



**“Empowering Tribal Nations: Transforming Vision Into Action.”**



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# 105L Session

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- Introductions
- 2025
- Martha Ketcher, CEO YCS
- Kyle Ketcher, YCS Mgmt. Analyst, ISDEAA Assistant

## Credits:

- Sharing information previously presented by the IHS
- YCS Team Updates
- YCS Team Best Practice







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# Origination of 105(l) Lease Program

- In 2012, the Alaska Area Native Health Service was the first area to receive section 105(l) lease proposal from the Maniilaq Association, Kotzebue, Alaska
- 2014 decision in Maniilaq Association v. Burwell held that a proposed lease for Maniilaq Association clinic facility in Ambler, AK was awarded as a matter of law when IHS failed to respond to the lease proposal within the mandatory time period for ISDEAA Title V final offers.
- 2016 decision orders IHS to negotiate lease compensation under Section 105(l) of ISDEAA for proposed lease for facility in Kivalina, Alaska.
- Opinion has significant implications for Tribes and Tribal Organizations seeking to enter into fully compensated Section 105(l) leases in facilities used to carry out ISDEAA contracts and compacts throughout Indian Country
- Process for reviewing lease proposals created by the Alaska Area Realty Officer based on experience of leasing clinics in rural Alaska.



# 105L



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- They are not traditional leases.
- They are facility cost agreements that compensate the Tribes for facility operational expenses associated with using the facility to administer (ISDEAA) contracted/compacted services.



Length: 54 ft  
Width: 45 ft  
Area: 2,430 sq ft

# Number of Tribes



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The number of T/TO's

Number of Leases

Can we see a show of hands if your tribe or tribal organization currently has a 105L lease

# § 900.69 – Purpose of Subpart



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- Section 105(l) of the Act requires the Secretary at the request of an Indian Tribe Organization (T/TO) to enter into a lease with a T/TO for a building owned or leased T/TO that is **used for administration or delivery of services** under the Act. (Types of facilities leased: Hospitals, Clinics, Wellness Centers, Dialysis, Long Term Care, housing, office space, other space used in support of ISDEAA contract or compact)
- § 900.70  
To the extent no element is duplicative, compensation elements known as actual expenses or “(a) through (h)” will be discussed in detail later in presentation. **Crosswalk of GL**
- § 900.71 –  
Reserve Funds must be accounted for as a capital project funds or a special revenue fund. IHS consider Reserves Funds as fixed and/or building services equipment.
- § 900.72 –Guardian of reserve funds –  
The tribe is the guardian of the reserve fund and determines when to use the funds to replace fixed equipment.
- § 900.73 –  
Other methods to recover types of costs described in §900.70 of the Act as direct or indirect. Indirect Costs and M&I funds historically were the primary source of funds to maintain, repair and improve tribally owned healthcare facilities.
- **§ 900.74 –Options for Lease compensation –(a) FMR, (b) FMR/a-h, (c) a-h**

# Initial Decision Points



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POC – this will go into the lease

Signature

Type of Payment - \$ 900.74 –Options for Lease compensation –  
(a) FMR, (b) FMR and a-h expenses , (c) a-h expenses

Payment from the lease or through the FA



# Tools: Project Management



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1	Assigned To	Target Date	1	2	3	4			5	6	7	8	9	10	
2	POC	Wyatt													
3	Addresses/ Lease	Wyatt	715 Grandview, Pawhuska ok 74056	813 Grandview Pawhuska Ok 74056	408 West Cedar Ave Barnsdall Ok 74002	1449 West Main St. Pawhuska Ok 74056	1449 West Main St. Pawhuska Ok 74056	1449 West Main St. Pawhuska Ok 74056	100 w. Main St. 4th Floor, Pawhuska Ok 74056	195 Santa Fe Dr. Pawhuska, Ok 74056	401 S. 8TH ST. Fairfax OK, 74637	350 Senior Dr. Pawhuska OK, 74056	1230 West Main St. Pawhuska OK, 74056	124 East 6th St. Pawhuska ok, 75056	TOTAL
4	Name of Facility	Wyatt	Complete	Si-Si A-Pe-Txa Wahzhazhe Healing Center Office Si-Si A-Pe-Txa Wahzhazhe Healing Center Clinic	Si-Si A-Pe-Txa Minerals Councils Office, PRC Mens PRT Office	Civic Si-Si A-Pe-Txa Wahzhazhe Healing Center Public Health Nursing Office	Si-Si A-Pe-Txa CHR Office	Si-Si A-Pe-Txa Wahzhazhe Healing Center Office Bus office, Prevention and Sr Services	Si-Si A-Pe-Txa Healing Place TASC Office	Si-Si A-Pe-Txa Womens PRT Office	Fairfax Elder Nutrition	Pawhuska Elder Nutrition	Administration	Behavioral Health	
5	ISDEAA Contract/FA/SOW	Wyatt	Complete												Received
6	PFSA's:														
7		Wyatt	Complete	X	X	X	X	X	X	X					Received
8															
9	Ownership Documentation														
10	Title or														
11	Resolution														
12	970. Options decision point														
13	a) FMRV														
14	b) Combined a & c														
15	c) Expenses/Lease amount			\$ 50,955.98	\$ 23,156.83	\$ 30,598.80	\$ 11,088.00	\$ 20,145.60	\$ 14,052.00	\$ 35,838.96	\$ 30,079.80				\$ 215,915.97
16	sq ft.			14671.51	3438.23	2486	924	1619	1171	4264	2798				31371.74
17	lease agreement per sq ft			\$ 3.47	\$ 6.74	\$ 12.31	\$ 12.00	\$ 12.44	\$ 12.00	\$ 8.41	\$ 10.75				

