



ACQUISITION,  
TECHNOLOGY  
AND LOGISTICS

OFFICE OF THE UNDER SECRETARY OF DEFENSE  
3000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3000

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MEMORANDUM OF INFORMATION – Indian Incentive Program

SUBJECT: Payments Under the Indian Incentive Program (IIP)

References: (a) 25 USC 1544 – Additional compensation to  
Contractors of Federal Agency

(b) FAR 52.226-1 – Utilization of Indian Organizations and Indian-  
Owned Economic Enterprises

(c) FAR 52.226-1 – Utilization of Indian Organizations and Indian-  
Owned Economic Enterprises

1. The purpose of this memorandum is to clarify the qualification requirements for payments of Indian Incentives to DoD contractors, at any tier, that subcontract a portion of their DoD work to eligible subcontractors.

2. Reference (a) authorizes a contractor of a federal agency under any Act of Congress an additional amount of compensation equal to 5 percent of the amount paid, or to be paid, to a subcontractor or supplier, in carrying out the contract if such subcontractor or supplier is an Indian organization or Indian-owned economic enterprise as defined in reference (b). Reference (c), among other things, expanded the IIP to include Native Hawaiian-owned companies.

3. Prime Contractors are prohibited from receiving an incentive payment under the Indian Incentive Program if the subcontractor or supplier is legally affiliated with that contractor, even if it would otherwise be eligible for the incentive payment.

4. My point of contact is Paul Simpkins, DoD Indian Incentive Program Manager. He may be contacted at 703-604-0157, ext. 148, or by email at paul.simpkins@osd.mil.

Linda B. Oliver  
Acting Director

Office of Small Business Programs