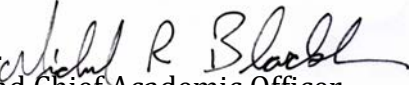


MEMORANDUM

TO: Michael Tramonte, M.B.A., C.P.A.
Senior Vice President, Finance and Business Services

Ms. Kathleen Kreidler
Associate Vice President, Sponsored Projects Administration

Bruce D. Butler, Ph.D.
Vice President, Research & Technology, Office of Technology Management

FROM: Michael R. Blackburn, Ph.D. 
Executive Vice President and Chief Academic Officer

DATE: August 11, 2017

SUBJECT: Changes to Indirect Cost Rates for Bench-Associated Research Contracts

Effective September 1, 2017, we will increase the indirect cost rate for contracts involving bench-associated research from 30% to 54%. Thus, all contracts containing bench-associated research executed after August 31, 2017 should contain this level of indirect cost recovery unless otherwise negotiated. This will normalize our indirect cost rate for bench-associated research at the university. This practice is consistent with national norms. Moreover, the change was presented to and approved by the following university stakeholders; the McGovern Medical School Research Committee, McGovern Medical School Basic Science Chairs, UTHealth Deans, the University Executive Council, and the Executive Budget Committee.

MRB/tsl

cc: Giuseppe N. Colasurdo, M.D., President
Kevin Dillon, M.B.A., C.P.A., Senior Executive Vice President, Chief Operating and Financial Officer