



University Controller  
Main Campus  
1 University of New Mexico  
MSCO1 1300  
Albuquerque, NM 87131



Senior Executive Officer - Finance & Administration  
Health Science Center  
1 University of New Mexico  
MSCO9 5300  
Albuquerque, NM 87131

## MEMORANDUM

**DATE:** July 30, 2013

**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 July 29, 2013, agreed to by UNM and the Department of Health and Human Services. This agreement is effective 7/1/13 through 6/30/17. Details of the new agreement are as follows:

- The rate for **On-campus research** remains at **51%** modified total direct costs (MTDC) for the period 7/01/13 – 6/30/16 and increases to **51.5%** MTDC for the final year of the agreement 7/01/16-6/30/17.
- The rate for **On-campus instruction** is **52%** MTDC and the rate for **On-campus other sponsored activities** (includes public service) is **43.5%** MTDC for the life of the agreement.
- 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) 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 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.

- The rate for **Intergovernmental Personnel Act (IPA)** assignments is **9.75%** MTDC.
- The approved rate for miscellaneous fringe benefits is **3.43%** for Leave Payouts, Tuition Waivers and Retiree Benefits. Annual leave payouts at separation of employment will no longer be a direct charge.

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, 2013 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:07/29/2013

ORGANIZATION:

University of New Mexico  
 1 University of New Mexico  
 Albuquerque, NM 87131-0001

FILING REF.: The preceding  
 agreement was dated  
 07/13/2009

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: INDIRECT COST RATES**

RATE TYPES:		FIXED	FINAL	PROV. (PROVISIONAL)	PRED. (PREDETERMINED)
<u>EFFECTIVE PERIOD</u>					
<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE(%)</u>	<u>LOCATION</u>	<u>APPLICABLE TO</u>
PRED.	07/01/2013	06/30/2016	51.00	On Campus	Organized Research
PRED.	07/01/2016	06/30/2017	51.50	On Campus	Organized Research
PRED.	07/01/2013	06/30/2017	52.00	On Campus	Instruction
PRED.	07/01/2013	06/30/2017	43.50	On Campus	Other Sponsored Programs
PRED.	07/01/2013	06/30/2017	26.00	Off Campus	All Programs
PRED.	07/01/2013	06/30/2017	54.00	On Campus	Research DOD Contract
PRED.	07/01/2013	06/30/2017	29.00	Off Campus	Research DOD Contract
PRED.	07/01/2013	06/30/2017	9.75	Off Campus	IPA
PROV.	07/01/2017	Until Amended			Use same rates and conditions as those cited for fiscal year ending June 30, 2017.

\*BASE

ORGANIZATION: University of New Mexico

AGREEMENT DATE: 7/29/2013

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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, student 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.

ORGANIZATION: University of New Mexico

AGREEMENT DATE: 7/29/2013

SECTION I: FRINGE BENEFIT RATES\*\*

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE (%)</u>	<u>LOCATION</u>	<u>APPLICABLE TO</u>
FIXED	7/1/2013	6/30/2014	3.43		All Employees
PROV.	7/1/2014	Until amended			Use same rates and conditions as those cited for fiscal year ending June 30, 2014.

\*\* DESCRIPTION OF FRINGE BENEFITS RATE BASE:  
Salaries and wages.

ORGANIZATION: University of New Mexico

AGREEMENT DATE: 7/29/2013

**SECTION II: SPECIAL REMARKS**

TREATMENT OF FRINGE BENEFITS:

The fringe benefits are charged using the rate(s) listed in the Fringe Benefits Section of this Agreement. FICA, Worker's Compensation, Retirement, University Discounts, Health and Life Insurance, Unemployment Compensation, and Payroll Taxes are specifically identified to each employee and is charged individually as direct costs. The fringe benefits included in the rate(s) are listed in the Special Remarks Section of this agreement.

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 are not made for the cost of these paid absences.

OFF-CAMPUS DEFINITION: An off-campus program is one that is conducted (1) in leased facilities where space related costs (e.g. rent, utilities and maintenance) are charged directly to the program, or (2) in facilities made available (at no cost) to the program by a non-University organization. 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.

Beginning July 1, 2013, leave payout payments made to eligible staff are included in the fringe benefit rate.

FRINGE BENEFITS:

- Tuition Remission
- Leave Payouts
- Retiree Health Benefits
- Employee Training and Services

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, 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)

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)

(SIGNATURE)

Arif Karim

(NAME)

Director, Division of Cost Allocation

(TITLE)

7/29/2013

(DATE) 0082

HHS REPRESENTATIVE:

Matthew Dito

Telephone:

(214) 767-3261