NIH Salary Cap Handbook

Spring 2017

DHHS Account Management

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Salary Cap Defined

Salary Cap, per the National Institute of Health (NIH), is a "legislatively-mandated provision limiting the direct salary (also known as institution base salary, but excluding any fringe benefits and F&A costs), for individuals working on NIH grants and cooperative agreements." The cap establishes a maximum annual rate of pay at which an individual's full time effort over a twelve month period can be charged.

Salary Cap Memos/Guidance

NIH Salary Cap (2010)   NIH FY14 Salary Cap Guidance

NIH Salary Cap (2011)   NIH FY15 Salary Cap Guidance

NIH Salary Cap Memo (2012)   NIH FY16 Salary Cap Guidance

NIH Salary Cap (2016-2017)

NIH has issued guidance regarding the current Salary Cap Limitations. The currently effective Executive Level II limitation has been issued an increase from $185,100 (AY $138,825) to $187,000 (AY $140,250). This increase is effective on the first day of the first applicable pay period beginning on or after January 8, 2017.

The limitations are outlined below based on applicability dates.

EXECUTIVE LEVEL I

Year	Salary Cap FY	Salary Cap AY	Monthly Cap
2008	$191,300	$143,475	$15,942
2009	$196,700	$147,525	$16,392
2010	$199,700	$149,775	$16,642
2011	$199,700	$149,775	$16,642

EXECUTIVE LEVEL II

Year	Salary Cap FY	Salary Cap AY	Monthly Cap
FY 12	$179,700	$134,775	$14,975
2014	$181,500	$136,126	$15,125
2015	$183,300	$137,475	$15,275
2016	$185,100	$138,825	$15,425
2017	$187,000	$140,250	$15,583

SPS Post Award will continue to mark Sponsored Programs with the applicable rate (ELI or ELII). Please be mindful of these notations when entering cost distributions.

The NIH Salary Cap Guidance can be located at https://grants.nih.gov/grants/guide/notice-files/NOT-OD-17-087.html

If you have any questions or concerns, please contact Jason Spall at spsdhhs@purdue.edu or 765-494-6367.

Salary Cap Levels

FY 2017 Awards Issued

October 1, 2016 through January 7, 2017 (Executive Level II)	$185,100
January 8, 2017 through September 30, 2017 (Executive Level II)	$187,000

FY 2016 Awards Issued

October 1, 2015 through January 9, 2016 (Executive Level II)	$183,300
January 10, 2016 through September 30, 2016 (Executive Level II)	$185,100

FY 2015 Awards Issued

October 1, 2014 through January 10, 2015 (Executive Level II)	$181,500
January 11, 2015 through September 30, 2015 (Executive Level II)	$183,300

FY 2014 Awards Issued

October 1, 2013 through January 11, 2014 (Executive Level II)	$179,700
January 12, 2014 through September 30, 2014 (Executive Level II)	$181,500

FY 2013 Awards Issued

October 1. 2012 through September 30, 2013 (Executive Level II)	$179,700

FY 2012 Awards Issued

October 1, 2011 through December 22, 2011 (Executive Level I)	$199,700
December 23, 2011 through September 30, 2012 (Executive Level II)	$179,700

- Frequently Asked Questions

FY 2011 Awards (Executive Level I)

October 1, 2010 through September 30, 2011	$199,700

FY 2010 Awards (Executive Level I)

October 1, 2009 through December 31, 2009	$196,700
January 1, 2010 through December 31, 2010	$199,700

FY 2009 Awards (Executive Level I)

October 1, 2008 through December 31, 2008	$191,300
January 1, 2009 through December 31, 2009	$196,700

FY 2008 Awards (Executive Level I)

October 1, 2007 through December 31, 2007	$186,600
January 1, 2008 through December 31, 2008	$191,300

Purdue Salary Cap Policy

The management and review of salary cap compliance is a responsibility of both Purdue Sponsored Programs Post Award and Business Office personnel.

Salary cap is a cost share commitment based on an individual's total effort charged to a sponsored project. Per Purdue processes, in order to be in compliance with NIH's Salary Cap Policy, the calculated cost share commitment must be met (equal to requirement) or exceeded.

