

# SPA'S TOP 10 LIST

## NIH - Salary Cap

1. The National Institutes of Health (NIH), the Agency for Healthcare Research and Quality (AHRQ) and the Substance Abuse and Mental Health Services Administration (SAMHSA) have guidelines that restrict the amount of direct salary charged to their grants, cooperative agreements and contracts.
2. Direct salary is exclusive of fringe benefits and facilities and administrative (F&A) expenses.
3. Compensation for individuals under awards from the NIH cannot exceed a stipulated rate of pay per year or per academic appointment.
4. Washington University is currently authorized to use Executive Level I of the Federal Executive Pay Scale as our Salary Cap.
5. Effective January 1, 2008, the Executive Level I salary level was increased from \$186,600 to \$191,300 for budget periods starting January 1, 2008 and beyond.
6. The appropriate salary cap rate must be applied to competing and non-competing awards based upon the award date on the Notice of Grant Award. Refer to the University's NIH Salary Cap Policies and Procedures for detailed information on the proper application of rates, [http://www.spa.wustl.edu/adminpol/salcap\\_0108.pdf](http://www.spa.wustl.edu/adminpol/salcap_0108.pdf).
7. Faculty members who receive a salary that exceeds the applicable rate and are being charged to a NIH award must be limited to their effort percentage multiplied by the salary cap rate. The remaining amount should be charged to a mandatory cost sharing account (this is designated by the account ending in an "X" e.g. 55000X). The Payroll system has built in edits that will prompt the user to source amounts in excess of the salary cap to the X account. Please remember to consider the NIH salary cap and the cost sharing accounts when processing payroll cost transfers.
8. The applicable salary cap for faculty with academic year (nine month) appointments calculates to 75% of the annual salary cap rate.
9. The NIH will not provide additional funding for awards issued under the previous salary cap rate(s), however, they have stated that a PI can rebudget funds to allow for the increase in rates.
10. The full text of the implementation guidelines issued by the NIH can be found at <http://grants.nih.gov/grants/guide/notice-files/NOT-OD-08-035.html>. This text includes examples, calculations, definitions and Q&A's. The University's NIH Salary Cap Policies and Procedures can be found on the SPA web site, see [http://www.spa.wustl.edu/adminpol/salcap\\_0108.pdf](http://www.spa.wustl.edu/adminpol/salcap_0108.pdf).