



*Office of the Vice President for HSC/UNM Finance  
and University Controller*

**MEMORANDUM**

**DATE:** July 14, 2009

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

**FR:** Julia Fulghum, Vice President for Research *AF*  
Richard Larson, Vice President for Translational Research, HSC and Sr. *RL*  
Associate Dean for Research, School of Medicine  
Ava J. Lovell, Vice President HSC/UNM Finance & University Controller *AL*

**RE:** New Federally Negotiated F&A Rates

Attached is the new federally negotiated facilities and administrative (F&A) rate agreement dated July 13, 2009, agreed to by UNM and the Department of Health and Human Services. This agreement is effective 7/1/09 through 6/30/13. Details of the new agreement are as follows:

- The rate for **On-campus research** is now 50.5% modified total direct costs (MTDC) for the period 7/01/09 – 6/30/11 and 51% MTDC for the final two years of the agreement 7/01/11-6/30/13.
- The rates for **On-campus instruction and other sponsored activities** (includes public service) remains the same at 50% MTDC.
- The **Off-campus rate** is capped at 26% 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).
- The rate for **On-campus Department of Defense (DoD) contracts** remains the same at 54% MTDC. The rate for **Off-campus DoD contracts** is 29% MTDC.
- The rate for **On-campus agreements with non-federal sponsors** remains the same at 54% MTDC. The rate for **Off-campus agreements with non-federal sponsors** is 29% MTDC.
- Equipment which is excluded from the F&A calculation is defined as non-expendable items with an individual cost of \$5,000 or more and should be included in the equipment budget.

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

- Effective immediately, any new proposals, new increments or new tasks that will start or extend past July 1, 2009 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 Circular A-21 (G7a) 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.

**COLLEGES AND UNIVERSITIES RATE AGREEMENT**

EIN #: 1856000642A1

DATE: July 13, 2009

INSTITUTION:  
 University of New Mexico  
 1 University of New Mexico  
 Albuquerque

NM 87131-0001

FILING REF.: The preceding Agreement was dated April 14, 2005

The rates approved in this agreement are for use on grants, contracts and other agreements with the Federal Government, subject to the conditions in Section III.

**SECTION I: FACILITIES AND ADMINISTRATIVE COST RATES\***

RATE TYPES:	EFFECTIVE PERIOD		RATE (%)	LOCATIONS	APPLICABLE TO
	FIXED	FINAL			
TYPE	FROM	TO			
PRED.	07/01/09	06/30/11	50.5	On Campus	Organized Research
PRED.	07/01/11	06/30/13	51.0	On Campus	Organized Research
PRED.	07/01/09	06/30/13	50.0	On Campus	Instruction
PRED.	07/01/09	06/30/13	50.0	On Campus	Other Spon. Programs
PRED.	07/01/09	06/30/13	26.0	Off Campus	All Programs
PRED.	07/01/09	06/30/13	54.0	On Campus	DOD Contracts
PRED.	07/01/09	06/30/13	29.0	Off Campus	DOD Contracts
PROV.	07/01/13	UNTIL AMENDED	Use same rates and conditions as those cited for fiscal year ending June 30, 2013.		

\*BASE:  
 Modified total direct costs, consisting of all salaries and wages, fringe benefits, materials, supplies, services, travel and subgrants and subcontracts up to the first \$25,000 of each subgrant or subcontract (regardless of the period covered by the subgrant or subcontract).  
 Modified total direct costs shall exclude equipment, capital expenditures, charges for patient care, tuition remission, rental costs of off-site facilities, scholarships, and fellowships as well as the portion of each subgrant and subcontract in excess of \$25,000.

INSTITUTION:  
University of New Mexico

AGREEMENT DATE: July 13, 2009

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SECTION II: SPECIAL REMARKS

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TREATMENT OF FRINGE BENEFITS:  
Fringe benefits are specifically identified to each employee and are charged individually as direct costs. The directly claimed fringe benefits are listed below.

TREATMENT OF PAID ABSENCES:  
Vacation, holiday, sick leave pay and other paid absences are included in salaries and wages and are claimed on grants, contracts and other agreements as part of the normal cost for salaries and wages. Separate claims for the costs of these paid absences are not made.

OFF-CAMPUS DEFINITION: For all activities performed in facilities not owned by the institution and to which rent is directly allocated to the project(s), the off-campus rate will apply. Grants or contracts will not be subject to more than one F&A cost rate. If more than 50% of a project is performed off-campus, the off-campus rate will apply to the entire project.

Equipment Definition -  
Equipment means an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.