Sponsored Program Post Award reserves the right to make judgment with regard to instances of non-compliance in which PAR adjustments may not be a suitable means for correcting the compliant status. These instances will be reviewed on an individual basis and must be approved by the NSF/DHHS Research Administration Manager.

Salary Cap Expectations

Pre-Award:

- Enter appropriate salaries (including Administrative Supplements) for competing and non-competing proposals being submitted to agencies with Salary Cap Limitations
- Include reference to Salary Cap in the budget justification and indicate 'Salary Cap' on the internal proposal route sheet
- Ensure Coeus Budget and Cost Share/Salary Cap budgets are available within Coeus for Business Office review

Business Office:

- Notify Post Award personnel when a new individual has exceeded the Salary Cap limitation and is paid on a NIH funded research project (41020000)
- Provide Post Award with a Salary Cap budget for the current budget period of the award
    - Requested from Pre-Award (in the event that salaries are affected by a funding reduction)
    - Developed by Business Office using Salary Cap spreadsheet as projection tool
- Accurately charge salaries to the sponsor account and associated Salary Cap Cost Share account reflecting the percentage of effort identified by the Principal Investigator (PI).
    - If effort changes, the distribution should change to ensure appropriate allocation of effort to both the Salary Cap Cost Share account and the Sponsor account.
- Notify Post Award when budget adjustments are required
- Utilize the Sponsored Programs Salary Cap Web Calculator to ensure compliance with Salary Cap regulations.
- Correct any non-compliance issues when identified

Post Award:

- Distribute agency guidelines to all involved University departments
- Meet with Business Offices to provide personalized Salary Cap training to ensure sponsor guidelines are interpreted correctly
- Confirm SPS Audit Report does not include salary cap applicable accounts

Salary Cap at Award Establishment

Sponsored Programs Post Award:

1. Establish a separate IO for Salary Cap Cost Share Accounts (each salary capped investigator should have their own IO)
   a. Indicate appropriate Salary Cap Level in title of IO (i.e. ELII, ELI)
      i. Title: 'PI Name' Salary Cap 'Salary Cap Level'
2. Communicate account information to Business Offices
3. Enter budget provided by Business Office
   a. Header Description of budget should read: 'Salary Cap'

Salary Cap during the Project

<u>Business Office:</u>

1. Must figure and charge salary correctly to the NIH Sponsored Program and the Salary Cap Sponsored Program
2. Confirm accuracy of Salary Cap calculations by using the SPS Salary Cap Web Calculator (https://www.purdue.edu/apps/account/cas/login?service=https://www.purdue.edu/business/sps/webapp/Calc/index.php)
   a. Contact SPS concerning discrepancies
3. Correct any non-compliance issues when certifying PARs

Salary Cap for Reduced Appointments

In the event that an individual is subject to the salary cap limitations and they are working under a reduced appointment (i.e. 85%), the salary cap calculations will be done based on their full time equivalent.

Salary Cap at Closeout

Sponsored Programs Post Award:

1. Determine if Salary Cap cost share requirement has been met
    a. Contact department if additional adjustments are required into order to bring the award into compliance
2. Adjust budget to match actual costs
    a. Header Description should read: "Salary Cap"
3. Print "Compliant" calculator and include with file
4. Update comment section of calculator as necessary when addressing issues of non-compliance.

Business Office:

1. Make appropriate adjustments in order to bring account into compliance, if necessary.

Salary Cap Resources

Salary Cap Notice (2017)

https://grants.nih.gov/grants/guide/notice-files/NOT-OD-17-087.html

Salary Cap Notice (2016)

http://grants.nih.gov/grants/guide/notice-files/NOT-OD-16-045.html

Salary Cap Notice (2015)

https://grants.nih.gov/grants/guide/notice-files/NOT-OD-15-049.html

Salary Cap Notice (2014)

http://grants.nih.gov/grants/guide/notice-files/NOT-OD-14-052.html

Salary Cap Notice (2012)

http://grants1.nih.gov/grants/guide/notice-files/NOT-OD-12-035.html

Salary Cap Policy FAQ

http://grants.nih.gov/grants/policy/fy2012_salary_cap_faqs.htm

NIH Salary Cap Presentation

http://www.purdue.edu/business/sps/postaward/sponsors/dhhs/index.html

Sponsored Programs Salary Cap Web Calculator

The DHHS Salary Cap Calculator is a tool developed by Sponsored Program Services in an attempt to provide accurate calculations and efficient delivery of information to ensure University compliance with the associated federal regulations.

