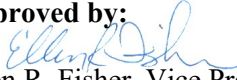




OFFICE OF THE VICE PRESIDENT FOR RESEARCH

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Pursuant to UNM Policy 2425: Recovery of Facilities & Administrative Costs, the following is guidance on how to determine the applicable F&A (Indirect or Overhead) rate on proposals to non-federal sponsors. The process below is listed in descending level of authority:

- 1) Obtain the applicable rate from:
 - a) the published solicitation;
 - b) **Facilities & Administration Rates for Non-federal New Mexico Public Sponsor Agreements with UNM Main & Branch Campuses**; or
 - c) sponsor’s policy, found published on their website.
 If the sponsor is a private or corporate foundation, ask the UNM Foundation if they have documentation on file of the sponsor’s F&A rate policy.

- 2) If you cannot obtain the rate from one of the methods listed above, send the approved language below to the sponsor in an email and copy the **OSP Proposal Team Manager**:
Dear X,
I am with the University of New Mexico and am assisting a faculty member who is interested in applying for your grant XYZ with a due date of XXXX. I could not find any information on Indirect Costs (also referred to as Facilities and Administrative (F & A) or overhead) on your website.

F&A costs cover a portion of the infrastructure necessary to conduct research or other sponsored activities. These costs cannot be readily assigned to a particular project but are real costs that institutions incur during day-to-day operations. Some examples include, but are not limited to: operation and maintenance expenses, general administrative expenses, utilities, library expenses, and student administration expenses.

Non-federal grant makers often have guidelines on the payment of F & A costs. Does ___ have a policy on the allowability of indirect (F&A) costs? If so, please provide a link or other direction to this information.

Sincerely,

The Office of Sponsored Projects is the only unit authorized to negotiate an F&A rate with a sponsor. Faculty and staff are not authorized to negotiate the rate to be used. If there is insufficient time to get adequate documentation from the sponsor, the “default” will be to use UNM’s negotiated **Federal rates**. Thus, we recommend that grant applicants allow ample time in the proposal preparation process so that an appropriate rate can be determined.

FAQs:

Q. If a conversation ensues because of the standard email message sent in step 2 above, should I respond to questions or engage in a rate negotiation with the sponsor?

A. No, please allow the OSP representative to communicate with the sponsor directly.

Q. What if the sponsor asks me to provide guidance on indirect costs?

A. Sponsoring institutions should have established guidance on indirect costs that are developed by their own leadership. The University and its representatives are under no obligation to inform the sponsoring institution on what to allow, nor should they in any case.

Q. What if the opportunity does not have a solicitation?

A. If the opportunity does not have a solicitation--whether it is a competitive or non-competitive opportunity--contact the UNM Office of Sponsored Projects, the unit authorized to negotiate an F&A rate with a sponsor. Any rate agreement made between the sponsor and a PI, support staff, or any other unauthorized member of the University will not be accepted as official and will risk the University's acceptance of the award.

Q. What if a faculty member or PI has a conversation with the sponsor about F&A?

A. Again, OSP is the only unit authorized to negotiate an F&A rate. Please inform faculty and PIs that it is not appropriate for them to be discussing F&A rates with a sponsor. Let them know that the OSP representative should be the one to communicate directly with the sponsor.