

Salary Limitation on Grants, Cooperative Agreements and Contracts from NIH and AHRQ

The Department of Health and Human Services (“DHHS”) budget signed on December 23, 2011 includes a reduction in the salary cap from Executive Level I (\$199,700) to Executive Level II (\$179,700). The actual text in Section 203, General Provisions of H.R. 2055 states "None of the funds appropriated in this title shall be used to pay the salary of an individual, through a grant or other extramural mechanism, at a rate in excess of Executive Level II."

The NIH notice can be found at: <http://grants.nih.gov/grants/guide/notice-files/NOT-OD-12-035.html>

The AHRQ notice can be found at: <http://grants.nih.gov/grants/guide/notice-files/NOT-HS-12-007.html>

When the	The following will apply:
issue date of an award is on or before December 22, 2011	The FY 2012 award will remain at the \$199,700 salary cap and the following years will be adjusted downward to the \$179,700 cap or the cap in effect when the new non-competing renewal is issued.
initial issue date of an award is on or after December 23	The \$179,700 salary cap will apply. If the award is a new or competing award, NIH will issue a revised Notice of Award, adjusting the award and the following years to reflect the new salary cap.
If the award is a non-competing renewal AND initial issue date is on or after December 23	The new cap applies but NIH will not adjust the award. Principal Investigators may re-budget the “funds freed as a result of the lower cap” into other budget categories. Future non-competing renewals, however, will be at the salary cap of Executive Level II in effect at the issue date of the renewal.

Budget periods awarded using previous fiscal year funds use the salary cap that was in effect for that particular fiscal year. The salary cap does apply to all subawards and subcontracts.

Please note that the Executive Level II salary cap will apply to all DHHS entities, not just NIH and AHRQ. However, NIH and AHRQ are the only agencies that have issued implementation guidance. We will forward additional guidance as it becomes available.

NIH has published FAQ’s regarding the implementation of the salary cap that can be found at: http://grants.nih.gov/grants/policy/fy2012_salary_cap_faqs.htm

UCI Implementation

Sponsored Projects had modified its awards synopsis so that the Contract and Grant Officers can advise departments on which salary cap applies to awarded funds from DHHS agencies. The award synopsis contains a code in the upper right hand corner that indicates either “Exec LvL” or “Exec LvL II.” A sample award synopsis is set forth below:

UNIVERSITY OF CALIFORNIA, IRVINE
OFFICE OF RESEARCH ADMINISTRATION

Award Synopsis

Principal Investigator: [REDACTED]
Fellow: [REDACTED]
Administrative Dept: Urology
Sponsor: PHS - NIH Natl Cancer Inst
Award Number: [REDACTED]
Award Type: Grant
Award Action: Continuation
Award Purpose: Basic Research
Project Title: [REDACTED]
Prime Award #: [REDACTED]
Funds Awarded:
Direct Costs: [REDACTED] at 53.00 Modified Total Direct Cost
F & A Costs: [REDACTED]
F & A Type: [REDACTED]
Spon In-Kind cost: [REDACTED]
Total Cost This Action: [REDACTED] Cumulative Funds Awarded: [REDACTED]
Period of Performance Begins: [REDACTED] Ends: [REDACTED] Additional Years Anticipated: [REDACTED]
Budget Period Begins: [REDACTED] Ends: [REDACTED]

TERMS AND CONDITIONS

General Provisions governing this award:
Notice of Grant Award - Issue Date: 12/01/2011
RTC Research Terms & Conditions (<http://www.nsf.gov/bfa/dias/policy/rtc/index.jsp>)
NIH Grants Policy Statement (<http://grants.nih.gov/grants/policy/nihgps/>)
Total Project Cost Sharing Obligations:

	Amt This Action	Total Cumulative
Total Cost Share:	\$0.00	

Equipment title vests in:

Standard Reports:	Financial Disclosures:
10/01/11 Annual Progress	10/01/11 Annual Federal Financial Report
02/28/13 Final Progress	10/01/11 Annual Federal Financial Report
02/28/13 Final Patent	10/01/11 Annual Federal Financial Report

Special Reports:

SYNOPSIS REMARKS

The National Institutes of Health hereby awards a grant in the amount of [REDACTED] unobligated balance may be carried over into the next budget period without Grants Management System (GMS) approval. This award represents the total amount of funding available for this grant. Therefore, see the NIH Grants Policy Statement Section 8.6 Closeout for closeout requirements at: <http://grants.nih.gov/grants/policy/#gps>. Furthermore, unless an application for competitive renewal is submitted, a final progress report must also be submitted within 90 days of the expiration date. NIH strongly encourages electronic submission of the final progress report and the final invention statement through the Closeout feature in the Commons. REQUIREMENT: If a renewal application is submitted for this project, the requested budget is subject to the direct cost cap calculated in accordance with the National Cancer Institute's (NCI) policy, "Policy for Allowable Requested Budget Levels of Renewal (Type 2) R01, U01 and P01 Applications." This policy was announced in the NIH Guide for Grants and Contracts on August 15, 2008 and can be found at: <http://grants.nih.gov/grants/guide/notice-files/NOT-CA-08-026.html> INFORMATION: NIH is currently funded through a Continuing Resolution at the FY2011 level (See NIH Guide Notice NOT-OD-12-004: <http://grants.nih.gov/grants/guide/notice-files/NOT-OD-12-004.html>). Therefore, this non-competing award has been made at a level below that indicated in the Notice of Grant Award. If the final appropriation permits, adjustments may be made up to the FY2012 funding plan level. INFORMATION: This project involves hazardous or potentially hazardous agents. Attention is called to the Health and Safety Guidelines section of the NIH Grants Policy Statement (October 2011). The NIH GPS can be found on the internet at http://grants.nih.gov/grants/policy/nihgps_2011/index.htm. The Health and Safety Guidelines section is found at http://grants.nih.gov/grants/policy/nihgps_2011/nihgps_ch4.htm#health_safety_regulations. Beginning April 7, 2008, all Investigators funded by the NIH must submit an electronic version of their final, peer-reviewed manuscripts, upon acceptance for publication, to the

Fund Number: [REDACTED] Account Number: [REDACTED]
Fund Assign Code: [REDACTED] Federal Code: EXEC LVL 1
Proposal Number: [REDACTED]

Fund Number: [REDACTED] Account Number: [REDACTED]
Fund Assign Code: [REDACTED] Federal Code: EXEC LVL 1
Proposal Number: [REDACTED]
Synopsis Number: [REDACTED]
Sponsor Mod. Number: [REDACTED]
Previous Award number: [REDACTED]
Prime Sponsor: [REDACTED]

Accounting and Academic Personnel are aware of this guidance and stand ready to assist with any questions concerning implementation of the salary cap.

Please contact your Contract and Grant Officer in Sponsored Projects should you have questions concerning this announcement or UCI's implementation of the salary cap.

http://apps.research.uci.edu/orastaff/staff.cfm?view_department=spda