

Re: Indirect Cost Rate and Stop-Work Order Guidance

Dear Faculty and Staff,

The Office of Research, Sponsored Programs (SP), is monitoring government and sponsor updates and working with Texas Tech Health El Paso leadership to establish guidance to help you navigate these evolving circumstances.

We advise faculty researchers to continue their work as usual, unless instructed otherwise. If SP receives a notification regarding a pending application and/or award, we will inform the affected principal investigator and their department chairs.

As you may be aware, the National Institutes of Health (NIH) recently issued guidance, [NOT-OD-25-068](#), to establish a standard indirect cost rate across all institutions of higher education (IHE). We are tracking temporary restraining orders and preliminary injunctions related to the imposition of the 15% IDC cap.

Below, please find a frequently asked question (FAQ) section about proposal submission and award management (including Supplemental Guidance to the 2024 NIH Grants Policy Statement: Indirect Cost Rates, NOT-OD-25-068) and *Stop-Work Orders* or *Suspension Notice(s)*.

We are continuously monitoring the applicable release of communications, notices, and guidance to provide timely updates as the situation evolves. Please stay alert for updates from our office. If you have other concerns and/or questions requiring immediate attention, please contact us at sponsoredprograms.ep@ttuhsc.edu and visit the Office Research [website](#) for additional information.

Warm Regards,
Deborah J. Clegg, Ph.D.
Vice President for Research

ACTIVE AWARDS

Do I need to stop research activities if they involve federal funding?

No, unless Sponsored Programs confirms that work needs to stop. Please continue preparing and submitting proposals according to the published agency guidelines.

What should I do if I receive a stop-work order or suspension notice?

If you receive a stop-work order, suspension notice, or equivalent directive from an authorized official of a sponsor — either a United States government (USG) sponsor or pass-through-entity (PTE) — send it immediately by email to [Deborah Clegg, Ph.D.](mailto:Deborah.Clegg@ttuhsc.edu), vice president for Research, Sponsored Programs, at sponsoredprograms.ep@ttuhsc.edu and Research Contracts and Agreements at ELP-Research-Contracts@ttuhsc.edu.

We will work along with Texas Tech Health El Paso general counsel to review the contents, determine applicability, and provide guidance on how to proceed. Please note that stop-work orders, suspension notices, or equivalent communications may be subject to federal injunction orders and may not be legally applicable at this time.

If you are notified that your project is subject to a stop-work order, suspension notice, or equivalent directive that has not been impacted by an injunction, no work should be charged against the grant until official notification lifting the order has been received from an authorized official and further clarification is received from **Sponsored Programs and/or Research Contracts and Agreements**.

Be aware that any project expenses incurred during the effective period of a stop-work order or a suspension notice that is not subject to the injunction referenced above may not be reimbursed.

During a stop-work order or suspension notice, recipients should be ready to resume work when the sponsor/issuer lifts the order. Deliverables in the contract/agreement may or may not be negotiated once the work is resumed. It is important to approach contingency planning, bridge funding, project de-scoping, and budget realignment carefully to restart work immediately if approved.

Note: *Only the vice president of Research, directors of Sponsored Programs, and the associate director of Research Contracts and Agreements have binding contract signature authority for sponsored projects.*

What if my stop-work order applies to human subjects research?

If you receive a stop-work order, suspension notice, or equivalent directive from an authorized official of a sponsor, immediately notify [Myrna Arvizo](#), senior director, Research Committees, **Deborah Clegg, Ph.D.**, vice president for Research, **Sponsored Program directors**, and **Research Contracts and Agreements** as described above.

Note: *The IRB will review all stop-work orders, suspensions, or equivalent directives from an authorized official of a sponsor.*

What if my stop-work order applies to animal subjects?

If you receive a stop-work order, suspension notice, or equivalent directive from an authorized official of a sponsor, immediately notify the Institutional Animal Care and Use Committee (IACUC) in addition to [Amanda Ortiz](#), IACUC/IBC research compliance analyst II, **Deborah Clegg, Ph.D.**, vice president for Research, **Sponsored Program directors**, and **Research Contracts and Agreements** as described above.

If you have questions or concerns regarding the care and disposition of your animals, contact [Jeana Barrow](#), D.V.M., veterinarian, the [Laboratory Animal Resource Center \(LARC\)](#).

Note: *The IACUC chair and, where necessary, a fully convened panel of the IACUC will review all stop-work orders, suspensions, or equivalent directives from an authorized official of a sponsor.*

How does Contracts and Grants Accounting (CGA) plan to manage invoices and draw down NIH funds?

The CGA department is fully committed to supporting ongoing efforts and continuing all business operations as usual. This includes completing financial reporting, reviewing expenses posted in the financial system, and processing drawdowns in compliance with federal

regulations and institutional policies. If NIH guidance changes, CGA will provide timely updates and implement necessary changes. To ensure proper fund allocation, we recommend closely monitoring expenditures and verifying they are charged to the correct FOPs. Principal investigators (PIs) are encouraged to promptly contact CGA for any necessary transaction corrections to facilitate efficient resolution. For financial inquiries, please reach out to GrantsAccountingElp@ttuhsc.edu.

How will the new guidance affect subawards?

We will continue to review and execute subaward agreements (outgoing and incoming). SP will execute subaward agreements with budgets that include IDC rates as per their federally negotiated rate agreement and if allowed under funding opportunity. For Texas Tech Health El Paso, these rates are 60% organized research on campus, 35% on campus instruction, 31% other sponsored programs on campus, and 26% all programs off campus. For existing subaward agreements, expense should be approved based on their federally approved rate. If this needs revision, we will inform you accordingly and coordinate any required agreement modifications.

PROPOSALS

If I am working on an NIH proposal submission after the Feb. 10, 2025, implementation date for the updated IDC rate, which indirect cost rate should I use: 60% or 15%?

We are currently submitting budgets with our existing federal rates and including a statement in the budget justification that Texas Tech Health El Paso will comply with applicable law and guidance governing indirect cost rates upon award.

NEW AWARDS

How will Texas Tech Health El Paso manage the setup for the new awards?

SP, CGA, and the PI's department will continue to set up awards and advance accounts within normal institutional procedures. NIH awards and advance accounts will be set up with our existing rates. If at any time our process needs to be revised, we will inform you and CGA

accordingly to allow you to move forward as needed and as it relates to invoicing the NIH and/or drawing down funds on behalf of the NIH awards.

RESOURCES

Are there resources to help researchers understand indirect cost, often referred to as facility and administrative (F&A) cost?

Yes, we encourage you to reference the Council on Governmental Relations (COGR) [Frequently Asked Questions](#) about facilities and administration (F&A) Costs of federally sponsored university research and the Texas Tech Health El Paso Contracts and Grants Accounting Policies and Procedures [website](#).

Are there any resources for staying up to date on regulatory updates as they emerge?

Yes, we encourage you to bookmark Office of Research [website](#), as well as the [COGR 2025 Administration Transition site](#).

For all inquiries, contact Sponsored Programs at
sponsoredprograms.ep@ttuhsc.edu