Used For Administration Or Delivery Of Services



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[illegible]

# Option (a): Fair Market Rent (FMR)

- Appraisal prepared by professional
- Appraiser looks at nearby communities to find comparable to the facility to be leased and provides estimated cost per sqft.
- At times there are no other health facilities comparable to the Tribal facility located /rural Alaska or on Reservation
- Appraiser could use other methods to determine cost per sqft. Appraiser determines if comparable are based on full-service (where owner pays all expenses) or based on Triple Net (NNN, tenant pays all expenses).
- TIP – Appraiser, in the appraisal, image, sq footage x FMR = Total, condition of the building, NNN or full service
- TIP Appraiser can also provide you with FMV -depreciation,
- The appraiser will consider the age
- Appraiser – age of the facility, condition of the facility, square footage, location, amenities, and the condition of the property, as compared to similar properties in the area, COMPS



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# Option (b): Combination FMR & (a)-(h) - TIP



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- An FMR based on NNN, includes depreciation and reserves (fixed and/or building service equipment).
- If appraisal is based on a majority of NNN lease comparable, Tribe may request additional operation and maintenance expenses on top of the FMR, such as utilities, maintenance, repair, principal and interest, other O&M expenses.
- Tribe may request additional O&M expenses by providing prior year general ledger expenses

IHS PROVIDES FORMATTED WORKSHEETS and the BIA accept an excel worksheets. Perhaps you pay utilities for the Satellite Clinics and charge to a central health account – Tip - I recommend to start breaking these COST out and charge to that satellite clinic so you can claim by address)

# Option (c): Compensation Elements (a)-(h)



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To the extent that no element is duplicative, the following elements may be included in the lease compensation: **(will be discussed more in detail)**

(a) Rent (Sublease)	(10) Fire Protection	(16) Maintenance Costs
(b) Depreciation	(11) Preventive Maintenance	(i) Maintenance Salary
(c) Reserves	(i) HVAC	(ii) Maintenance Supplies
(d) Principal & Interest	(ii) Plumbing	(f) Repairs to Buildings
(e) Operation & Maintenance	(iii) Elevators	(g) Alterations Required
(1) Water/Sewer	(iv) Boilers	(h) Other Reasonable Expenses
(2) Utilities	(v) Fire Safety	
(3) Fuel	(vii) Security System	
(4) Insurance	(viii) Roof, Foundation,	
(5) Custodial Mgmt.	Walls, Floors	
(6) Janitorial/Supplies	(12) Unscheduled Maintenance	
(7) Pest Control	(13) Scheduled Maintenance	
(8) Site Maintenance	(14) Security Services	
(9) Trash and Medical Waste	(15) Management Fees	



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# 105(l) Lease Requirements - TIP

The T/TO must be currently using the facility to carry out a Federal programs, services, functions and activities (PSFAs), including administrative functions assumed by a T/TO under a PL 93-638 ISDEAA contract or compact.

A T/TO must own, have a leasehold interest or hold a trust interest in the facility. Tribe must prove interest in facility by providing: Trust title, quitclaim deed, warranty deed, lease or rental agreement.

If T/TO requests a 105l lease on behalf of an IHS sponsored program that does not have an ISDEAA contract or compact, a lease must be executed between the two parties in order to sublease the facility to the IHS. It will be up to the Tribe and it's landlord to sort out whether the IHS lease triggers any particular clause in the master lease (such as a sublease clause). IHS will do it's due diligence to ensure the 105(l) lease is not problematic vis-à-vis the master lease, but in most cases it will not implicate the master lease since IHS does not use or occupy the property directly.

