



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center
Financial Management Portfolio
Cost Allocation Services

26 Federal Plaza, Room 3412
New York, NY 10278
PHONE: (212) 264-2069
FAX: (212) 264-5478
EMAIL: CAS-NY@psc.hhs.gov

December 20, 2016

Mr. Mark Svenningson
Controller
Sloan-Kettering Institute
For Cancer Research (SKI)
1275 York Avenue
Rochester, New York 10021

Dear Mr. Svenningson:

A negotiation agreement is being sent to you for signature. This agreement reflects an understanding reached between your institution and a member of my staff concerning the rates or amounts that may be used to support your claim for costs on grants and contracts with the Federal Government. The agreement must be signed by a duly authorized representative of your institution and emailed to CAS-NY@psc.hhs.gov. We will reproduce and distribute the agreement to awarding agencies of the Federal Government for their use.

Requirements for adjustments to costs claimed under Federal Grants and Contracts resulting from this negotiation are dependent upon the type of rate contained in the negotiation agreement. Information relating to these requirements is enclosed.

In consideration of this agreement, the following was agreed to:

1. The (\$8,907,635) carry forward over-recovery resulting from the settlement of the actual on-site indirect cost rate for the fiscal year ended December 31, 2014 will be taken into consideration in computing the actual on-site indirect cost rate for the fiscal year ending December 31, 2016.
2. The (\$1,996,932) carry forward over-recovery resulting from the settlement of the actual off-site indirect cost rate for the fiscal year ended December 31, 2014 will be taken into consideration in computing the actual off-site indirect cost rate for the fiscal year ending December 31, 2016.

3. The carry forward over-recovery of \$2,551,471 resulting from the settlement of the actual all other employee fringe benefit rate for the fiscal year ended December 31, 2014 will be taken into consideration in computing the actual all other employee fringe benefit rate for the fiscal year ending December 31, 2016.

4. The carry forward under-recovery of \$2,830,337 resulting from the settlement of the actual research fellow fringe benefit rate for the fiscal year ended December 31, 2014 will be taken into consideration in computing the actual all other employee fringe benefit rate for the fiscal year ending December 31, 2016.

5. The carry forward under-recovery Of \$1,110,685 resulting from the settlement of the actual research scholars fringe benefit rate for the fiscal year ended December 31, 2014 will be taken into consideration in computing the actual all other employee fringe benefit rate for the fiscal year ending December 31, 2016.

6. The 69.6% fixed on-site indirect cost rate for fiscal year ending December 31, 2016 consists of an administrative component of 35.2%, facilities component of 37.6% and a carry-forward over-recovery of 3.2%. The off-site rate consists of administrative costs.

An indirect cost rate proposal, together with the required supporting information, must be submitted to this office for each fiscal year in which your organization claims cost under grants and contracts awarded by the Federal Government. Therefore, your next indirect cost proposal for the fiscal year ending December 31, 2015 will be due in our office by June 30, 2016.** In addition, please acknowledge your concurrence with the comments and conditions cited above by signing this letter in the space provided below and transmitting electronically via email to CAS-NY@psc.hhs.gov.

** Proposal In-house

Sincerely,

Darryl W. Mayes -A

Digitally signed by Darryl W. Mayes -A
DN: c=US, o=U.S. Government, ou=HHS, ou=PSC,
ou=People, ou=2342.19200350.100.1.1-2000131669,
cn=Darryl W. Mayes -A
Date: 2016.12.22 07:35:00 -0500

Darryl W. Mayes
Deputy Director
Cost Allocation Services

Enclosures

Concurrence:

Name

Matthew S. Warshaw
Title Associate Director
Financial Tax Accounting

Date

12/22/16

NONPROFIT RATE AGREEMENT

EIN: 1131624182A1

DATE:12/20/2016

ORGANIZATION:

Sloan-Kettering Institute For Cancer
Research

1275 York Avenue

New York, NY 10021

FILING REF.: The preceding
agreement was dated
10/14/2015

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: INDIRECT COST RATES

RATE TYPES: FIXED FINAL PROV. (PROVISIONAL) PRED. (PREDETERMINED)

EFFECTIVE PERIOD

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE(%)</u>	<u>LOCATION</u>	<u>APPLICABLE TO</u>
FIXED	01/01/2016	12/31/2016	69.60	On-Site	All Programs
FIXED	01/01/2016	12/31/2016	34.60	Off-Site	All Programs
PROV.	01/01/2017	12/31/2018	72.80	On-Site	All Programs
PROV.	01/01/2017	12/31/2018	35.20	Off-Site	All Programs

*BASE

Modified total direct costs, consisting of all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). Modified total direct costs shall exclude equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

ORGANIZATION: Sloan-Kettering Institute For Cancer Research

AGREEMENT DATE: 12/20/2016

SECTION I: FRINGE BENEFIT RATES**

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE(%)</u>	<u>LOCATION</u>	<u>APPLICABLE TO</u>
FIXED	1/1/2016	12/31/2016	31.00	All	All Other Employees
FIXED	1/1/2016	12/31/2016	17.00	All	Clinical Trainees
PROV.	1/1/2017	12/31/2018	32.60	All	All Other Employees
PROV.	1/1/2017	12/31/2018	17.00	All	Clinical Trainees

** DESCRIPTION OF FRINGE BENEFITS RATE BASE:

Salaries and wages.