The online tool is based on guidance released by the Department of Health and Human Services, i.e. Notice of Salary Limitation on Grants, Cooperative Agreements, and Contracts (NOT-OD-12-035), as well as Purdue University grant administration and SPS processes.

Salary data included within the calculator will be updated on a monthly basis (i.e. following the close of each month).

All Business Managers have been granted access to the online calculator.

To grant access to departmental clerical/support staff, business managers can complete the following steps:

1. Login to the DHHS/NSF Salary Online Calculator
2. Click on "Permission Management" on the top gold menu bar
3. Enter individuals Purdue Career Account Username in the search box provided
4. Once located, click the "Add Access" button in the search results
   a. To remove an individual, click on the "remove' button next to the user information

Salary Cap Web Calculator User Guide

Access Instructions:

1. Login to the Online Calculator using your Career Account and Password.
   a. Please note that permissions must be established for you before you will have access to the site.

2. Select the DHHS Salary Cap Calculator from either the top gold menu bar or from the button selection at the bottom of the screen.

PURDUE UNIVERSITY   **Sponsored Program Services**
Web Applications

DHHS Salary Cap   NSF Salary Calculator   Permission Management   About

Welcome to DHHS/NSF Online Salary Calculators

The DHHS Salary Cap Calculator and the NSF Salary Calculator are tools developed by Sponsored Program Services in an attempt to provide accurate calculations and efficient delivery of information to insure university compliance with the associated sponsor regulations.

The online tools are based on guidance released by the National Science Foundation's Awards and Administration Guide, the Department of Health and Human Science's Notice of Salary Limitation on Grants, Cooperative Agreements and Contracts (Notice Number: NOT-OD-12-035), as well as Purdue University grant administration and SPS policies.

Salary data included within these calculators will be updated on a monthly basis (i.e. following the close of each month).

All Business Managers have been granted access to both of these online calculators.

To grant access to departmental clerical/support staff, business managers must complete the following steps:

- Login to the DHHS/NSF Salary Online Calculators
- Click on the "Permission Management" on the above golden menu bar
- Follow the instruction on the top of the "Permission Management" page to finish the process.

Additionally, business managers should periodically review the accesses within their areas, and make appropriate updates when deemed necessary (i.e. instances of new hire and/or turnover).

Please select one of the following calculation tools below to start the online tour:

| DHHS Salary Cap | NSF Salary Calculator |

Thank you for visiting the DHHS/NSF Online Salary Calculators.

If you have any question, please contact the Post-Award DHHS/NSF team at spsdhhs@purdue.edu or spsnsf@purdue.edu.

3. There are two search methods available within the calculator.

DHHS Salary Cap

Person ID: 90000206   Look Up

or Grant: [   ]

Search

Data as of 07/2014

a. Search by Person ID

i. This feature allows you to enter the Person ID number for the individual you wish to review. If the number is unknown, you can utilize the 'Look Up' button located directly to the right of the Person ID text field.

SPS Help - Look Up Person ID

Please enter searching criteria:

PerNr: [   ]

First Name: [   ]

Last Name: [   ]

Look Up Person ID

b. Search by Grant Number

i. Enter the grant number in which you wish to review and click 'Search'.

c. If an incorrect or non-salary cap applicable Person ID or Grant Number is entered, the following error message will display.

DHHS Salary Cap

Person ID:	[ ]	[Look Up]	The Individual or Grant selected is not salary cap applicable.
or Grant:	105478		
	[Search]		

   i. If you believe that this message was received in error, please contact spsdhhs@purdue.edu

4. Once an individual or a grant has been selected, the following screen will appear

DHHS Salary Cap

Person ID:	[ ]	[Look Up]	Fiscal Year:	2015
or Grant:	105228		Name:	
	[Search]		Org/Tenure Home:	
			Appointment:	FY Monthly

Person ID: Approved Award Grant: 105228 ▼ Both I and II. Executive Level: II ▼ Project Period: 04/01/2011 - 03/31/2015 [Print this page.]

