

Salary Cap Expectation

The expectation is that each department adheres to DHHS salary cap requirements, reviews salary cap reports and address those line items where salary exceeds the allowable cap.

Salary Cap Reporting

The Medical School partners with the Cost Reimbursement Office to prepare salary cap analysis reports for Medical School departments as well as provide oversight of adherence to salary cap requirements. **Effective FY18 the Medical School will align with Central Office reporting processes and provide ‘over the salary cap’ report data to the Cost Reimbursement Office (CRO) and Sponsored Programs Reporting.** This is to ensure salary cap compliance on financial reports.

Reporting Process

Departments will be provided with a Preliminary Salary Cap Report Worksheet and given three weeks to process any necessary adjustments PRIOR to the Salary Cap Report run for submission to CRO and Sponsored Programs Reporting. It is expected departments use this review window to address any salary cap discrepancies. In some instances, departments may find that the ‘over the cap’ determination on the report is not accurate as the data will not identify anomalies, such as funding that was passed down from a direct sponsor where the salary cap was not applied. **If you find the ‘over the cap’ determination indicated on the report is not applicable or inaccurate please communicate this information so it can be noted on the campus report.**

The Salary Cap Report submitted to the Cost Reimbursement Office and Sponsored Programs Reporting identifies line items that exceed the allowable salary cap by \$100 or more

Salary Cap Reporting Timeline	
2 nd Week in October	Salary Cap Report Worksheet sent to: <ul style="list-style-type: none">• Department CDA - PAAC Representatives notified worksheet distributed
4 th Week in November	Salary Cap Report Generated and sent to: <ul style="list-style-type: none">• Department CDA• Cost Reimbursement Office• Sponsored Programs Reporting - PAAC Representatives notified report distributed
2 nd Week in February <i>(or at least 3 weeks after new salary cap announced)</i>	Salary Cap Report Worksheet(s) sent to: <ul style="list-style-type: none">• Department CDA - PAAC Representatives notified worksheet(s) distributed
4 th Week in March	Salary Cap Report(s) Generated and sent to: <ul style="list-style-type: none">• Department CDA• Cost Reimbursement Office• Sponsored Programs Reporting - PAAC Representatives notified report(s) distributed
3 rd Week in June	FY Departmental Salary Cap Report(s) Generated and sent to: <ul style="list-style-type: none">• Department CDA - PAAC Representatives notified report(s) distributed

What happens if an individual / project grant is listed on the Salary Cap Report sent to Cost Reimbursement and Reporting?

- A comment is added to the Project Grant in the financial system indicating there is a salary cap adjustment required for the individual named on the report as part of the close-out.

Navigation: Wolverine Access / Faculty & Staff / M-Pathways Financials & Physical Resources System / Main Menu / Set Up Financials/Supply Chain / Common Definitions / Design Chartfields / Define Values / Chartfield Values / Project/Grant [enter project grant in search box] / Spon Prj Reports Tab / View All / Click comments link for report type you want to view

- You will see salary and fringe benefit adjustments on the adjustments tab of the FSR.

P/G #: Adjustments Analysis

Budget Category	Date Incurred	Posted Date	JE Line Ref.	JE Line Desc.	Document	Account	Amount
Research S	07/31/17	09/13/17		01/17 - 5/31/17	PYW9418	500900	(148.25)
Fringe Bene	07/31/17	09/13/17		Lg Trm Disability	PYW9418	590750	(0.25)
Fringe Bene	07/31/17	09/13/17		Group Insurance	PYW9418	591500	(0.02)
Fringe Bene	07/31/17	09/13/17		Federal Insurance	PYW9418	592500	(11.07)
Fringe Bene	07/31/17	09/13/17		Retirement Plan	PYW9418	592750	(14.83)
Fringe Bene	07/31/17	09/13/17		Health Insurance	PYW9418	593500	(8.50)
Fringe Bene	07/31/17	09/13/17		Dental	PYW9418	596250	(0.53)
Fringe Bene	07/31/17	09/13/17		Parking	PYW9418	596750	(0.11)
Fringe Bene	07/31/17	09/13/17		Mhealthy	PYW9418	599750	(0.10)
Research S	07/31/17	09/13/17		01/17 - 6/30/17	PYM9431	500900	(134.78)
Fringe Bene	07/31/17	09/13/17		Lg Trm Disability	PYM9431	590750	(0.23)
Fringe Bene	07/31/17	09/13/17		Group Insurance	PYM9431	591500	(0.02)
Fringe Bene	07/31/17	09/13/17		Federal Insurance	PYM9431	592500	(8.68)
Fringe Bene	07/31/17	09/13/17		Retirement Plan	PYM9431	592750	(13.48)
Fringe Bene	07/31/17	09/13/17		Health Insurance	PYM9431	593500	(7.96)
Fringe Bene	07/31/17	09/13/17		Dental	PYM9431	596250	(0.50)
Fringe Bene	07/31/17	09/13/17		Parking	PYM9431	596750	(0.11)
Fringe Bene	07/31/17	09/13/17		Mhealthy	PYM9431	599750	(0.09)
Fringe Bene	07/31/17	09/13/17		BRD Allocation @ 2.10%	BRDXXX	597750	(5.94)
Indirect Cos	07/31/17	09/13/17		I/C on Adjustments	auto JE	825170	(102.50)
							(456.98)

- A PAR to correct salary distribution within the allowable salary cap is required at close-out.

IMPORTANT TO KNOW!

Comments entered in the financial system remain until Sponsored Programs is notified that the 'over the cap' salary distribution is corrected. Salary Cap Reports submitted to campus will identify individuals flagged on previous report(s) that have been corrected on a "Corrected Since Prior Report" tab and Sponsored Programs will remove the 'over the cap' notation. However, due to the variation in project end dates, departments are advised to carefully review the Adjustment Analysis on financial reports to make sure it does not include adjustments for salary cap corrections that have been completed but fall between Salary Cap Report periods. If you find this is the case, provide reporting the PAR that corrected the 'over the cap' amount and request the adjustments be removed.