

The background of the slide is a microscopic image showing several elongated, rod-shaped structures, likely bacteria, arranged in a somewhat parallel fashion. The structures are light green and yellowish, with some darker, purple-like areas interspersed. The overall appearance is that of a biological specimen under a microscope.

Washington University
School of Medicine

Research Administrator's Forum

February 2002

Discussion Topics

- **NIH Salary Cap**
- **New F&A Rates**
- **Program Income**
- **Unallowable Costs**
- **Staffing Updates**

NIH Salary Cap

- **Announced in NIH Guide, 1/25/02.**
Includes full text, examples, calculations and Q&A's.
- **Salary cap remains at Executive Level I for FY 2002.**
- **Max salary rate increased to \$166,700/yr.**
- **Applicable to NIH, SAMHSA & AHRQ**

NIH Salary Cap - FY 2002

Budget Period

Max Salary Rate

10/01/01 – 12/31/01

\$161,200

01/01/02 and beyond

\$166,700

NIH Salary Cap- FY 2001

<u>Budget Period</u>	<u>Max Salary Rate</u>
10/01/00 – 12/31/00	\$157,000
01/01/01 – 12/31/01	\$161,200
01/01/02 and beyond	\$166,700

NIH Salary Cap - FY 2000

<u>Budget Period</u>	<u>Max Salary Rate</u>
10/01/99 – 12/31/99	\$136,700
01/01/00 – 12/31/00	\$141,300
01/01/01 and beyond	\$145,100

NIH Salary Cap

- **Additional funding will not be provided for awards issued under previous salary cap rates.**
- **PI can rebudget funds and charge salary at the new rate, provided there is sufficient remaining funding in the project.**

NIH Salary Cap

Competing Applications

- **GBUD Document - Utilize the override function on detail personnel screen (F14) to enter salary limit.**
- **Hard Copy Proposals - List institutional base salary (option #'s 1, 2, or 3). If option 1 or 2 is selected, must include appropriate statement in budget justification section.**

NIH Salary Cap

Non-Competing Applications

- **Bottom line is restricted (dollars recommended on the award notice).**
- **Utilize new salary cap rate (\$166,700) when a budget is required.**
 - **Because of SNAP, most non-competing continuations don't require a budget.**

Facilities and Administrative Cost (F&A) Rates

- New rate agreement dated 12/4/01.
 - *Predetermined* rates until 6/30/04
 - *Provisional* rates effective 7/1/04
- Applicable to new and competitive renewal awards issued on or after 12/4/01.
- New and competitive renewal awards issued *prior to 12/4/01 will utilize old rates.*

F&A Rate Specifics

- **New On-Campus Organized Research and Instruction Rate**
 - **53% MTDC**
 - **For the period 7/1/02 - 6/30/04**
- **No change to other rates.**
 - **Off-Campus Research = 26%**
 - **On-Campus Other Sponsored Activities = 30%**

F&A Rates - Incoming Awards

- **G&C will contact agency if incoming competitive awards contain incorrect rate.**
- **Excess F&A will be budgeted into BUOB #8683 pending receipt of revised NGA.**
- **Will be noted in profile comments**

F&A Rate Implementation - FIS

- The F&A rate in the FIS system will be revised in July 2002 for awards with a competitive start date on or after 12/4/01.
- The F&A rates on awards issued prior to 12/4/01 *will not be revised.*

F&A Rate Implementation for July 2002 - FIS

Competitive Start Date

Research Rate

On or before 6/30/98

56% MTDC

7/1/98 through 12/3/01

54% MTDC

12/4/01 and beyond

53% MTDC

GBUD Rate Calculation

<u>Proposal Type</u>	<u>Start Date</u>	<u>Rate(mtdc)</u>
New or Competing Renewal	12/4/01 or after	54% to 6/30/02 53% at 7/1/02

GBUD Rate Calculation

<u>Proposal Type</u>	<u>Last Competitive Start Date</u>	<u>Rate(mtdc)</u>
Noncompeting Continuation	After 7/1/98 and before 12/4/01	54%
	Before 7/1/98	56%

GBUD Rate Calculation

- **Noncompeting Renewal Proposals**
 - Use the rates for the “life” of the project (through the end of the project period)
 - Rates will need to be manually overridden in GBUD

Program Income

- **Defined as: Gross income earned by a grantee, a consortium participant, or a contractor under a grant that was directly generated by the grant-supported activity or earned as a result of the award.”**

Program Income Treatment

- **Per OMB Circular A-110 and the NIH Grants Policy Statement, there are four ways to treat program income.**
 - **Additive Alternative**
 - **Deductive Alternative**
 - **Combination Alternative**
 - **Cost Sharing or Matching Alternative**

Additive Alternative

- **Program income is added to the funds committed to the project/program and is used to further eligible project/program objectives.**

Deductive Alternative

- **Program income is deducted from the total allowable project/program costs to determine the net allowable costs on which the Federal share of costs is based. This is similar to an applicable credit being applied to reduce the amount of the Federal award.**

Combination Alternative

- **The first \$25,000 of program income is added to the funds committed to the project/program (additive alternative) and any amounts exceeding \$25,000 are deducted from total allowable project/program costs to determine the net allowable costs on which the Federal share is based (deductive alternative).**

Cost Sharing or Matching Alternative

- **Program income is used to finance some or all of the non-Federal share of the project / program.**

Unallowable Costs

- There are certain types of costs that **cannot be charged (directly or indirectly)** to federally funded sponsored agreements.
- OMB Circular A-21 and the NIH Grants Policy Statement identify specific cost items.

Unallowable Items

- Advertising
- Alcoholic Beverages
- Charitable Contributions
- Entertainment
- Fines and Penalties
- Food Costs
- Losses on sponsored agreements (deficits)
- Personal use of goods or services

A microscopic view of cells, showing various structures and colors like green, blue, and purple, serving as a background for the text.

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