NIH Guidance: Salary Cap

Dear Carolina research community:

The National Institutes of Health has issued guidance on its implementation of the reduced salary cap (http://grants1.nih.gov/grants/guide/notice-files/NOT-OD-12-035.html). We encourage you to read this notice carefully. Key points are as follows:

- Implementation of the lower Executive Level II salary cap ($179,700) is effective with awards, competing and noncompeting, with an initial Issue Date on/after December 23, 2011.
- For awards issued on/before December 22, 2011, competing and noncompeting, the salary limitation remains at Executive Level 1 ($199,700) throughout the current budget period.

What does this mean for salary charges?

- For grant awards with initial Issue Dates on/before December 22, 2011, the applicable salary limitation is Executive Level I ($199,700).
  - Going forward, as renewal awards (competing or noncompeting) are received, Executive Level II ($179,700) will apply.
- For grant awards with an Initial Issue Date on/after December 23, 2011, the applicable salary limitation is Executive Level II. Please review personnel actions on these awards and adjust salary charges accordingly.
- The salary limitation applicable to the prime award also applies to its subawards/subcontracts (issued by UNC-CH to other institutions or received by UNC-CH from other institutions).

What does this mean for my total award budget?

- Competing grant awards with an initial Issue Date of October 1, 2011, to December 22, 2011, with detailed budgets reflecting salary levels at or above the new limit may continue to apply the Executive Level I salary levels for the current budget period. No adjustments are required. However, future year commitments for these awards will be adjusted to reflect Executive Level II.
- Competing grant awards with an initial Issue Date on/after December 23, 2011, with detailed budgets reflecting salary levels at or above the new limit are subject to Executive Level II salary cap throughout the award. Both the current year award and future year commitments will be adjusted to reflect Executive Level II.
- For awards with competing segments beginning before October 1, 2011, neither the current year award nor future year commitments will be reduced as a result of the salary cap change. As Executive Level II begins to apply to these awards, the excess salary dollars may be rebudgeted to other costs.
- For revised awards, including no-cost time extensions, the salary cap determined by the Initial Issue Date remains in effect.

What does this mean for my proposals?
• Competing grant applications and contract proposals should incorporate the Executive Level II salary cap ($179,700).
• Noncompeting renewal applications (i.e., progress reports) for competing segments beginning in FY12 (October 1, 2011 or later) should reflect Executive Level II and are expected to be reduced accordingly.
• Noncompeting renewal applications (i.e., progress reports) for competing segments that began prior to FY12 (before October 1, 2011) should reflect Executive Level II and rebudget excess salary dollars to other costs.

Thank you for your continued attention and cooperation during this challenging transition.

Sincerely,
Sherrie

Sherrie Settle
Director, Pre-award Services
Office of Sponsored Research
University of North Carolina at Chapel Hill
104 Airport Drive, Suite 2200
Chapel Hill, NC 27599-1350
Ph: (919) 843-0874
Fax: (919) 962-5011

http://research.unc.edu/Offices/sponsored-research/index.htm