

## Understanding the F&A Waiver

F&A costs are actual costs that UNMHSC incurs that are not easily attributable to a specific project. Facility costs include utilities, maintenance, custodial costs, non-capital improvements, interest expense, library costs, building depreciation, and equipment depreciation. Administrative costs include student services, financial management and business services, and departmental administration.

To enable UNMHSC to pay F&A costs, each sponsor is required to reimburse F&A expenses as a percentage of the Direct Cost of a project. For details, see *UNM Business Policies and Procedures Manual, Policy #2425 – Recovery of Facilities and Administrative Costs*.

A set of F&A rates have been negotiated by UNM with federal and New Mexico state agencies. As the federal government is our single most important sponsor, non-governmental sponsors are not offered a lower rate than the federally-negotiated rate.

### **If your sponsor will not reimburse F&A costs, or limits F&A reimbursement, an F&A Waiver is required.**

A waiver may be approved by the Vice President for Research HSC, by the Dean of the College of Nursing, or the Dean of the College of Pharmacy, as appropriate.

A sample Request for F&A waiver is provided for your convenience. The sample is in the form of a memo to the decision-maker.

To use the sample Request for F&A Waiver:

1. Enter the Name and Address of the PI's Department, and the Departments phone and fax numbers.
2. Select the appropriate school.
3. Enter the name of the Department's Chair and the name of the PI.
4. Enter the name and extension of a Departmental Contact who will facilitate the signing process.
5. Enter the date of the request and the project title.
6. Indicate whether the project is new or continuing, and whether documentation from the sponsor is attached.
7. Write the justification for the request. Indicate if you are requesting "Zero" or Reduced F&A and what percentage you are requesting. Indicate if the Funding Agency does not allow, or limits F&A, and attach supporting documentation from the Funding Agency if applicable. Then describe how this F&A waiver is necessary and how the project will benefit UNM. If this is an on-going project, indicate the F&A history in your justification.
8. Enter the proposed F&A rate and the sponsor's name.
9. Enter the name of the Department Chair in the signature line.
10. Obtain signatures from the Department Chair and the appropriate decision-maker.
11. After the decision maker has signed, send the approved request to PreAward or Clinical Contract Services, as appropriate.