

## **Facilities and Administrative (F&A) Cost Recovery**

OMB circular A-21, 2CFR 220, 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**

Sponsored Research: <http://policy.unm.edu/regents-policies/section-5/5-9.html>

### **Faculty Handbook**

E60 Sponsored Research: <http://handbook.unm.edu/section-e/e60.html>

### **University Administrative Policies**

Indirect Cost Rate Proposal for Sponsored Projects:  
<http://policy.unm.edu/university-policies/2000/2420.html>

Recovery of Facilities and Administrative Costs:  
<http://policy.unm.edu/university-policies/2000/2425.html>

### **Fiscal Year 2018 Procedure for F&A Return to Schools, Colleges, Centers, and Branches**

- Establish budget for top slice of fixed research costs
- Retain 4.5% of each quarter's F&A cost recovery for the Strategic Initiatives fund. CHTM, CMEM, and CASAA will contribute 5% of their FY18 F&A return to the strategic fund in addition to the amount budgeted.
- Centers receive return based on current agreements as follows:
  - CASAA 64%
  - CHTM 60% + rents + \$200,000 clean room support
  - CMEM 35% + \$200,000 base budget + rents
  - EPSCoR/DataONE 35%-45% + rent and salaries
  - BBER 30% + \$100,000 base budget
  - GPS 30%
  - CARC \$668,000 base budget
- Schools and Colleges receive return based on percentage earned 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.
- 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>

### **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>