What is not stated here is what other documents are accepted – Tribal Resolution, Letter attesting to ownership, or the facility in the IHS Facilities Inventory.





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# 105(l) Lease Requirements – 6 Documents

Letter provided upon request

Tribe submits request and include all relevant documentation to support their request for a 105(l) lease.

Letters of Intent are not considered lease proposals. In order for IHS to accept request as official lease proposal,

Very important to provide supporting documents with letter such as:

- 1) Fair market rent appraisal,
- 2) general ledger expenses,
- 3) floorplans,
- 4) condition inspection
- 5) photos,
- 6) proof of ownership



Date:

Michael Weaver, P.E., BCEE  
IHS 105(l) Agency Lead Negotiator  
Director, Division of Engineering Services  
Office of Environmental Health and Engineering  
Indian Health Service  
1301 Young Street, Suite 106-840  
Dallas, TX 75202



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**Re: FY2024 Lease Proposal under Section 105(l) of the ISDEAA**

Dear Mr. Weaver,

The [Name of Tribe or Tribal Organization] (“T/TO”) requests the following Section 105(l) lease pursuant to the Indian Self-Determination and Education Assistance Act (ISDEAA), 25 U.S.C. § 5324(l) (previously 25 U.S.C. § 450j(l)) and implementing regulations at 25 C.F.R. Part 900, Subpart H. Section 105(l) requires the Indian Health Service (IHS) to enter into leases, upon tribal request, with a tribe or tribal organization that holds title to, or a leasehold interest in a facility used by the tribe or tribal organization for the administration and delivery of services under the ISDEAA.<sup>1</sup> (Identify if the Tribe would like the lease payment to be paid outside of the funding agreement or proposes to incorporate the lease(s) into its ISDEAA Title \_\_\_\_ (I or V) Funding Agreement the Indian Health Service (IHS) by way of an amendment to the FA.

We are requesting (Calendar year or Fiscal year) 105(l) leases for the following facilities:

- Name of Facility:
- Address, City, State, Zip
- Size of Facility (sf): \_\_\_\_\_ sqft.
- Brief Description of Program as it relates to the FA or AFA:

Regulations at 25 C.F.R. § 900.74 provide that compensation for the lease will be determined according to one of three options: (a) fair market rental; (b) a combination of fair market rental and paragraphs a-h, or (c) a-h (actual expenses) of § 900.70, provided that no element of expense is duplicated in fair market rental. The [Name of T/TO] proposes that compensation be based on [Option (a), (b), or (c)].<sup>2</sup>

The Tribe has attached the following documents:

<sup>1</sup> 25 U.S.C. § 5324(l) (previously 25 U.S.C. § 450j(l)).

<sup>2</sup> If Tribe choose Option (a), proposal must include Fair Market Rent (FMR) appraisal; If Tribe choose Option (b), must include FMR & tribal general ledger expenses; If tribe requests Option (c), tribal general ledger expenses must be provided to support the expenses requested. If the general ledger expenses are not available when the proposal is submitted to IHS, Tribe can state the expenses will be provided at a later date to the Area 105(l) lease review team under separate email.)



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# IHS 105(l) Lease Reviewer - TIP

105(l) lease reviewer works directly with the Tribe Chief Financial Officer when reviewing lease proposal cost reasonableness and cost duplication.

Reviewer is not authorized to negotiate lease amounts, only to recommend if the expense is reasonable and non-duplicative to the IHS National 105(l) lease team. National Technical Advisor provides training to the Area reviewers and participates in every lease review to ensure consistency across IHS.

Assists T/TO in final preparation of lease proposal prior to submitting to IHS National 105(l) lease team with no unresolved issues. Reviewer learns the operation and maintenance of facility.

Identifies facility-related amounts paid through the FA that are duplicative to lease proposal such as M&I, Facility Support Account, facility related indirect rate. These amounts are offset from the final lease amount.

