



DEPARTMENT OF HEALTH & HUMAN SERVICES

ORIGINAL

Program Support Center
Financial Management Service
Division of Cost Allocation

Cohen Building-Room 1657
330 Independence Avenue, S.W.
Washington, DC 20201
PHONE: (202)-401-2808
FAX: (202)-619-3379

October 12, 2005

Mr. James R. Maples
Controller
University of Tennessee - Knoxville
Controller's Office
201 Andy Holt Tower
Knoxville, TN 37996-0100

Dear Mr. Maples:

A copy of the facilities and administrative (F&A) cost Rate Agreement is being faxed to you for your signature. This agreement reflects an understanding reached between your organization and a member of my staff concerning the rates that may be used to support your claim for facilities and administrative (F&A) costs on grants and contracts with the Federal Government.

Please have this letter signed by an authorized representative of your organization and fax it to me, retaining a copy for your files. Our fax number is (202) 619-3379. We will reproduce and distribute the Rate Agreement to the appropriate awarding agencies of the Federal Government for their use.

The Office of Management and Budget (OMB) has requested that we reach an agreement with each institution on the components of the published F & A rates. The attached form is provided for that purpose. Please sign the form and fax it with the original Rate Agreement.

A facilities and administrative cost proposal, together with the required supporting information, must be submitted to this office for each year in which your organization claims indirect costs under grants and contracts awarded by the Federal Government.

COMPONENTS OF THE PUBLISHED F & A RATE

INSTITUTION NAME: UNIVERSITY OF TENNESSEE
AGRICULTURAL EXPERIMENT STATION

FISCAL YEAR COVERED: FY '05 THRU FY '08

	On - Campus		Off - Campus
	Organized Research <u>FY 05</u>	Organized Research <u>FY 06 - 08</u>	Organized Research <u>FY 06 - 08</u>
FACILITIES GROUP:			
Building & Improv. Depreciation	1.2%	1.2%	
Equipment Depreciation	4.3%	4.3%	
Operations & Maintenance	7.0%	7.5%	
Library	0.0%	0.0%	
ADMINISTRATIVE GROUP:	18.0%	22.0%	22.0%
TOTAL	30.5%	35.0%	22.0%

CONCURRENCE:

UNIVERSITY OF TENNESSEE - AG EXP. STA.
(Institution)

Gary W. Rogers
(Signature)

Dr. Gary W. Rogers
(Name)

Chief Financial Officer
(Title)

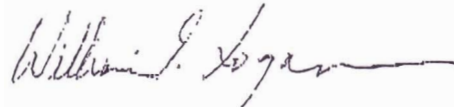
November 3, 2005
(Date)

Mr. James Maples
October 12, 2005

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Therefore, your next proposal for F & A costs, based on actual costs for the fiscal year ending June 30, 2007, is due in our office by December 31, 2007.

Sincerely,

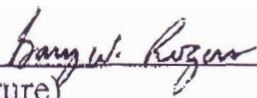


William G. Logan
Director, Mid-Atlantic Field Office
Division of Cost Allocation

Enclosures

Concurrence:

University of Tennessee - Knoxville
(Institution)


(Signature)

Dr. Gary W. Rogers
(Name)

Chief Financial Officer
(Title)

November 3, 2005
(Date)

COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN #:

DATE: October 12, 2005

INSTITUTION:

Univ. of Tennessee - Agricultural Experiment Stat.
201 Andy Holt Tower
Knoxville TN 37966-0100

FILING REF.: The preceding Agreement was dated June 26, 2001

The rates approved in this agreement are for use on grants, contracts and other agreements with the Federal Government, subject to the conditions in Section III.

SECTION I: FACILITIES AND ADMINISTRATIVE COST RATES*

RATE TYPES:		FIXED	FINAL	PROV. (PROVISIONAL)	PRED. (PREDETERMINED)
TYPE	EFFECTIVE PERIOD		RATE (%)	LOCATIONS	APPLICABLE TO
	FROM	TO			
FINAL	07/01/04	06/30/05	30.5	On-Campus	Organized Research
PRED.	07/01/05	06/30/08	35.0	On-Campus	Organized Research
PRED.	07/01/05	06/30/08	22.0	Off-Campus	Organized Research
PROV.	07/01/08	UNTIL AMENDED	Use same rates and conditions as those cited for fiscal year ending June 30, 2008.		
PRED.	07/01/05	06/30/08	3.0	Off-Campus	IPA (A)

(A) Intergovernmental Personnel Act Agreements. All UT-Agricultural Experiment Stat. Locations.

*BASE:

Modified total direct costs, consisting of all salaries and wages, fringe benefits, materials, supplies, services, travel and subgrants and subcontracts up to the first \$25,000 of each subgrant or subcontract (regardless of the period covered by the subgrant or subcontract). Modified total direct costs shall exclude equipment, capital expenditures, charges for patient care, tuition remission, rental costs of off-site facilities, scholarships, and fellowships as well as the portion of each subgrant and subcontract in excess of \$25,000.

INSTITUTION:
Univ. of Tennessee - Agricultural Experiment Stat.

AGREEMENT DATE: October 12, 2005

SECTION II: SPECIAL REMARKS

TREATMENT OF FRINGE BENEFITS:

Fringe benefits are specifically identified to each employee and are charged individually as direct costs. The directly claimed fringe benefits are listed below.

TREATMENT OF PAID ABSENCES:

Vacation, holiday, sick leave pay and other paid absences are included in salaries and wages and are claimed on grants, contracts and other agreements as part of the normal cost for salaries and wages. Separate claims are not made for the costs of these paid absences.

Fringe Benefits include: FICA, Retirement, Life Insurance, Workers' Compensation, Unemployment Insurance, Health Insurance, and Terminal Leave.

Equipment means an article of nonexpendable tangible personal property having a useful life of more than one year, and an acquisition cost of \$5,000 or more per unit.

Effective 07/01/05, this agreement reflects inclusion of an Intergovernmental Personnel Act (IPA) rate.