| Month	Year	Full Time Period Rate	Effort	Cost Per Month	NIH Salary Cap	Percent to charge to NIH IO	Difference (amt. to charge to CS IO)	Percent to charge to NIH CS IO
June	2012	$22,424.50	10.02%	$2,246.93	$1,500.49	6.69%	746.44	3.33%
July	2012	$22,873.00	18.00%	$4,117.14	$2,695.50	11.78%	1,421.64	6.22%
August	2012	$22,873.00	15.00%	$3,430.95	$2,246.25	9.82%	1,184.70	5.18%
September	2012	$22,873.00	15.00%	$3,430.95	$2,246.25	9.82%	1,184.70	5.18%

Site Features:

1. Person ID
   a. In the event that a grant that has been selected includes multiple individuals subject to salary cap, you will be able to toggle between the Person ID numbers as shown below:
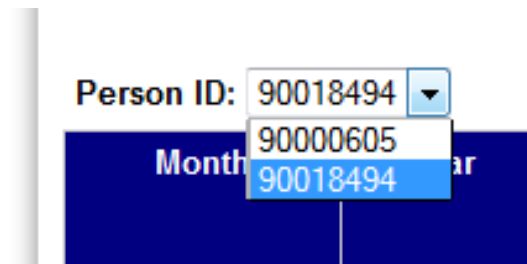

2. Grant Number
   a. As with the Person ID Number, if an individual selected is paid on multiple DHHS funded projects, you will be able to toggle between multiple grants within the same screen
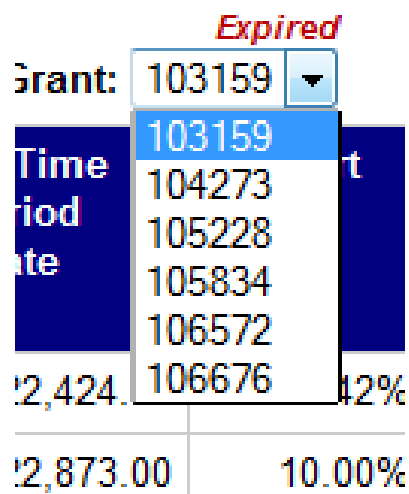
   i. Grant Statuses will be indicated in red above the grant number selected.
   ii. Only those grants in "Approved Award", "Expired", or "Notice to Proceed" status will display in this screen.

3. Executive Level

    a. ELII (Executive Level II) will always be the default level as it is the rate which is currently active.

    b. As with the Person ID and the Grant Number, you will be able to select the level you wish to approve using the drop down box.
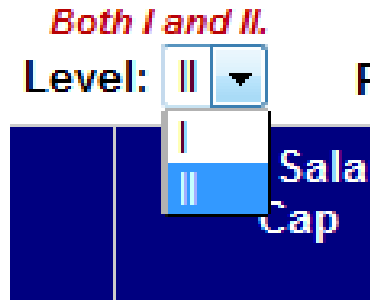
        i. The red message above this box will indicate if the selected grant includes both the ELI and the ELII rates.

4. Data

    a. This section provides monthly data for charges posting to the sponsored programs associated with the Person ID, Grant, and Executive Level selected.

        i. Full Time Period Rate

            1. Individuals monthly salary plus any administrative adjustments

        ii. Effort

            1. Total effort charged to the project (both Sponsor and Salary Cap Cost Share Accounts)

        iii. Cost Per Month

            1. Total Salary charged to the project based on Full Time Period Rate and total Effort

            2. This is actual data pulled from monthly payroll reports

        iv. NIH Salary Cap

            1. Total amount allowable on the Sponsored Account per NIH guidelines (effort times applicable salary cap rate)

        v. Percent to NIH IO

   1. Total amount of effort to be charged to the Sponsored Account based on Salary Cap calculation

  vi. Difference (Amt. to charge to Cost Share IO)

   1. Difference between the total salary charged to the project and the total salary allowable on the Sponsored IO per the salary cap calculation

  vii. Percent to charge to CS IO

   1. Percent of effort to be charged to the Salary Cap Cost Share account

5. Summary Box

Grant Total	**B** $82,146.92	**C** $53,725.99	**D** $28,420.93
		Actuals as of 05/31/2014	**E** $28,426.33
			F -5.40
			-0.02%
		G	*Compliant*

 a. This area provides a summary of the data fields and indicates compliance with the salary cap limitation based on the Person ID, Grant Number, and Executive Level selected.

