



University Controller
Financial Services, Main Campus
1 University of New Mexico
MSC01 1300
Albuquerque, NM 87131

MEMORANDUM

DATE: January 27, 2022
TO: Faculty, Staff, Chairs, Deans, Directors, and Administrators
FR: Norma Allen, University Controller *NA*
RE: New Federally Negotiated F&A Rates

Attached is the new federally negotiated facilities and administrative (F&A) rate agreement dated December 17, 2021, agreed to by UNM and the Department of Health and Human Services. This agreement is effective 7/1/21 through 6/30/25. Details of the new agreement are as follows:

The rate for On-campus research remains at 51.5% of modified total direct costs (MTDC) until 6/30/22 increasing to 52.5% until 6/30/25.

The rates for On-campus instruction is 53% of MTDC and the rate for On-campus other sponsored activities (includes public service) is 45% 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.

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 approved rate for miscellaneous fringe benefits is 3.00% for Leave Payouts, Tuition Waivers and Retiree Benefits.

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

- Proposals, proposed increments, supplements or tasks that start prior to July 1, 2022, should use both the rates in the existing rate agreement through June 30, 2022, and rates in the new agreement beginning July 1, 2022, going forward.
- Proposals, proposed increments, supplements or tasks that will begin July 1, 2022, going forward, should only use the rates in the new agreement.
- For existing awards, the existing rates 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 Office of Sponsored Projects for Main Campus and Branches at 277-4186, or the Sponsored Projects Office for the Health Sciences Center at 272-9383 for additional clarification and guidance.