ORGANIZATION: Sloan-Kettering Institute For Cancer Research

AGREEMENT DATE: 12/20/2016

SECTION II: SPECIAL REMARKS

TREATMENT OF FRINGE BENEFITS:

The fringe benefits are charged using the rate(s) listed in the Fringe Benefits Section of this Agreement. The fringe benefits included in the rate(s) 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 cost of these paid absences.

OFF-SITE DEFINITION: For all activities performed in facilities not owned by the organization and to which rent is directly allocated to the project(s), the off-site rate will apply. Grants or contracts will not be subject to more than one indirect cost rate. If more than 50% of a project is performed off-site, the off-site rate will apply to the entire project.

ORGANIZATION: Sloan-Kettering Institute For Cancer Research

AGREEMENT DATE: 12/20/2016

(1) Sloan-Kettering Institute for Cancer Research treats the following cost centers as indirect costs:

- a. General and Administrative Costs:
 - Institutional Administrative
 - Accounting and Professional Service
 - Personnel Service
 - Telephone Service
- b. Physical Plant:
 - Building Maintenance
 - Building Depreciation
 - Equipment Depreciation
- c. Transportation Facility
- d. Medical Libraries
- e. Cafeteria Subsidy
- f. Radiation Safety
- g. Other:
 - Photo Optical Cell
 - Electronic Services
 - Analytical Ultra-Contrigugation
 - Biocontainment Facility
 - Electron Microscopy
 - Secretarial Pool

(2) The following fringe benefits are included in the fringe benefit rate: FICA, T.I.A.A, Unemployment Insurance, Disability, Group Life Insurance, Major Medical, Workmen's Compensation, Dental Insurance, Retirement-Pension and Health Benefits, Tuition Aid-Employees and Dependents, Unused and vested vacation and sick pay.

(3) 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.

ORGANIZATION: Sloan-Kettering Institute For Cancer Research

AGREEMENT DATE: 12/20/2016

SECTION III: GENERAL

A. LIMITATIONS:

The rates in this Agreement are subject to any statutory or administrative limitations and apply to a given grant, contract or other agreement only to the extent that funds are available. Acceptance of the rates is subject to the following conditions: (1) Only costs incurred by the organization were included in its indirect cost pool as finally accepted: such costs are legal obligations of the organization and are allowable under the governing cost principles; (2) The same costs that have been treated as indirect costs are not claimed as direct costs; (3) Similar types of costs have been accorded consistent accounting treatment; and (4) The information provided by the organization which was used to establish the rates is not later found to be materially incomplete or inaccurate by the Federal Government. In such situations the rate(s) would be subject to renegotiation at the discretion of the Federal Government.

B. ACCOUNTING CHANGES:

This Agreement is based on the accounting system purported by the organization to be in effect during the Agreement period. Changes to the method of accounting for costs which affect the amount of reimbursement resulting from the use of this Agreement require prior approval of the authorized representative of the cognizant agency. Such changes include, but are not limited to, changes in the charging of a particular type of cost from indirect to direct. Failure to obtain approval may result in cost disallowances.

C. FIXED RATES:

If a fixed rate is in this Agreement, it is based on an estimate of the costs for the period covered by the rate. When the actual costs for this period are determined, an adjustment will be made to a rate of a future year(s) to compensate for the difference between the costs used to establish the fixed rate and actual costs.

D. USE BY OTHER FEDERAL AGENCIES:

The rates in this Agreement were approved in accordance with the authority in Title 2 of the Code of Federal Regulations, Part 200 (2 CFR 200), and should be applied to grants, contracts and other agreements covered by 2 CFR 200, subject to any limitations in A above. The organization may provide copies of the Agreement to other Federal Agencies to give them early notification of the Agreement.

E. OTHER:

If any Federal contract, grant or other agreement is reimbursing indirect costs by a means other than the approved rate(s) in this Agreement, the organization should (1) credit such costs to the affected programs, and (2) apply the approved rate(s) to the appropriate base to identify the proper amount of indirect costs allocable to these programs.

BY THE INSTITUTION:

Sloan-Kettering Institute For Cancer Research

(INSTITUTION)



(SIGNATURE)

Matthew S Warshaw

(NAME)

Associate Director Financial Tax Accounting

(TITLE)

December 22, 2016

(DATE)

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)

Darryl W. Mayes -A

Digitally signed by Darryl W. Mayes -A
DN: cn=US, o=U.S. Government, ou=HHS, ou=PSC,
ou=People, 0.9.2342.19200300.100.1.1=200131569,
cn=Darryl W. Mayes -A
Date: 2016.12.22 07:33:50 -05'00'

(SIGNATURE)

Darryl W. Mayes

(NAME)

Deputy Director, Cost Allocation Services

(TITLE)

12/20/2016

(DATE) 0255

HHS REPRESENTATIVE:

Council Moore

Telephone:

(212) 264-2069