



NEW YORK UNIVERSITY MEDICAL CENTER

Interoffice Communication

April 9, 1998

TO: The Faculty and Officers of the Administration

FROM: Noel L. Cohen, M.D. *NLC*
Interim Provost of the Medical Center - Interim Dean of the School of Medicine

RE: **INSTITUTIONAL POLICY, PROCEDURES AND DOCUMENTATION RELATING TO COST SHARING**

EFFECTIVE: IMMEDIATELY

POLICY

Cost sharing is defined as activities supporting a sponsored program agreement that are not directly paid by the sponsored program. In accordance with Medical Center policy, all new, continuing, and competing applications to sponsoring agencies for support of research, training or related programs are to reflect a level of institutional base salary expense for compensated faculty and staff commensurate with each individual's proposed effort toward the program/project. Effort proposed without commensurate salary will be permitted only under the following conditions:

- A. Sponsoring agency or program policy prohibits certain salary support. In those instances, effort will be limited to a maximum of 15%.
- B. Proposed effort is supported from other external funding sources that relate to the program/project (i.e.) Career Development Awards and Center Grants.
- C. Principal Investigator effort on grant applications with a total budget of \$75,000 or less. In those cases, the variance between salary and effort will be limited to 10%.
- D. Co-investigator effort when no salary is budgeted. The level of effort will be limited to a maximum of 5% in total for all such arrangements relating to the co-investigator.
- E. NIH awards have salaries capped at \$125,000. For example, if an individual performs 10% effort on an award, salary cannot exceed \$12,500 (10% X \$125,000) on the NIH grant. Salary in excess of \$125,000 constitutes cost sharing.

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NLC

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Applications are to indicate the salary commensurate to an individual's level of effort for each year of the project, applying salary increase budgeting factors in accordance with Medical Center policy.

If submitted budgets are to be revised downward as part of the negotiation process with the sponsor, the adjusted salary should remain commensurate with effort.

PROCEDURES

The administration of sponsored programs is the responsibility of both the academic and administrative departments. Therefore, procedures relating to the cost sharing policy will be performed by the academic departments, the Office of Grants Administration and Research Services (OGARS) and the Finance Department as follows:

Academic Departments

The academic departments are responsible for the preparation of sponsored agreement budgets. Since these budgets include committed effort and budgeted salary, both should be in line with institutional policy as described above. In order for the Medical Center to monitor the cost sharing policy, the employees institutional base salary information must accompany the budget, even when the sponsor does not require it. (See Attachment A). Applications will not be accepted in those instances where: (1) employee institutional base salary information does not accompany the application (2) salary does not equal effort or an automatic exception does not apply.

Grants Administration

All application budgets are reviewed by OGARS. OGARS will review each budget to insure compliance with institutional cost sharing policy.

Finance Department

After an award is authorized and the salary charged, the Finance Department will review the awarded budget and actual salary. If this review identifies any possible cost sharing, the academic department will be sent the Confirmation of Committed Effort Form. (See Attachment B). If the departmental representative determines that there is cost sharing, then that person will identify the amount and the account where cost sharing is occurring. The Financial Analyst will be responsible for confirming that the information is correct. The cost sharing amount will be maintained separately in the time and effort system.

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The Finance Department will review all such individuals to identify the salary exceeding the \$125,000 NIH cap. This amount represents cost sharing. The academic department will be responsible for confirming this amount on the Confirmation of Committed Effort Form. Thereafter, Finance will maintain this information separately in the effort reporting system.

DOCUMENTATION

Cost sharing will be documented as follows:

Base Salary - Whenever an application does not require base salary information, this information must accompany the budget submitted to OGARS (See Attachment A).

Confirmation of Committed Effort - As stated above, the Finance Department will review the awarded payroll budget and the accounting records for any possible cost sharing. Based upon this review, the academic departments will be requested to confirm committed effort for certain individuals. (See Attachment B).

Effort Reports - In accordance with the institutional effort reporting procedures, each individual will be required to complete the effort report. (See Attachment C).

Any questions relating to the cost sharing policy should be directed to Robert Cohen at ext. 3-6796

BC7/faculty/Z

NEW YORK UNIVERSITY MEDICAL CENTER

Base Salary Information
(For internal purposes, to be attached those applications not requiring base salary information)

GRANTOR: _____

PRINCIPAL INVESTIGATOR: _____

PERSONNEL			
NAME	% EFFORT ON PROJ.	INST. BASE SALARY	SALARY REQUESTED
TOTAL			

**NEW YORK UNIVERSITY MEDICAL CENTER
CONFIRMATION OF COMMITTED EFFORT**

EMPLOYEE NAME: _____
DEPARTMENT: _____
ACCOUNT TITLE: _____
ACCOUNT NUMBER: _____
PRINCIPAL INVESTIGATOR: _____

1. COST SHARING

Based upon a review of the awarded budget _____ % of your effort has been allocated without commensurate salary.

CONFIRMATION

Is this Cost Sharing? No Yes

(a) If no, please explain: _____

(b) If yes, please identify amount _____ and account where cost sharing amount was charged _____

2. SALARY CAP

Based upon a review of the awarded budget \$_____ of your effort is restricted from being charged directly to the award due to federal salary cap limitations.

Is this amount correct? No Yes Account # Charged _____

If no, please explain: _____

Authorized Signature

 / /
Date

FOR THE SIX MONTHS ENDING : 08/31/1995

NAME: S.S.#

DEPARTMENT:

DEPARTMENT CODE: XXXX

UNIT CODE: YYYY

TOTAL AMOUNT PAID PERCENTAGE OF EFFORT

I. SPONSORED PROGRAMS

TOTAL SPONSORED PROGRAMS \$

II. SCHOOL ACTIVITY

A. RESEARCH

DISCRETIONARY

RECRUITMENT

B. COST SHARING

C. OTHER

TOTAL SCHOOL ACTIVITY \$

III. HOSPITAL ACTIVITY

A)ADMINISTRATION, SUPERVISION AND TEACHING OF I AND R (GME)
B)DEPARTMENTAL ADMINISTRATION (NON-GME)

TOTAL HOSPITAL ACTIVITY \$

GRAND TOTAL ALL AREAS \$

SUPPORTED SPONSORED PROGRAM

I CERTIFY THAT THE ABOVE PERCENTAGES OF EFFORT, SUBJECT TO THE ADJUSTMENTS I HAVE INDICATED, ARE A REASONABLE APPROXIMATION OF ACTUAL EFFORT FOR THE REPORT PERIOD

CERTIFICATION SIGNATURE DATE