

Georgia Institute of Technology
NIH Salary Limitation – Accounting Treatment

The National Institute of Health has published updated information regarding the salary limitation for NIH awards, including flow-through awards from other institutions. **NOTE:** In 2012, the base salary was reduced from previous Executive Level I to Executive Level II amounts on new awards where the initial Issue Date of the award is on/after 12/23/2011. For FY2014 awards, the effective salary limitation remains at Executive Level II, \$181,500 For awards issued after 1/11/2015, the effective salary limitation at Executive Level II increased to \$183,300. Please see <http://grants.nih.gov/grants/guide/notice-files/NOT-OD-15-049.html> for complete information.

The schedule included below is provided to assist you in determining the amount of monthly and annual capped salary amounts. Frequently Asked Questions are included as well.

Schedule of Allowable NIH Salary Cap Maximums Based on Effort Percentage:

Effort%	All Competing or New NIH Awards prior 1/11/15 Executive Level II		All New NIH Awards After 1/11/2015 Executive Level II	
	Maximum Monthly \$	Maximum Annual \$	Maximum Monthly \$	Maximum Annual \$
5%	756	9,075	764	9,165
10%	1,513	18,150	1,528	18,330
15%	2,269	27,225	2,291	27,495
20%	3,025	36,300	3,055	36,660
25%	3,781	45,375	3,819	45,825
30%	4,538	54,450	4,583	54,990
35%	5,294	63,525	5,346	64,155
40%	6,050	72,600	6,110	73,320
45%	6,806	81,675	6,874	82,485
50%	7,563	90,750	7,638	91,650
55%	8,319	99,825	8,401	100,815
60%	9,075	108,900	9,165	109,980
65%	9,831	117,975	9,929	119,145
70%	10,588	127,050	10,693	128,310
75%	11,344	136,125	11,456	137,475
80%	12,100	145,200	12,220	146,640
85%	12,856	154,275	12,984	155,805
90%	13,613	163,350	13,748	164,970
95%	14,369	172,425	14,511	174,135
100%	15,125	181,500*	15,275	183,300

G&C Notice 15-II
May 21, 2015

Frequently Asked Questions (FAQs):

1. What awards are subject to the NIH Salary Cap and why does it exist?

All NIH/DHHS Grants, Cooperative Agreements, and Contracts (including flow-through awards from other Institutions) are subject to the NIH salary cap. Congress limits how much compensation an individual can receive under an NIH award. The limitation is equal to the Federal Executive Level II pay scale on all awards issued on or after 12/23/11. For all new awards issued after 1/11/2014, the limitation amount for the Federal Executive Level II pay scale increased to \$181,500.

Frequently Asked Questions (FAQs) - Continued:

2. Is the cap based on the maximum monthly rate or the annual (12 month) total?

The monthly rate -- During 2015, the salary maximum is \$15,125 monthly ($\$181,500 / 12$) for 100% project effort on an **award issued prior to 1/11/15**. Therefore, an employee earning more than \$15,125 monthly ($\$181,500 / 12$) in total salary and working on an NIH award would require a salary cap adjustment.

3. What if the monthly salary exceeds the NIH Salary cap?

*** Example: 51% Effort Devoted during February 2015 on NIH award issued before 1/11/2015**

- a) If there **IS NO** mandatory cost-sharing requirement on the award/fund, charge no more than \$7,714 ($\$15,125 * 51\%$) to the NIH project in February 2015 and charge the difference in monthly salary to a linked cost-sharing project.
- b) If there **IS** a mandatory cost-sharing requirement on the award/fund, charge no more than \$7,714 to the NIH project in February 2015 and charge the difference in monthly salary to a non-matching departmental “300” project or other discretionary project number with a similar function (program) code. An additional certification document will be required in addition to the ASR.

*** Example: 30% Effort Devoted during March 2014 on a **NEW** NIH award issued after 1/11/2015**

- a) If there **IS NO** mandatory cost-sharing requirement on the award/fund, charge no more than \$4,583 ($\$15,275 * 30\%$) to the NIH project in March 2014 and charge the difference in monthly salary to a linked cost-sharing project.
- b) If there **IS** a mandatory cost-sharing requirement on the award/fund, charge no more than \$4,583 to the NIH project in March 2015 and charge the difference in monthly salary to a non-matching departmental “300” project or other discretionary project number with a similar function (program) code. An additional certification document will be required in addition to the ASR.

G&C Notice 15-II

May 21, 2015

4. Why is it necessary to charge the salary amount above the cap to a linked Cost-sharing project when cost-sharing is not a requirement of the award?

This allows the NIH cap adjustment to be visible in the accounting records of the Institute without additional effort certification documentation (other than the ASR).

5. Why is additional certification documentation required when the NIH cap adjustment is recorded to another discretionary project number?

The additional certification document will attest to the higher effort percentage devoted to working on the project, above the percentage of salary charged to the sponsor.

6. What is the difference between Effort Percentage and Salary Percentage?

The two are the same in most cases, but this is not the case when an adjustment is required and made for the NIH salary cap. The effort percentage is the percentage of time devoted to working on the project. This may be equal to or greater than the percentage of salary charged to the project.

7. Who do I contact if I have questions regarding the NIH Salary Cap or to request an additional effort certification document template?

Contact the Salary Planning & Distribution (SPD) Center at 404-385-0120 or send a request to spd.ask@business.gatech.edu