TIP: OFFSETS – SERVING NON NATIVES, 813 RESOLUTION TO SERVE NON BENS BUT IN 105(l) WILL OFFSET BASED ON % SERVED, M&I

# 105L Document Check List

- Fair Market Rent appraisals include interior/exterior photos, floorplans, include interior/exterior photos, floor plans, determination of ownership, condition of facilities

For leases based on actual expenses, T/TO must provide:

- Proof of Ownership Bill of Sale, General Ledger Expenses for new construction, Appraisal to support value of building, Tribal Resolution attesting to ownership
- Architectural floorplan w/measurements, gross square footage
- Exterior/interior photos, recent inspection report
- Tribal general ledger summary



TIP: OFFSETS – SERVING NON NATIVES, 813 RESOLUTION TO SERVE NON BENS BUT IN 105L WILL OFFET BASED ON % SERVED, M&I

# Basic 105L Lease Information



- One-year leases; T/TO must request each year.
- Lease payments are made in one lump sum.
- Lease can be based on Calendar Year or Fiscal Year
- IHS notifies T/TO date of receipt of proposal
- Consolidated Appropriations Act of 2022 states the initial lease term will start no earlier than the date IHS receives the lease proposal
- Letters of Intent are not considered lease proposals
- 105(l) leases are not eligible for M&I funds, but some healthcare facilities may be eligible for medical equipment funds.
- Acceptance of tribal general ledger summary in lieu of scanned invoices/payment –  
Bill of Sale, General Ledger Expenses for new construction, Appraisal to support value of building, Tribal Resolution attesting to ownership

TIP: OFFSETS – SERVING NON NATIVES, 813 RESOLUTION TO SERVE NON BENS BUT IN 105L WILL OFFET BASED ON % SERVED, M&I





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# Option (c) - Compensation “a-h” Element

- Lease expenses based on actual expenses from prior fiscal year







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# MS Excel Worksheet –GL Expenses

## MS Excel Worksheet – Table of Expenses (Provided upon request)

		Clinic 1 HIS Lease No.	Clinic 2 HIS Lease No.	Clinic 3 HIS Lease No.	Clinic 4 HIS Lease No.	Clinic 5 HIS Lease No.	Clinic 6 HIS Lease No.
		FY24 Expenses	FY24 Expenses	FY24 Expenses	FY24 Expenses	FY24 Expenses	FY24 Expenses
900.70	COMPENSATION ELEMENTS						
(4)	RENT (SUBLEASE)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(5)	DEPRECIATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(6)	CONTRIBUTIONS TO A RESERVE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(6)	PRINCIPLE AND INTEREST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(1) O&M EXPENSES	(1) WATER/SEWAGE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	(2) ELECTRIC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	(3) FUEL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	(4) INSURANCE - CLINIC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	(5) BLDG MGMT SUPERVISION & CUSTODIAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	(6) (i) JANITORIAL SALARY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	(6) (ii) JANITORIAL SUPPLIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	(7) PEST CONTROL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	(8) SITE MAINTENANCE (SNOW REMOVAL)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	(9) TRASH AND MEDICAL WASTE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(1) MAINTENANCE AND PREVENTIVE MAINTENANCE	(10) FIRE PROTECT/FIGHTING SVCS & EQUIP.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	(11) (i) HVAC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	(11) (ii) PLUMBING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	(11) (iii) ELECTRICAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	(11) (iv) ELEVATOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	(11) (v) ROLLERS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	(11) (vi) FIRE SAFETY SYSTEM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	(11) (vii) SECURITY SYSTEM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	(11) (viii) ROOF FOUNDATION WALLS FLOORS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	(12) UNSCHEDULED MAINTENANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(1) MAINTENANCE AND PREVENTIVE MAINTENANCE	(13) SCHEDULED MAINTENANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	(14) SECURITY SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	(15) MANAGEMENT FEES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	(16) (i) MAINTENANCE SALARY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	(16) (ii) MAINTENANCE MATERIALS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	(17) REPAIRS TO BUILDINGS AND EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(6)	ALTERATIONS NEEDED TO MEET	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(1)	OTHER DISCRETIONARY EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Worksheets will be available

Here is a copy for your review, please circulate



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## (a) Rent (Sublease)

- If a T/TO entered into a lease with a private owner for space to provide service identified in §900.69, the T/TO may be compensated for rent for up to 12 months.
- It will be up to the Tribe and its landlord to sort out whether the IHS lease triggers any particular clause in the master lease (such as a sublease clause). IHS will do its due diligence to ensure the 105(l) lease is not problematic vis-à-vis the master lease, but in most cases it will not implicate the master lease since IHS does not use or occupy the property directly. •  
IHS will review the lease agreement against the lease proposal for duplication



