



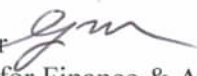

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Office of the Senior Executive Officer
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MEMORANDUM

DATE: March 1, 2017

TO: Faculty, Staff, Chairs, Deans, Directors, and Administrators

FR: Elizabeth Metzger, University Controller 
Ava J. Lovell, Senior Executive Officer for Finance & Administration-HSC 

RE: New Federally Negotiated F&A Rates

Attached is the new federally negotiated facilities and administrative (F&A) rate agreement dated January 27, 2017, agreed to by UNM and the Department of Health and Human Services. This agreement is effective 7/1/17 through 6/30/21. Details of the new agreement are as follows:

- The rate for **On-campus research** remains at **51.5%** of modified total direct costs (MTDC).
- The rate for **On-campus instruction** remains at **52%** of MTDC and the rate for **On-campus other sponsored activities** (includes public service) remains at **43.5%** of MTDC.
- The **Off-campus rate** remains capped at **26%** of MTDC for all programs. Off-campus is defined as activities performed in facilities not owned by the institution and to which rent is directly allocated to the project(s) or in facilities made available (at no cost) to the program by a non-university organization. If more than 50% of a project is performed in off-campus facilities, the off-campus rate will apply to the entire project. Subcontractor, vendor and off-site data collection activities are excluded from the on/off campus rate determination.
- The rate for **On-campus Department of Defense (DoD) contracts** remains at **54%** of MTDC. The rate for **Off-campus DoD contracts** remains at **29%** of MTDC.
- The rate for **On-campus agreements with non-federal sponsors** remains at **54%** of MTDC. The rate for **Off-campus agreements with non-federal sponsors** remains at **29%** of MTDC.
- The rate for **Intergovernmental Personnel Act (IPA)** assignments remains at **9.75%** of MTDC.

- The approved rate for miscellaneous fringe benefits is **3.04%** for Leave Payouts, Tuition Waivers, and Retiree Benefits. Annual leave payouts at separation of employment will no longer be a direct charge to sponsored awards.

The new F&A rate agreement will be implemented as follows:

- Effective immediately, any new proposals, newly proposed increments, supplements or new tasks that will start or extend past July 1, 2017, should use the rates in the new agreement.
- For existing awards, the current F&A rate will continue to be used for the life of the sponsored agreement. "Life" as defined by Federal OMB Uniform Guidance Appendix III 2 CFR 200 means the period of years for each competitive segment of a project approved by the funding agency at the time of the award. If negotiated rate agreements do not extend through the life of the sponsored agreement at the time of the initial award, then the negotiated F&A rate for the last year of the rate agreement will be used.

If you have any questions, please contact the Pre-Award Services office for Main Campus and Branches at 277-4186 or the Pre-Award Services office for the Health Sciences Center at 272-6264.