


Updated 11/22/16

To: UNM Main Campus and Branches Faculty & Staff   
From: Gabriel Lopez, Vice President for Research  
Re: Facility & Administrative (F&A) Rates for Non-federal New Mexico Public Sponsor Agreements with UNM Main & Branch Campuses

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This memo clarifies the F&A/ indirect rates for Non-federal New Mexico Public Sponsor Agreements with UNM Main & Branch Campuses. Funds provided by outside sponsors for sponsored projects must include an appropriate amount to offset F&A costs incurred by the University.

Please note that federal pass-through awards (all awards funded with federal funds<sup>1</sup>) will be required to use the indirect cost rate that applies per UNM's federally negotiated F&A rate agreement, at <http://osp.unm.edu/sites/default/files/UNM%20Rate%20Agreement%20FY17%20Signed.pdf>

To support the research mission at UNM and be compliant with our federal commitments, it is critical that we obtain the appropriate F&A rate. The standard rate for Non-federal New Mexico Public Sponsor Agreements with UNM Main & Branch Campuses is 20%, unless noted an exception in the list below:

<u>Agency</u>	<u>Rate (unless Federal Flow Through)</u>
All NM School Districts, including APS	10%
Higher Education Department	5%
Children, Youth and Families Department	10%
Department of Health	5.5%
Health & Human Services Department	5.5%
Public Education Department	10%
New Mexico Environment Department	10%

Any rate that is lower than the rates above must be accompanied by an F&A Reduction Request Form indicating the UNM organization that will provide the difference in indirect cost return. The Reduction Request form is at <http://osp.unm.edu/osp-forms> and must be completed prior to submitting a package to the Office of Sponsored Projects (OSP).

**Investigators are reminded that while they are free to discuss the scope of work with a potential sponsor, they are not authorized to negotiate F&A costs. Any "prior understanding" between an investigator and a sponsor regarding F&A rate is not binding on the university.**

Notes:

- If the Sponsor is submitting a proposal to the federal government, UNM's federally negotiated F&A rate agreement shall be used to develop UNM's subcontract costs, unless F&A is appropriately capped by the Federal sponsor in accordance with applicable federal regulations.
- There may be Sponsor specific program direction specifying the allowable F&A on a specific program. Faculty must include a copy of this direction with the proposal or new contract as justification for a different rate. Investigators are encouraged to coordinate early with OSP to determine if a particular rate direction is valid for that purpose.
- When using the New Mexico Public Sponsor rates above, there will be no additional F&A modifiers on the cost line items. Total Direct Costs (TDC) method will be applied to all costs.

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<sup>1</sup> - As covered by the Code of Federal Regulations (CFR) at 2 CFR or 48 CFR for example.