



Memorandum

Indian Health Service
Rockville MD 20857

TO: Area Sanitation Facilities Construction (SFC) Program Directors

FROM: Mark A. Calkins September 4, 2025
RADM Mark Calkins, PE
Director, Division of Sanitation Facilities Construction

SUBJECT: SFC Program, Interim Guidance Memo (IGM) #2025-04
Adding a Fund Advice to the Project Data System (PDS)

This memo provides interim guidance to SFC program managers on a specific issue or topic area.

Issue/Topic Area:

Adding a valid fund advice record to a PDS project.

Background:

PDS is the SFC program record for tracking all PL-86-121 SFC projects. PDS supports project accounting and fund balances, status tracking and reporting, program workload calculations, and reporting of key performance indicators and efficiency measures including project durations. When data in PDS is maintained properly, Areas can efficiently generate a final report at the conclusion of the project. Headquarters (HQ) and Area SFC programs can also rely on the information in the PDS to be able to defend budget requests, and to confidently respond to White House, Congressional, Tribal and other stakeholder inquiries.

HQ distributes annual IHS appropriations through an allotment to Areas in the Unified Financial Management System (UFMS). These project funds are placed into bulk accounts at the Area until such time as the Area SFC program manager or designee submits a "Request for Transfer of Funds" form to the Area Budget Office to allow funds into an individual UFMS Project Account (PA). Contributions from 3rd parties to the IHS for SFC projects are also received/processed in UFMS. Funds supporting an SFC project can also be held by a tribe or 3rd party, in accordance with the terms and conditions of the agreement.

A funding record established in a PDS project, representing any type of actual funding applied to a project, is referred to as a "Fund Advice". The guidance in this IGM provides specific instructions and internal controls for Area SFC program managers to establish valid Fund Advice records covering all funds applied to a project from all sources, including funds that are not

administered by the IHS. The guidance reinforces the proper and consistent use of the MOA as an obligating document as identified in Indian Health Manual policy and also serves to modify specific sections in Chapter 9 of the [SFC Criteria Manual](#).

Definitions

Allowance: Budget authority below the allotment level issued to Centers/Offices/ Areas for funds control purposes and to make funds available for spending. The distribution of funds from an SFC Bulk account to an individual UFMS project account is an example of an allowance.

Est. Expenditures: The PDS fund advice field that tracks estimated expenditures or disbursements of the fund advice amount. The data in this field can be linked to the UFMS record to represent the value reported from the federal finance account, or unlinked to be used by the project manager for direct input.

Fund Advice: The funding record associated with a PDS project representing actual funding. A “valid” fund advice is further defined below in the [Guidance](#) section.

Obligation: A commitment that creates legal liability of the government for the payment of goods and services ordered or received. Obligations incur when an order is placed, contracts are signed, grants are awarded, services are purchased and similar transactions that will require payment to the public or another government agency. The GAO has recognized the PL-86-121 MOA as a valid obligating document.

SFC Project: A project that is established under the authority of PL 86-121 which will have a valid government-to-government agreement with a tribe or tribal organization to authorize the work and obligate project funds. In PDS, these projects are tracked in the categories of Planning, Construction, or O&M.

Project Agreement: a PL 86-121 MOA, PL 93-638 Title V Construction Project Agreement (TVCPA), or a Planning Agreement (authorized by PL-86-121 or PL-93-638), and any such amendments, executed government-to-government between the IHS and the tribe or tribal organization.

Project Workload Credit: This is a relative measure of project workload established by the SFC program using the Resource Requirements Methodology (RRM). See the SFC Criteria Manual for further discussion.

Guidance:

- 1) Area SFC Program managers shall ensure that all funding distributed to the Area for SFC projects are allowanced to unique UFMS PA's and recorded as a valid (see definition below) Fund Advice in PDS. A valid Fund Advice record signifies to HQ and the Area Budget Office that the SFC program manager has a signed Project Agreement that commits (in the case of contributions) or obligates the exact amount of funding. If funds are administered by IHS, those funds associated with the Fund Advice are also available at the Area and ready to obligate. Willfully entering a Fund Advice record into PDS that does not equate to the exact amount of funding identified in the Project Agreement could be construed as a misuse of MOA or TVCPA obligation authority.