FRINGE BENEFITS:

FICA  
Worker's Compensation  
Retirement  
University Discounts  
Health and Life Insurance  
Unemployment Compensation  
Tuition Remission  
Payroll Taxes

INSTITUTION:  
University of New Mexico

AGREEMENT DATE: July 13, 2009

SECTION III: GENERAL

A. LIMITATIONS:

The rates in this Agreement are subject to any statutory or administrative limitations and apply to a given grant, contract or other agreement only to the extent that funds are available. Acceptance of the rates is subject to the following conditions: (1) Only costs incurred by the organization were included in its facilities and administrative cost pools as finally accepted; such costs are legal obligations of the organization and are allowable under the governing cost principles; (2) The same costs that have been treated as facilities and administrative costs are not claimed as direct costs; (3) Similar types of costs have been accorded consistent accounting treatment; and (4) The information provided by the organization which was used to establish the rates is not later found to be materially incomplete or inaccurate by the Federal Government. In such situations the rate(s) would be subject to renegotiation at the discretion of the Federal Government.

B. ACCOUNTING CHANGES:

This Agreement is based on the accounting system purported by the organization to be in effect during the Agreement period. Changes to the method of accounting for costs which affect the amount of reimbursement resulting from the use of this Agreement require prior approval of the authorized representative of the cognizant agency. Such changes include, but are not limited to, changes in the charging of a particular type of cost from facilities and administrative to direct. Failure to obtain approval may result in cost disallowances.

C. FIXED RATES:

If a fixed rate is in this Agreement, it is based on an estimate of the costs for the period covered by the rate. When the actual costs for this period are determined, an adjustment will be made to a rate of a future year(s) to compensate for the difference between the costs used to establish the fixed rate and actual costs.

D. USE BY OTHER FEDERAL AGENCIES:

The rates in this Agreement were approved in accordance with the authority in Office of Management and Budget Circular A-21 Circular, and should be applied to grants, contracts and other agreements covered by this Circular, subject to any limitations in A above. The organization may provide copies of the Agreement to other Federal Agencies to give them early notification of the Agreement.

E. OTHER:

If any Federal contract, grant or other agreement is reimbursing facilities and administrative costs by a means other than the approved rate(s) in this Agreement, the organization should (1) credit such costs to the affected programs, and (2) apply the approved rate(s) to the appropriate base to identify the proper amount of facilities and administrative costs allocable to these programs.

BY THE INSTITUTION:  
University of New Mexico

(INSTITUTION)

(SIGNATURE)

(NAME)

(TITLE)

(DATE)

*Ava J. Lovell*

*Ava J. Lovell*

*VP Finance/Univ. Controller*

*7/16/09*

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)

(SIGNATURE)

*Henry Williams*

(NAME)

DIRECTOR, DIVISION OF COST ALLOCATION-

(TITLE) CENTRAL STATES FIELD OFFICE

July 13, 2009

(DATE) 0052

HHS REPRESENTATIVE: Henry Williams

Telephone: (214) 767-3600

**COMPONENTS OF PUBLISHED F&A COST RATE**

INSTITUTION: **University of New Mexico**  
 FY COVERED BY RATE: **JULY 1, 2009 through JUNE 30, 2011**  
 APPLICABLE TO: **ORGANIZED RESEARCH**

RATE COMPONENT:	<u>ON CAMPUS</u>	<u>OFF CAMPUS</u>
Building Depreciation	1.8	
Equipment Depreciation	2.5	
Interest	1.6	
Operation & Maintenance	16.2	
Library	2.4	
Administration	<u>26.0</u>	<u>26.0</u>
<b>TOTAL</b>	<u><u>50.5</u></u>	<u><u>26.0</u></u>

CONCURRENCE:

University of New Mexico  
 (Institution)

*Ava J. Lovell*  
 (Signature)

Ava J. Lovell  
 (Name)

VP Finance / Controller  
 (Title)

7/16/09  
 (Date)

### COMPONENTS OF PUBLISHED F&A COST RATE

INSTITUTION: **University of New Mexico**  
 FY COVERED BY RATE: **JULY 1, 2011 through JUNE 30, 2013**  
 APPLICABLE TO: **ORGANIZED RESEARCH**

RATE COMPONENT:	<u>ON CAMPUS</u>	<u>OFF CAMPUS</u>
Building Depreciation	1.9	
Equipment Depreciation	2.5	
Interest	1.6	
Operation & Maintenance	16.6	
Library	2.4	
Administration	<u>26.0</u>	<u>26.0</u>
TOTAL	<u><u>51.0</u></u>	<u><u>26.0</u></u>

CONCURRENCE:

University of New Mexico  
(Institution)

*Ava J. Lovell*  
(Signature)

Ava J. Lovell  
(Name)

VP Finance / Controller  
(Title)

7/16/09  
(Date)