 b. Grant Total is the total amount of salary charged to the project.

  i. Linked field provides complete payroll data

 c. Total amount that should have been charged to the Sponsored IO based on the applicable salary cap rate and the individual's salary and effort.

 d. Total amount that should have been charged to the Salary Cap CS IO based on the applicable salary cap rate and the individual's salary and effort.

 e. Actual salary charged to the Salary Cap CS IO based on payroll records.

  i. Linked field provides complete payroll data

 f. Difference between the amount that SHOULD have charged to the Salary Cap CS IO (D) and the ACTUAL amount that charged to the Salary Cap CS IO (E).

 g. Compliant Status

i. If the Salary Cap requirements have been met, then a green "compliant" will appear

ii. If the Salary Cap Requirements have NOT been met, then a red "non-compliant" will appear

6. Notes for Business Managers

    a. A text field has been added where notes form both Business Office Staff and Sponsored Program Staff can be entered.

    b. All notes entered will be time stamped and cannot be deleted.

Notes for Business Managers:

	Save

7. Print Preview

Fiscal Year:	2015
Name:	William Cramer
Org/Tenure Home:	Biological Sciences
Appointment:	FY Monthly

II Only
Executive Level: II   Project Period: 01/01/2014 - 12/31/2014   [Print Preview]

Cost Per Month	NIH Salary Cap	Percent to charge to NIH IO	Difference (amt. to charge to CS IO)	Percent to charge to CS IO

    a. Allows you to print the full calculator for the Person ID, Grant, and Executive Level selected

        i. The Notes for Business Managers will print for Business Office Personnel

        ii. SPS will utilize a print function that does not include the Notes for Business Managers

Reports:
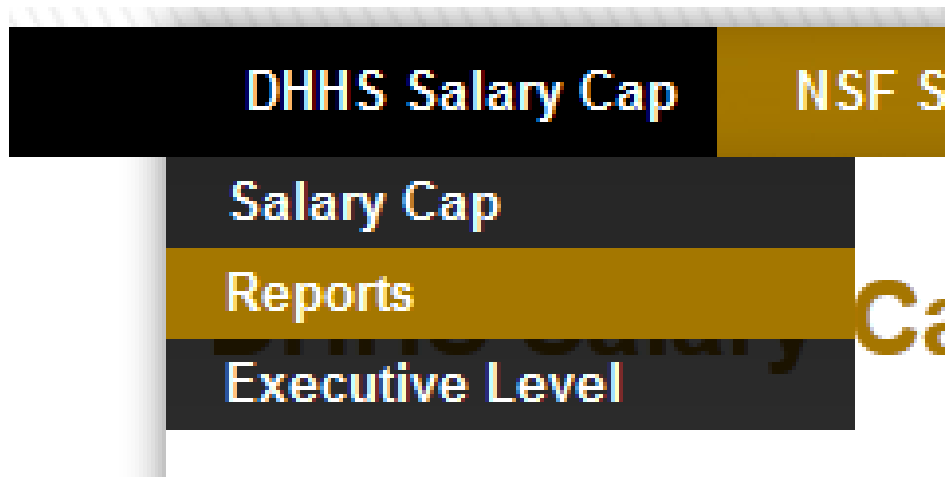
Reports can be run using the following filters:

1. Person ID
2. Grant Number
3. Executive Level
4. Award Status (Defaults to ALL NON-CLOSED)
5. Salary Cap Status
6. Campus
7. College
8. Org Unit/Name

The Reports page will allow the user to search by any of the above listed criteria to develop a report that best suits the need of their business unit. SPS encourages business offices to run a report to identify NON-COMPLAINT status at the end of each PAR period, at minimum.

Example:

Data as of 07/2014

Person ID:	[ ] **Search**
Grant:	[ ]
Executive Level:	---ALL--- ▼
Award Status:	----- ALL Non-Closed ----- ▼
Salary Cap Status:	Non-Compliant ▼
Campus:	------------ALL---------- ▼
College:	College of Science ▼
Org Unit/Name:	Biological Sciences ▼