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.

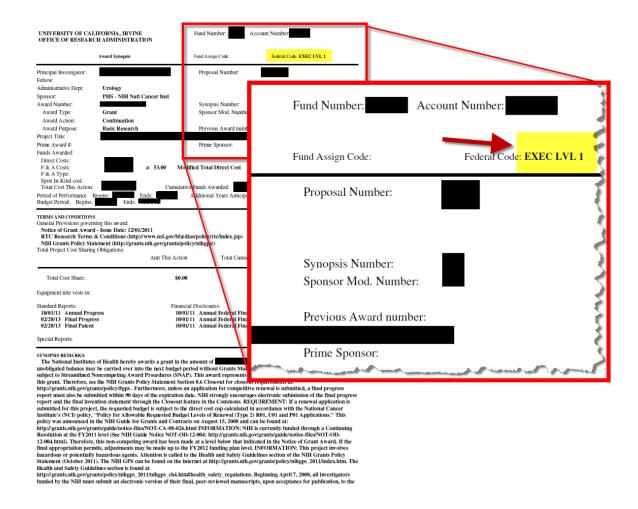
Budget periods awarded using previous fiscal year funds use the salary cap that was in effect for that particular fiscal year. The salary cap <u>does</u> apply to all subawards and subcontracts.

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:



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