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## (b) Depreciation

- Depreciation may be requested if the T/TO has full ownership of the facility. • IHS uses a straight-line depreciation method based on 39-year useful life as per the Internal Revenue Service (IRS) publication 946. While the 39-year useful life is appropriate, IHS has the discretion to apply a different useful life if the Tribe demonstrates that it is actually depreciating its facility over a different term in its audited financial statements.
- Tribe provides documentation as to the value of the facility. The annual depreciation is calculated by dividing the facility value/39 years to establish the depreciable base. Tribe will receive same amount each year unless a capital improvement is made to facility.
- Value of Facility: Appraisal of facility, bill of sale, or if newly constructed, tribal general ledger expenses, or value identified in Tribe's audited financial statements.
- Identify all sources of funds used to construct the facility. Depreciation based on acquisition costs not financed w/federal



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# (c) Contribution to Reserves 22 (Fixed and/or Building Services Equipment)

# Reserve Examples



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## **Example Reserves:**

### **Electrical System**

General/Emergency Lighting, Power System Generators, Switchgear, Distribution Panels Transformers, Building Controls, Paging System

### **Plumbing Systems (For 105I Leases only)**

Booster Pumps, Hot Water Heaters, Medical Gas, Sewage Lift Station, Snow Melt, Sprinkler, Piping Replacement, Water Fountains, Storage Tank, Water Treatment, Water Wells

### **HVAC System**

Air Conditioning, Boiler, Blowers, Chiller, Compressor, DDC System, Furnaces, Heat Pump/Exchangers, Piping, Radiator, Steam Systems

### **Fire Protection Systems**

Fire Alarm System, Security System, Fire Pump, Smoke & Heat Detectors, Magnetic Door Holders, Sprinkler Systems, Tank & Tower

IHS may compensate for each singular piece of fixed or building services equipment based on useful life and present date replacement cost

# (Estimating Useful Life of Hospital Depreciable Assets



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Estimated Useful Lives of Depreciable Hospital Assets Revised 2023 Edition			
TABLE 4 Fixed Equipment			
Fixed equipment includes assets that are permanently affixed to the building structure and are not subject to movement, but which have shorter useful lives than that of the building. The asset cost would include a proportionate share of architectural, consulting, and interest cost.			
ITEM	YEARS	ITEM	YEARS
Benches, bins, cabinets, counters, and shelving, built-in	15	Kiosk, wayfinding systems	10
Cabinet, biological safety	15	Laminar flow system	15
Canopy, ventilating, for laundry ironer	15	Lockers	15
Cart washer, walk-in	15	Built-in freestanding	12
Coat rack	20	Mailboxes, built-in	20
Conveyor system, laundry	10	Medicine preparation station	15
Cooler, walk-in	15	Mirrors, traffic and/or wall-mounted	10
Curtains and drapes	5	Narcotics safe	20
Generator controls	12	Nurses' counter, built-in	15
Freezer, walk-in	15	Pass-through boxes	15
Headwall system, patient console unit	15	Patients' wardrobes and vanities, built-in	15
Hood, fume	15	Projection screen, fixed	10
Fire protection in hoods	10	Sink and drainboard	20
ICU and CCU counters	15	Solar panels	15
Illuminator	15	Stentzer, built-in	15
Multiflex	10	Telephone enclosure	10
Single	10		
TABLE 5 Building Services Equipment			
Building services equipment refers to mechanical components or systems designed for the building(s), including air conditioning, electrical elevators, heating, lighting, plumbing, sprinklers, and ventilating. The asset cost would include a proportionate share of architectural, consulting, and interest cost for newly constructed or renovated facilities.			
ITEM	YEARS	ITEM	YEARS
Air-conditioning equipment		Air-handling unit	16
Centrifugal chiller	15	Antenna system	10
Compressor, air	15	Automated vertical bed storage system	10
Condensate tank	10	Biometric access control systems	7
Condenser	15	Boiler	20
Controls	10	Boiler deserator system	15
Cooler and dehumidifier	10	Boiler smokestack, metal	20
Cooling tower, anti-microbial	20	Building automation system	12
Cooling tower, concrete	20	Bulb-crushing machine	12
Cooling tower, plastic	20	Clean-air equipment	15
Cooling tower, wood frame	10	Chilled beam system	15
Duct work	20	Clock system, central	15
Fan, air-handling and ventilating	20	Co-generation plant, generator powered	15
Piping	20	Door alarm	10
Precipitator	10	Door-closing devices, for fire alarm system	15
Pump	10		
Air-conditioning system		Electric lighting and power	
Large (over 20 tons)	10	Composite	18
Medium (5-20 tons)	10	Conduit and wiring	20
Small (under 5 tons)	5	Emergency lighting system	15
Air curtain	15		

— continued on next page —





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# Reserves – Useful Life

**TABLE 5 Building Services Equipment**

Building services equipment refers to mechanical components or systems designed for the building(s), including air conditioning, electrical elevators, heating, lighting, plumbing, sprinklers, and ventilating. The asset cost would include a proportionate share of architectural, consulting, and interest cost for newly constructed or renovated facilities.