- 2) Valid Fund Advice:

A valid fund advice record in PDS is one that meets all six of the following criteria:

1. accurately represents the funding source, fund year, and total amount identified in the Project Agreement,
 2. identifies whether the funds are/ are not administered by IHS and tracked in the IHS finance system,
 3. identifies whether the funds are/ are not covering SFC-eligible costs (pending system enhancements),
 4. identifies whether the funds are/ are not eligible for SFC project workload credit (also known as RRM credit),
 5. is applied to a valid SFC project in the PDS project category of Planning, Construction or O&M,
 6. has a copy of the signed Project Agreement, termination letter or Final Report as backup documentation added to the PDS project record (Attachments Tab). See Chapter 9 "Managing Project Funds", from the [Criteria for the Sanitation Facilities Construction Program](#)
- 3) For contributor funds administered by IHS from a federal interagency partner, a copy of the interagency agreement and G-invoice order shall also be added to the PDS record (Attachments Tab),
 - 4) For all funds that are administered by IHS, the fund advice shall be linked to the appropriate UFMS value (populated separated and directly from the finance system) and the "Use UFMS values" box checked. This will allow the fund advice record to display the actual amount of funds obligated and expended from the UFMS record.
 - 5) Performance Goals/ Timelines/ Deadlines:

SFC program managers shall strive to meet the following goals:

IHS Appropriations: 100% of project funds received from HQ in that fiscal year are accounted for in SFC projects via valid PDS Fund Advice entries by September 30 of each year. For projects where fund advice entries are planned, but the September 30 deadline is not achieved, the SFC program manager shall enter a PDS Journal entry with reason/justification (i.e. Project Agreement currently under tribal review). Funds not obligated by the end of the fiscal year represent unobligated balances and are at risk of being pulled back and reallocated by HQ.

Contributor Funds Administered by the IHS: Assuming the Project Agreement is fully signed (see Guidance #1), 100% of funds received from contribution partners are accounted for in SFC projects via valid PDS Fund Advice entries within 10 calendar days of receipt of the funds. Contributor funds are not subject to any end-of fiscal year deadline due to the unique and sometimes delayed timing of the interagency fund transfer.

Funds Committed in a Project Agreement that are not Administered by the IHS: 100% of funds committed by a tribe, a federal interagency partner or other 3rd party are accounted for in SFC projects via valid PDS Fund Advice entries within 10 calendar days of signature of the Project Agreement.

- 6) The following segments of Chapter 9 “Managing Project Funds”, from the [Criteria for the Sanitation Facilities Construction Program](#), ver 1.02 3/13/2003 are hereby modified with new content identified in ***bold italics*** and removed content in ~~striketrough~~ font:

Section I. Obligating Funds

Page 3, 3rd paragraph:

~~However, where appropriate a single PS may be used to fund a multi-phased project. While an AFAA is required for each phase, funding for future phases can be obligated or deobligated without actual transfer to a tribe, using a Miscellaneous Obligating Document (see discussion of the MOD, below).~~

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Miscellaneous Obligation Document

~~The miscellaneous obligation document (MOD) may be used to establish obligations at the beginning or during an accounting period associated with a specific approved project, for estimated costs for personnel, travel, communications, and other costs for which a MOA, AFA, AFAA, or contract, is not currently available. The use of the MOD in this manner provides a means of identifying and obligating funds immediately for fund control purposes. For example, an Area finance office may receive an allowance for several sanitation facilities construction projects; however, the program may not be able to obtain~~

~~the necessary tribal signatures to complete execution of an MOA for a project, for reasons beyond its control. If the project is approved by the Area Director, an MOD could be executed until the program can obtain the necessary signatures on the MOA.~~

~~Each MOD should be accompanied by a written administrative determination that contains a description of the transaction, refers (where appropriate) to the document initially authorizing the transaction, and be signed by the Director, Area SFC Program, or an official who is vested with the authority to make such administrative determination. The administrative determinations may be written as part of the MOD. Upon receipt of a properly executed MOA, AFA, AFSA, or contract, the amount of the original obligation should be adjusted accordingly.~~

Section III. Fund Transfers

Page 6, 4th paragraph:

1. All Public Law 86-121 fund transfers shall, in addition to the “Request for Transfer of Funds” form, be documented by one of the following:
 - ~~• Memorandum for the Record (for advance planning funds)~~
 - ~~Planning Agreement, **PL-86-121**~~ Memorandum of Agreement or an Amendment
 - ***PL-93-638 Construction Project Agreement or an Amendment***
 - ***Planning Agreement (authorized by PL-86-121 or PL-93-638)***
 - ***Termination letter (in accordance with the terms of the agreement)***
 - ~~• Approved Project Summary or Amendment or Project Scope~~
 - ~~• Approved Revised Cost Estimate~~
 - Approved Final Report

End IGM