



U.S. Department of Defense

Office of Small Business Programs

Indian

INCENTIVE PROGRAM



Indian Incentive Program

The Indian Incentive Program (IIP) is a congressionally sponsored program that provides a 5% rebate back to the prime contractor on the total amount subcontracted to an Indian-Owned Economic Enterprise or Indian Organization, in accordance with DFARS Clause 252.226-7001 [External Link](#). Through the generation of subcontracts to the above mentioned entities, the IIP fulfills its purpose as an economic multiplier for Native American communities. Department of Defense (DoD) prime contractors, regardless of size of contract, that contain the above referenced clause(s) are eligible for incentive payments.

DoD prime contractors with a contract of \$500,000.00 or more, that contain the above referenced clause(s), are eligible for incentive payments.

Native Americans have a long history [PPT] of patriotically contributing to the U.S. Military. Today, Native American small businesses in the fields of engineering, construction, IT, and other areas, continue to supply the Department of Defense (DoD) with dependable high-quality supplies and services.

Despite recent upward trends in economic activity, Indian reservations and Alaska Native Villages still suffer some of the worst poverty in the country. In an effort to boost Native American economic development, Congress has authorized Federal contracting agencies to “encourage” the use of Native American owned subcontractors. The Department of Defense (DoD) Indian Incentive Program (IIP) is a viable example of this encouragement.

The DoD IIP motivates prime contractors to utilize Indian organizations and Indian-owned economic enterprises by providing a 5% rebate to prime contractors on subcontracted work performed by an Indian organization or on subcontracted commercial products manufactured in whole or in part by an Indian organization. For actions after 13 September 2001, sub-tier contractors who subcontract to an Indian-owned firm are also eligible for incentive payments.

The Indian Incentive Program has certain eligibility requirements. If you are interested in participating in the Indian Incentive Program, we encourage you to thoroughly research our web site and learn about the program.

Administered by the Office of the Secretary of Defense (OSD) Office of Small Business Programs (OSBP), the Indian Incentive Program (IIP) makes every effort to provide added value to the federal government, in that this program is funded independently by the OSD and is not supported by the funds of the contracting agency. These contracts require contractors to use their best efforts to give Indian organizations and Indian-owned economic enterprises the maximum practicable opportunity to participate in subcontracts awarded to the fullest extent consistent with efficient performance of the contract(s). Contracting officers, subject to the terms and conditions of the contract, shall authorize an incentive payment of 5 percent of the amount paid to subcontractors that are Indian organizations or Indian-owned economic enterprises.

Under certain circumstances, commercial products are eligible for rebate. For more information, please read the related Frequently Asked Questions by clicking on FAQ button to the left.

The FY 2009 Appropriations Act makes \$15 million available for incentive payments to prime contractors and to small businesses that use Indian-owned businesses or enterprises as subcontractors at any tier.

Attention: Due to considerable interest shown in the program, there will be a delay between rebate submittal and rebate payment. As long as the Indian Incentive funds are authorized in each years Defense Appropriations Act, and if the contract of the request remains open, each eligible request will be eventually funded, though not necessarily in the same fiscal year that the request is submitted.

Disclaimer for External Links—The appearance of external hyperlinks does not constitute endorsement by the United States Department of Defense of the linked web sites, or the information, products or services contained therein. For other than authorized activities such as military exchanges and Morale, Welfare and Recreation (MWR) sites, the United States Department of Defense does not exercise any editorial control over the information you may find at these locations.

WHERE TO GET INFO:

[Indian Incentive Program](#)

Read information and find links here.

[Eligibility](#)

Do you meet the requirements to participate?

[How to Participate](#)

Find out how to apply for the Indian Incentive Program.

[Documents](#)

Document repository for the Program

[Participants](#)

Participants' success stories and how they benefit government and industry.

[Frequently Asked Questions](#)

Get answers to Frequently Asked Questions

[Regulation/Legislation](#)

Legislative actions and policy governing the Program