



PUBLIC SCHOOLS OF NORTH CAROLINA

STATE BOARD OF EDUCATION William C. Harrison, Ed.D., *Chairman*

DEPARTMENT OF PUBLIC INSTRUCTION June St. Clair Atkinson, Ed.D., *State Superintendent*

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January 21, 2010

Ms. Sarah Smith, Director of Sponsored Programs
UNC General Administration
PO Box 2688
Chapel Hill, NC 27514

FACILITIES AND ADMINISTRATIVE POLICY, N C DEPARTMENT OF PUBLIC INSTRUCTION

The N.C. Department of Public Instruction anticipates significant partnership opportunities with various colleges and universities in the University of North Carolina System as the Department implements both on-going programs and various grants funded through the anticipated Race to the Top (RttT) initiative and the American Recovery and Reinvestment Act (ARRA). The Department has adopted a policy of limiting Facilities and Administrative Cost Recovery (F&A or indirect cost) to 15% total direct costs, unless further restricted by federal statute or regulations. This rate will also apply to other task orders for research, development, and services.

As campuses respond to RttT and ARRA partnership opportunities and other task orders for research, development, and other services, the 15% rate (total direct cost base) should be used. This policy will be effective for all task orders issued on or after January 15, 2010.

Please direct any questions regarding the N.C. Department of Public Instruction's F&A policy to Mr. Philip Price, Chief Financial Officer or Sarah Smith, UNC GA Director of Sponsored Programs.

Sincerely,

A handwritten signature in black ink, appearing to read "Philip W. Price".

Philip W. Price

PWP/tm

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