

National Institutes of Health (NIH) Salary Limitation

SPA-11-008



About This Policy

Effective Date:

03-01-2011

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Responsible University Office:

Office of Research Administration

Responsible University Administrator:

Associate Vice President for Research

Policy Contact:

James P. Becker, Executive Director of Grants and Contract Service

jambecke@indiana.edu

Related Information

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

* [OMB Circular A-21, Part J-10. Compensation for Personal Service](#)

* [Office of Research Administration Financial Compliance Page](#)

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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 salary over the stated salary limitation as cost share on university A-21 effort certification documents. Principal Investigators of DHHS grants at Indiana University are responsible for indentifying 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 any required cost share is correctly recorded on sponsored research accounts.

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Procedure


The calculation of the salary limitation and 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 early in the year. Shortly after, Indiana University will disseminate the new NIH salary limitation information - usually by March 1st of the current salary limitation year.

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

1. The individual's appointment (Academic 10-Pay, Monthly 12-Pay, Academic Summer),
2. The effort period for which the individual's effort will be recorded (or has been 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 monthly 12-Pay appointees are available on the Office of Research Administration Financial Compliance webpage, http://researchadmin.iu.edu/GrantContract/gc-ace/ace_salary_cap.html.

Please Note: Departments with individuals receiving compensation from the approved practice plans and have 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 Financial Compliance webpage, http://researchadmin.iu.edu/GrantContract/gc-ace/ace_salary_cap.html.

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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 sharing 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 that 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.

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Additional Contacts

Subject	Contact	Phone	Email
Policy Implementation	Tim Burris, ACE Compliance Analyst	855-0185	thburris@indiana.edu

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History

Replaces: III-100 "A-21 Effort Reports"