

National Institutes of Health (NIH) Salary Limitation

SPA-11-008



About This Policy

Effective Date:

03-01-2011

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05-03-2017

Responsible University Office:

Office of the Vice President for Research

Responsible University Administrator:

Vice President for Research

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Related Information

* [NIH Grants Policy - Salary Limitation on Grants, Cooperative Agreements and Contracts](#)

* [OMB 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)

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Scope

This policy applies to all Indiana University faculty, staff and students, including approved practice plan employees, paid all or in part on sponsored research accounts that adhere to the DHHS Federal Salary Limitation on Grants, Cooperative Agreements and Contracts. This limitation applies to all funding from federal agencies that report through DHHS (e.g. NIH, CDC, AHRQ, etc.)

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Policy Statement

It is the policy of Indiana University to abide by the Federal salary limitation guidelines. In order to demonstrate institutional compliance with this limitation, Indiana University records the unallowable salary over the stated salary limitation on a cost

share subaccount for applicable awards. Principal Investigators of DHHS grants at Indiana University are responsible for identifying internal (non-sponsored program) sources of funds to cover the unallowable salary portion over the applicable salary rate cap.

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Reason For Policy

To establish guidelines and best practices for the monitoring of the DHHS salary limitation, and ensure the unallowable portion of salary allocated to sponsored research accounts is recorded on a cost share subaccount of the associated grant account.

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Procedure

The calculation of the salary limitation and any required cost share for each individual varies based on their appointment (institutional base salary) and their level of effort on the project in question. The DHHS will announce new salary limitation figures each year and Indiana University will disseminate the new information.

To establish the individual salary limitation amount for a specific award, the following information must be determined:

1. The individual's appointment (10-Pay, 12-Pay, Summer),
2. The effort period for which the individual's effort is recorded,
3. The percentage effort to be applied (or that has been applied) to the award during the effort period.

Illustrations of the DHHS Salary Limitation application to academic 10-Pay and 12-Pay appointees are available on the Office of Research Administration [Grants Finance and Operations Effort Certification](#) webpage.

Please Note: Departments with individuals receiving compensation from the approved practice plans and having effort on any sponsored research account adhering to DHHS salary limitation guidelines must ensure all individuals meet the DHHS salary limitation guidelines utilizing this methodology. An illustration of the DHHS Salary Cap as applied to individuals with practice plan compensation is available on the Office of Research Administration [Grants Finance and Operations](#) webpage.

[IU Employee Receiving Indiana University and Practice Plan Compensation](#)

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Definitions

Approved Practice Plans: Those practice plans approved by Indiana University to recover salary costs related to research conducted under the auspices of Indiana University.

Institutional Base Salary: The annual salary received for a payroll appointment. At Indiana University this is defined as base pay applicable to an appointment. This includes, if appropriate, compensation from both Indiana University and an approved practice plan.

Cost Share: Cost share is defined as the portion of the project or program costs that are not borne (paid for) by the funding agency.

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Sanctions

University faculty, staff and students found to be in violation of this policy will have the unallowable portion of salary exceeding the stated salary limitation reallocated and recorded as cost share. Such failure to adhere to this policy may result in audit findings and further cost disallowances.

History

Replaces:

- III-100 “A-21 Effort Reports”

Previous Versions:

- **Effective Dates: 11-21-2012 through 5-3-2017**