ITEM	YEARS	ITEM	YEARS
<b>Air-conditioning equipment</b>			
Centrifugal chiller	15	Air-handling unit*	16
Compressor, air	15	Antenna system	10
Condensate tank	10	Automated vertical bed storage system*	10
Condenser	15	Biometric access control systems	7
Controls	10	Boiler	20
Cooler and dehumidifier	10	Boiler deaerator system	15
Cooling tower, anti-microbial	20	Boiler smokestack, metal	20
Cooling tower, concrete	20	Building automation system*	12
Cooling tower, plastic	20	Bulb-crushing machine*	12
Cooling tower, wood frame	10	Clean-air equipment	15
Duct work	20	Chilled beam system*	15
Fan, air-handling and ventilating	20	Clock system, central	15
Piping	20	Co-generation plant, generator powered	15
Precipitator	10	Door alarm	10
Pump	10	Door-closing devices, for fire alarm system	15
<b>Air-conditioning system</b>			
Large (over 20 tons)	10	Electric lighting and power	
Medium (5–20 tons)	10	Composite	18
Small (under 5 tons)	5	Conduit and wiring	20
Air curtain	15	Emergency lighting system	15

— continued on next page —

**TABLE 5 Building Services Equipment**

— continued from previous page —

ITEM	YEARS	ITEM	YEARS
Feed wiring	20	Heating, ventilating, and air conditioning (composite system)	15
Fixtures	10	Humidifier (fixed)	15
Switchgear	15	Incinerator, indoor	10
Transformer	30	Industrial chillers	
<b>Elevator</b>			
Dumbwaiter	20	Air	
Freight	20	Absorption*	18
Parking garage*	23	Centrifugal*	18
Passenger, high-speed automatic	20	Reciprocating*	16
Passenger, hydraulic	20	Screw driven*	16
Emergency generator set	20	Evaporative condensed	
<b>Energy management system, computer-based</b>			
Enterprise imaging systems	7	Absorption*	18
Escalator	20	Centrifugal*	18
Fans, ceiling-mounted	10	Reciprocating*	15
Fire protection system		Screw driven*	16
Fire alarm system	10	Heat Pump*	14
Fire pump	20	Water	
Smoke and heat detectors	10	Absorption*	18
Sprinkler system	25	Centrifugal*	18
Tank and tower	25	Reciprocating*	15
Furnace, domestic	15	Screw driven*	16
Heat pump system	10	Insulation, pipe	15
		Intercom system, facilitywide	10

— continued on next page —

**TABLE 5 Building Services Equipment**

— continued from previous page —

ITEM	YEARS	ITEM	YEARS
Laboratory plumbing, piping	20	Security system	
LED disinfection systems/compact deep	7	Cameras*	7
Luminaire-level lighting controls*	13	Swipe cards*	17
Magnetic door holders	10	Wearable panic buttons	5
Medical gas system (composite system)	15	Sewerage, composite	25
Nurse call system	10	Piping	20
Oil storage tank	20	Sump pump and sewerage ejector	10
Oxygen concentrator*	10	Solar heating equipment	10
Oxygen, gas, and air piping	20	Surge suppression system	15
Paging system, facilitywide	20	Telephone system	10
Physicians' in-and-out register, built-in	10	Television antenna system	10
Plumbing, composite	20	Television satellite dish	10
Fixtures	20	Temperature controls, computerized	10
Piping	25	Ultraviolet LEDs	7
Pump	15	Unit heater	10
Pneumatic tube system	15	Vacuum cleaning system	15
Radiator		Water fountain	10
Cast-iron	25	Water heater, commercial	10
Finned tube	15	Water purifier	10
		Water softener	10
		Water storage tank	20



	Reserve Item	Current Replacement Value	Year Purchased	Initial Useful Life	Remaining Useful Life	Replacement Year	Future Replacement Value	Reserve Amt. (Calculated Per Yr.
1		\$0.00		15	15	15	\$ -	\$ -
2		\$0.00		15	15	15	\$ -	\$ -
3		\$0.00		15	15	15	\$ -	\$ -
4		\$0.00		15	15	15	\$ -	\$ -
5		\$0.00		15	15	15	\$ -	\$ -
6		\$0.00		15	15	15	\$ -	\$ -
7				15		15		
8				15		15		
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
Total Reserves								\$ -



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## (c) Reserves - Option 2

# Provision of funds for BEMAR type equipment

- Situations  
where fixed fixed equipment may only have a few years of useful life
- Would allow Tribe to purchase fixed equipment by providing quote with lease proposal
- Once equipment is purchased, item can be placed as a new Reserve and begin collecting replacement amount.
- This is a one-time expense and will be removed from the next lease period.

