Facilities and Administrative (F&A) Cost Recovery

OMB circular A-21 establishes principles to provide that the Federal Government bear its fair share of total costs, both direct and indirect (F&A).

Direct costs are those costs identified specifically with a particular sponsored project, an instructional activity, or any other institutional activity, or can be easily and accurately assigned to such activities. An example of a direct cost would be salaries and their related fringe benefits.

F&A costs are those incurred for common or joint objectives and therefore cannot be identified readily and specifically with a particular project or activity. An example of an indirect cost would be the administration of payroll and benefits, or building utility and maintenance costs. F&A is called "reimbursement" because UNM incurs very real expenses associated with being able to support sponsored projects and F&A is meant to reimburse these expenses.

Related policies can be found at:

**Regents' Policy Manual**

**Faculty Handbook**
E60 Sponsored Research: [http://handbook.unm.edu/section-e/e60.html](http://handbook.unm.edu/section-e/e60.html)

**University Administrative Policies**


**Fiscal Year 2014 Procedure for F&A Return to Schools, Colleges, Centers, and Branches**

- Organizations generating $500,000 or less in F&A per fiscal year will receive a return of 30% of the F&A recovered.
- Organizations generating more than $500,000 will receive a return of 35% of the F&A recovered.
- Branch Campus' receive 100% of their F&A generated.
- Centers receive a return based on previous agreements as follows:
  - CHTM 60% of the F&A recovered plus rent
  - CASAA-64% of the F&A recovered
  - CMEM-35% plus a base budget of $85,000
  - IARS-30% plus a base budget of $210,000
  - EPSCoR/Dataone-35%-45% plus some salaries and rent
  - CARC-30% of the F&A recovered plus a base budget of $560,000
- The return will be distributed on a quarterly basis to the Dean/Director organization based on the organization code on each index code.
- The Vice President for Research utilizes their portion of the F&A to support the research mission at UNM for costs related to cost sharing, faculty start-up, research facilities, and research administration.
**Fiscal Year 2015 Procedure for F&A Return to Schools, Colleges, Centers, and Branches**

- Budget for “top slice” of fixed research costs will be established during the spring budget process.
- The top slice also includes:
  - $1,000,000 of F&A recovery to be used for equipment renewal
  - $1,000,000 for Strategic Initiatives fund
  - Centers receive return based on current agreements as follows:
    - CASAA 64%
    - CHTM 60% + rents
    - CMEM 35% + $200,000 base budget
    - EPSCoR/DataONE 35%-45% + rent and salaries
    - IARS 30% + $210,000 base budget
    - CARC 30% + $668,000 base budget
- The amount that remains after the top slice has been paid is returned to the Schools and Colleges. The percentage that is returned is based on the percentage the unit generated for the current quarter that is being distributed.
- The return will be distributed on a quarterly basis to the Dean/Director organization based on the organization code on each index code.
- Schools and colleges will be responsible for cost share and start up costs.
- Branch Campus’ receive 100% of their F&A generated.

UNM’s rate agreement is negotiated with the Department of Health and Human Services, our cognizant agency. The current rate agreement can be found at: [http://research.unm.edu/policiesprocedures/FandARates0713.pdf](http://research.unm.edu/policiesprocedures/FandARates0713.pdf)

**Request for Reduction or Waiver of F&A**

An F&A cost waiver is an institutional agreement between UNM and a sponsor that F&A costs will be charged at a rate lower than the sponsor’s published rate or that F&A costs will not be charged to a particular sponsored agreement. A waiver shall be granted only under exceptional circumstances and only when the programmatic benefit to the university is compelling and outweighs the institutional benefit of recovering the full cost of conducting the project.

An F&A cost waiver shall not be approved because the principal investigator thinks this will increase the competitiveness of the application or because the total award amount is capped.

The request form can be found at: [http://research.unm.edu/forms/internalF&AReductionForm.pdf](http://research.unm.edu/forms/internalF&AReductionForm.pdf)
After obtaining signatures from the Chair and Dean, attach the form into Cayuse.