tribe will enter the indirect cost information on line 11 of the SF 425 prior to submitting to the FHWA/BIA Tribal Coordinator. See Appendix A - [Exhibit 15.3](#) and [Exhibit 15.4](#) for the SF 425 Form and for instructions on how to fill out the form for TTP Semi-Annual Reports.