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March 5, 1990

Commissioner David L. Manning  
Department of Finance and Administration  
First Floor, State Capitol  
Nashville, TN 37219

Dear Commissioner Manning:

You asked Commission staff to look at indirect cost recovery rates charged by higher education institutions to other state agencies. As a result, staff have worked with representatives of the Tennessee Board of Regents and the University of Tennessee to reach consensus on a fair and uniform maximum rate to be used by all institutions. We have agreed that the maximum indirect cost recovery rate chargeable against state sponsored grants and contracts is ~~15%~~ 15% of TDC percent of total direct costs.

Please let me know if you wish to discuss this matter.

Sincerely yours,

Arlis L. Roaden  
Executive Director

ALR/PCM/pp

cc: Chancellor Tom Garland  
President Lamar Alexander