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Lobos,

There has been more activity in D.C. from our federal funding agencies, as well as news about F&A rates.

Update to F&A at UNM

UNM recently signed an updated [F&A agreement](#) with the federal government. This is an extension of our current rate for organized research on campus (52.5%), instruction (53%), other sponsored programs (45%), off-campus research (26%) and Department of Defense research contracts (54%). These rates will be in effect through June 30, 2029 (FY29).

F&A on Subawards: The new agreement includes a significant change to the amount of F&A charged on subawards. Previously we were allowed to charge F&A on only the first \$25K of each subaward. Effective **July 1, 2025**, we can now charge F&A on the first \$50K for each subaward. Recognizing that we just completed the signature process for this new agreement late last month, **the updated allowable F&A recovery on subawards will go into effect February 9, 2026**. All NEW proposals submitted after that date will need to use the \$50K cap for subawards. Please contact your research administrator within OSP and SPO with questions or for more information.

USDA Terms & Conditions (T&C) for Federal Awards

On Dec. 31, 2025, the USDA released its first ever unified [T&C document](#) that effectively replaces the numerous office-specific T&C. Note that the unified T&C applies to all new awards and to significant modification to existing awards. These changes are set to go into effect later this month; however, there may be additional updates to come out of the agency in the next few weeks.

Some of the key **new or significantly modified T&C** include the following:

- ***Conflict of Interest (COI):*** There are new requirements for **disclosure at the time of application**, as well as disclosure and resolution (e.g., management plan) of any new COI on an accelerated timeline of within **five calendar days** of discovery. Disclosure failures are now directly tied to termination or corrective actions, whereas prior agency-specific T&C treated disclosure errors as administrative issues.
- ***Countries of Concern:*** Recipients must certify there is no engagement with any individual or entity that is subject to foreign ownership, control, or influence (FOCI) by a foreign country of concern or other foreign adversary.
- ***Malign Foreign Talent Recruitment Programs (MFTRPs):*** Recipients of awards must certify that they, and any covered individuals working on the award are not participating in and have not within the **past 10 years**, any MFTRP.



Department of Energy (DOE)

- A Jan 27 [Policy Flash](#) notes that earlier Policy Flashes limiting indirect cost rates are no longer in effect. One of the appropriation bills recently signed into law states that DOE is required to apply negotiated indirect cost rates as they did in FY24.

Office of Management and Budget (OMB)

- On Jan 30, a federal judge directed the OMB to publish information about how [federal dollars are spent](#).

National Institutes of Health (NIH)

- [Temporary Extension for Early Stage Investigator \(ESI\) status and K99/R00 Eligibility](#): Per [NOT-OD-26-020](#), ESI status end dates in September, October or November of 2025 will automatically be extended through March 31. Eligibility to apply for K99/R00 [is also extended](#).
- [Updates Classification of BESH Studies](#): Per [NOT-OD-26-032](#), NIH announced that Basic Experimental Studies Involving Humans (BESH) will no longer be classified as clinical trials starting with applications submitted [on or after May 25](#). As such, BESH projects will no longer be required to register or report in [ClinicalTrials.gov](#).

Yesterday, we celebrated UNM Day with dozens of UNM students, faculty, staff, and leaders demonstrating the power of the Pack! We continue to be grateful to our legislators for their support of the many UNM research programs, projects, and people. Go Lobos!

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