



# INDIAN INCENTIVE PROGRAM

Small Business Training Week  
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# Background



The Indian Incentive Program (IIP) is a congressionally sponsored program that provides a 5% rebate to a Prime Contractor on the total amount subcontracted to an Indian-Owned Economic Enterprise or Indian Organization, in accordance with [DFARS Clause 252.226-7001](#).

Established by Section 504 of the Indian Financing Act of 1974 (25 U.S.C. 1544), IIP motivates Prime contractors to utilize Indian organizations and Indian-owned economic enterprises.

# Program Requirements



- **Contracts**

- Native American subcontract valued at \$500K or more
- DFARS clause 252.226-7001 must be included in prime and subcontract
- Contract must be active

- **51% Native American/Alaskan/Hawaiian Ownership**

- Indian ownership of the subcontractor or supplier cannot constitute less than 51% of the enterprise. ([DFARS 252.226-7001](#))

- **Federally Recognized Tribal Enrollment**

- **Native American:** The subcontractor or supplier must be owned by a [federally recognized](#) tribe or a member of a federally recognized tribe.
- **Native Alaskan:** The subcontractor or supplier must be owned by a "native", "native village" or "native group" (including corporations organized by Kenai, Juneau, Sitka, and Kodiak) as defined by the [Alaska Native Claims Settlement Act](#).
- **Native Hawaiian:** The owner of the Native Hawaiian-Owned subcontractor or supplier must be a recognized Native Hawaiian as defined by [23 USC 4221\(9\)](#).



# Indian Incentive Program Value

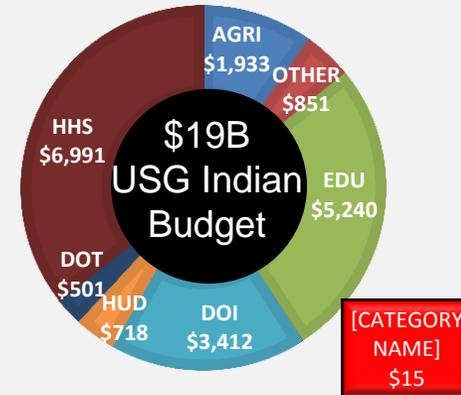
## IMPORTANCE

- IIP is an essential marketing tool
  - 100% of Native American firms say IIP is important to winning DoD contracts\*
  - 46% of Native American firms say that the IIP is the main reason for winning contracts\*
- IIP is a very effective incentive for Primes
  - 67% of primes say IIP influences their subcontracting decision\*
  - 85% of primes say they are likely to use IIP\*

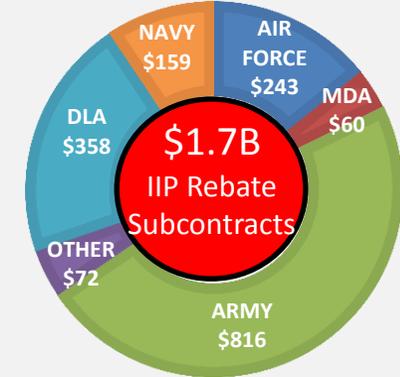
\*Source: Study Report 3.1.5.2 Indian Incentive Program, OSD OSBP June 13, 2016

## FY16 RETURN ON INVESTMENT (\$M)

### VERY SMALL PROGRAM



### VERY LARGE IMPACT



## FY14-FY16 CONTRACTOR PARTICIPATION



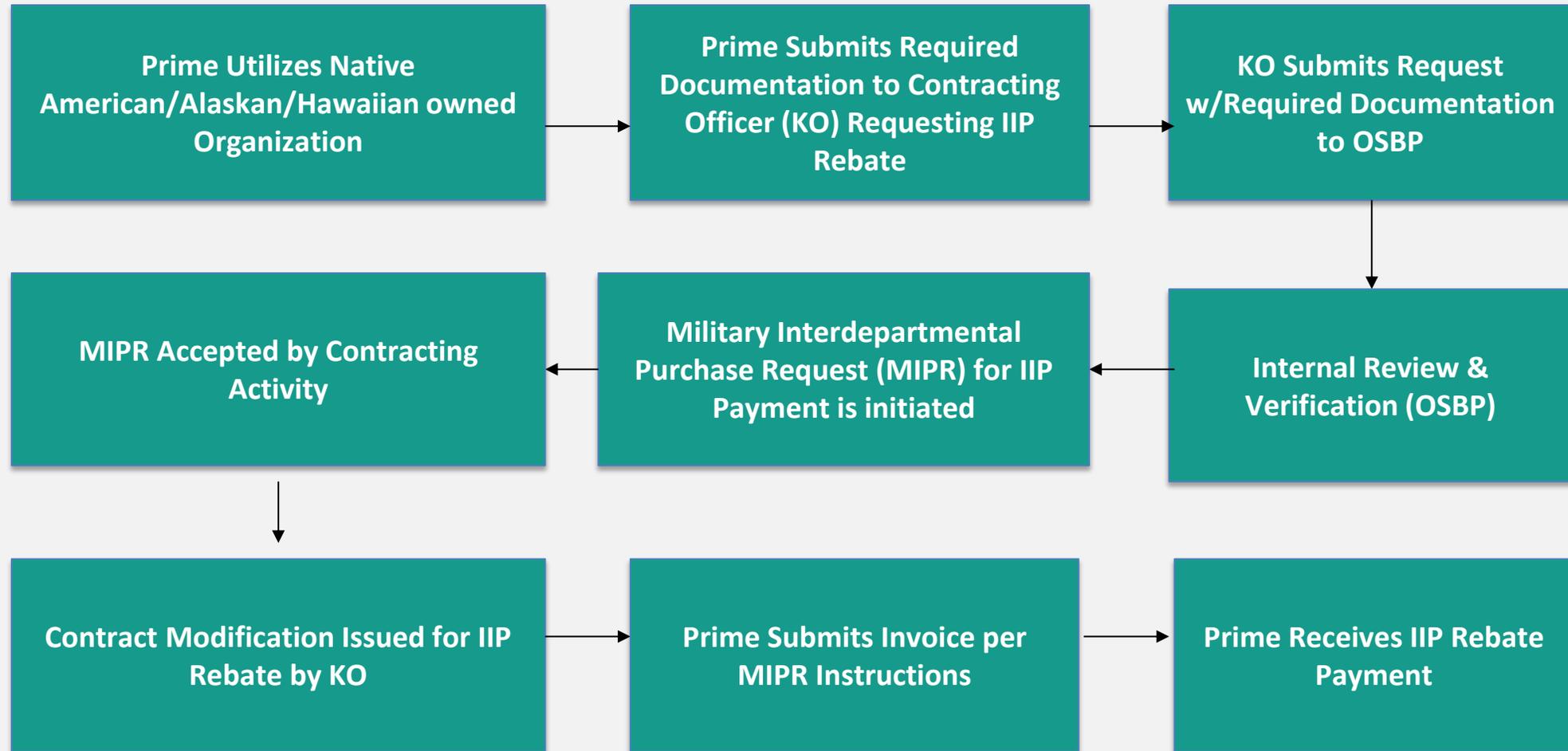
**NATIONWIDE IMPACT**

## PROGRAM STATUS



**DEMAND FAR EXCEEDS FUNDING**

# IIP Rebate Process





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