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To: Investigators, Department Chairpersons, and Administrators
From: Sponsored Projects Accounting & Grants and Contracts Office
Date: December 2010
Subject: Cost-Sharing

The purpose of this notice is to inform investigators and staff of Mount Sinai School Medicine policy on cost sharing. Sponsored Projects Accounting and the Grants and Contracts Office have outlined below Mount Sinai School of Medicine policy on cost-sharing.

To ensure compliance with federal regulations, when mandatory or voluntary cost-sharing has been identified the attached cost-sharing form must be completed and uploaded with your InfoEd application and place on the internal documents tab.

STATEMENT

Cost sharing or matching funds are required by some sponsors as a condition of award or can be volunteered on the part of the University to demonstrate its commitment to a project. Usually, these commitments must be included in the proposal. If a proposal lists cost sharing the commitment becomes a requirement of the agreement and the School must adhere to the cost-sharing requirements. Financial reporting may be required as a condition of the award. OMB Circular A-21 and A-110 require that the University track and monitor all committed cost sharing.

APPLICABILITY

This policy applies to all faculty and staff working directly on sponsored projects; therefore, this policy is to be followed by all principal investigators and departmental administrators.

DEFINITIONS

Effort is defined as the total scope of responsibilities expected of the appointment, regardless of the actual number of hours worked. Expectations of the position are generally established as part of the appointment process.

Cost-sharing occurs when the School bears a portion of the costs of a sponsored project (e.g., committing personnel at no cost to the project.) Mandatory cost share is required by the sponsor as a condition of award. Voluntary Committed cost share is not required by the sponsor but is pledged in a proposal budget or budget justification. If the budget is so approved, the cost-sharing becomes mandatory. Voluntary Uncommitted cost share is also not required by the sponsor but also not pledged anywhere in a proposal

budget or budget justification. Although a commitment may not appear specifically in a budget, if it is mentioned anywhere in the proposal and subsequently approved, the cost-sharing becomes mandatory. OMB defines *voluntary uncommitted cost sharing effort* as "university faculty (including senior researchers) effort that is over and above that which is committed and budgeted for a sponsored agreement."

PURPOSE AND REASON

Federal regulations and agency guidelines (Office of Management and Budget (OMB) Circular A-21 and A-110) require entities to properly account for cost-sharing. The purpose of this policy is to provide guidance to staff to ensure their compliance with federal laws and regulations. This document establishes requirements for the identification, funding, accounting and reporting of mandatory, voluntary committed cost sharing associated with sponsored projects. See OMB A-110 Section C.23. To adhere to standards of consistency, cost sharing on projects without federal sponsorship will be handled in the same manner as federally sponsored projects.

PROCESS

The cost-sharing form must be completed by the department administrator and department chair and sponsored projects accounting. Once the form has been completed Sponsored Projects Accounting will forward a fully executed document to the department to include with their InfoEd application.

Thank you for your anticipated cooperation.