## (d) –Principal & Interest paid or accrued

IHS may compensate a T/TO for a loan used to construct a facility to be leased under the authority of section 105(I). Depreciation and Principal & Interest (P&I) are inherently duplicative and that the depreciation calculation should reflect federal financing in the form of P&I payments made in the lease.

Information required:

- Total cost of construction; Year of lease; Loan Interest; amount of funding provided or borrowed by the Tribe; Amount of non-federal funds used in the total cost of construction; Total principal and interest paid by the Tribe for the loan prior to the start of the 105(I) lease; Date of beneficial occupancy and date when services in facility began.
- With proper planning, a tribe could use the 105(I) lease program to receive compensation for a new facility. The facility must be used to carry out an approved ISDEAA PFSA. IHS does not get involved in the loan process, but if resources are available, may assist in providing technical assistance in design and code compliance.

# (e) Utilities & Insurance

IHS may compensate up to 12 months of utilities for the following using actual expenses from the prior year to determine cost reasonableness. (**Prefer GL summary provided in MS Excel Worksheet.**)

- (e)(1) – Water, Sewage
- (e)(2) – Electricity
- (e)(3) – Fuel
- (e)(4) – Insurance – for building only.
- (e)(7) – Pest Control
- (e)(9) – Trash Removal –  
Includes medical waste

For new facilities with no prior year utility expenses, estimates will be accepted for the first year only.

# (e)(5) – Building Mgmt. Custodial Services



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- Compensation for private custodial contract up to one year
- Contract must include supervision of all janitorial workers; provide all cleaning supplies
- Tribe provides portions of cleaning contract to show terms and amount.



# (e)(6) –T/TO Janitorial Staff & Supplies

- Salary/Fringe for Janitorial Staff
- If tribal janitorial staff provide janitorial service to additional buildings including the 105(/) lease facility, compensation will be provided for the percentage of time spent cleaning the 105(/) leased facility.
- Various methods of determining percentage (i.e., based on square footage, number of hours, etc.).



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## (e)(8) –Site Maintenance

T/TO may request compensation for site maintenance to keep area around facility clean and safe.

- Salary/Fringe - Site Maintenance crew
- General bed maintenance (weeding, ground cover trimming, controlling debris removal)
- Spring/fall clean-up
- Pruning/hedging
- Tree removal (directly impacting facility)
- Parking lot – Sealing or Striping

This element does not include costs for major site improvements and landscaping, tree maintenance, install of bavers. or new paved parking lots.



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## (e)(10) –Fire Protection/Fire Fighting Svcs

In high-risk fire zones, compensation may be provided for specialized fire protection and fire fighting equipment in cases of emergency.

- Fire hose
- Fire blankets
- Fire buckets
- Any other additional fire fighting protection tools

# (e)(11) - Monitoring and Preventive Maintenance

This compensation element is for annual services provided under a contract for various types of preventive maintenance such as **(provide copy of contract)**:

- (e)(11)(i) – Heating/ventilation/air conditioning
- (e)(11)(ii) – Plumbing
- (e)(11)(iii) – Electrical
- (e)(11)(iv) – Elevators
- (e)(11)(v) – Boilers
- (e)(11)(vi) – Fire safety system

# (e)(11)(viii) – Roof, Foundation, Walls, Floors

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## Option 1 – Compensation for repair expenses

- Expenses associated with repair projects for roof, foundation, walls and floors may be compensated under this element.

## Option 2 – One Time Expense – Roof, Foundation, Walls, Floors

- As an alternative to Option 1, Tribe may request one-time expense item associated with this compensation element by providing current quote and justification for repair project. If approved, IHS may compensate 100% in advance if Tribe will commit to completion of project in the respective lease year. This is a one-time expense, and will be removed from the next lease period.

