



## Supreme Court Ruling Allows Tribes to Collect Unpaid Indirect Costs from the Government

On June 18, 2012, the Supreme Court issued an important ruling in *Salazar v. Ramah Navajo Chapter* that presents an opportunity for tribes to collect unpaid indirect costs associated with their self-determination and self-governance contracts or compacts, also known as contract support costs.

The Indian Self-Determination Act of 1975 requires the federal government to fully pay for contract support costs, but the government has often avoided paying these in full, because Congress has not always appropriated sufficient funds to cover every tribe's indirect costs associated with contracts and grants. [The Supreme Court's majority opinion](#) states "the government must pay each tribe's contract support costs in full" and "the government's obligation to pay should be treated as an ordinary contract promise".

### A Limited Window

Tribes can now file claims with the Bureau of Indian Affairs and the Indian Health Service for

amounts underpaid in prior years. But, under the Contract Disputes Act, the statute of limitations for claims against the government is only six years, meaning tribes have only until September 30, 2012, to file claims for the contract year that ended September 30, 2006. For contract years ended December 31, 2006, the deadline for filing claims is December 31, 2012.

### We're Here to Help

We recommend tribes contact their legal counsel regarding the impact of the case on their tribe and ensure that claims for the 2006 fiscal year are prepared and submitted before the deadline. For assistance in determining amounts that have been underpaid, contact our Moss Adams Tribal Services team.



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