# (e)(14) –Security Services & Equipment

- Salary/Fringe for Security Personnel
- Professional security guard service, monitoring systems and installation of security systems may be compensated under the 105(I) lease.
- T/TO staff who provide security services to other tribally owned buildings, including the 105(I) leased facility, compensation may be provided for the percentage of time security service is provided to the 105(I) leased facility.
- A portion of salary for T/TO security guards who work in a hospital and dedicate a certain number of hours monitoring offsite 105(I) leased clinics.
- Security systems – includes security equipment



## (e)(15) – Management Fees

IHS may compensate management fees for:

- Full-time onsite Facility Manager, who is responsible for the nuts and bolts of keeping the facility running smoothly; schedules repair projects.
- Staff Member, who serves as Facility Manager in addition to regular duties.
- Staff from local tribal hospital, who dedicate a portion of time managing repair projects in 105(/) leased locations outside of the hospital.
- Roaming Facility Manager, who provides services to tribally owned buildings, including the 105(/) leased facility.

## e)(16) – Maintenance Staff & Material

- IHS may compensate for salary/fringe for maintenance staff who work full- or part-time in the 105(I) leased facility.
- IHS may compensate for roaming maintenance staff who provide services to more than one facility, to include the 105(I) leased facility.
- Maintenance Material/Supplies: Compensate for items associated with repair projects such as tools, material, freight.
- Maintenance training for specialized repair of fixed equipment.
- Computer Wi-Fi for HVAC Building Automation System
- Fire protection-alarm systems that require telecommunication line for continuous monitoring; That portion of IT/Telecommunication services can be compensated under a 105I lease.



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## (f) –Repairs to Buildings & Equipment

Expenses associated with building repairs and maintenance to maintain proper condition of buildings including, but not limited to:

- Repair of doors, windows, walls
- Repair of electrical wiring, gas pipes, water pipes, plumbing services
- Repair of walls, plastering/painting
- Repair of cracked flooring

# (g) Alterations needed to meet contract requirements

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Compensation may be provided if IHS requires the T/TO to alter the facility to meet new IHS contract/compact requirements. Prior approval by IHS is required before beginning alteration project.

- Describe the new IHS contract/compact requirement
- Describe the required alteration
- Provide a quote

## (h) Other reasonable expenses

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If requesting other reasonable expenses, provide general ledger summary that describes each item and expense not otherwise provided under compensation elements (a) – (g) above.

### **One-Time Expense – Provision of funds for major fixed or building services equipment**

- Tribe may request replacement of individual reserve item by providing current quote and justification for replacement. If approved, IHS may compensate 100% in advance if Tribe will commit to installation of equipment in the respective lease year. This is a one-time expense, and will be removed from the next lease period.



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# TOOLS: WORKSHEET TO TRACK AND COMPARE – LANDSCAPE ORIENTATION

Address	Lease Number		New Lease No.		Lease Type			Size (SF)	Annual	Lease Status	Tribe Request	
					#1	#2	\$/SF					Difference

NOTE: It is not a submit and done, the IHS will work with you.



# TOOL s: the IHS Summarize



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A. The proposed 105l Lease(s) proposed FMR amounts and expenses are accepted are reasonable:													
	Name of Facility	IHS Lease No.	HFDS #	FY - Mod #	Size (SF)	FY2024 \$/Sqft/Yr	FY2024 FMR Total	FY2024	FY2024	FY2024 Cost Elements	FY2024 105l Adj. Amt.	Beneficiary	
								FMR w/CPI (Calc)	FMR w/CPI			Ben%	N-Ben%
								0.00%	Rounded				
1		IHS.WRL.2024.103A		FY2024.Nov	8,000	\$ 20,000	\$ 160,000.00	\$ 20,000.00	\$ 20,000.00	\$ 70,000.00	\$ 220,000.00	98.0%	5.0%

# Best Practices

- Go through your SOW of the AFA
- Identify all the programs of your ISDEAA Contract
- Identify where they/re being performed – list of all addresses because a lease is required for each address and is identified in the address and the appraisal
- Using a broker can be more cost effective
- Are they all in same building? If so 100% of that building can be included – get address, every lease is by each address; sq footage
- If not – where are they located is in a shared building ? Get the square footage of the space occupied in that building
- Prorate the Common spaces

# Best Practices



- Establish an internal 105 (l) working group with representatives from the following areas:
- Consultants notify your agency that you authorizing communications
- Establish a primary point of contact to work with agency who can engage internal
  - Internally Budget/finance (expenses), facilities (sq footage & addresses, images)
  - Weekly meetings
- Use Project Management/ Checklist

# Best Practices



- File naming convention
- Package up into file, email or send the link to the folder or ZIP file
- Or Dropbox or shared folder
- Make it as easy as possible for the reviewer to have access and locate each required document
- Why – because YOU WANT YOUR PAYMENT AS EXPEDITIOUSLY AS POSSIBLE