

PHS Salary Cap Review

Full details and FAQs are on the Grants Office website:

<http://medicine.umich.edu/medschool/research/office-research/grant-review-analysis/post-award-information/handling-salary-over-cap>

- In 12/2011, Congress approved a fiscal budget that included all PHS agencies (not just NIH and sister agencies) moving to Executive Level II as the Salary Cap.
- At that time campus gave us a choice of moving everyone to the new cap OR moving projects as it became mandated based on the dates of award.
- The Medical School chose the second option as moving everyone immediately would have cost about \$10million.
- At that point, campus (Cost Reimbursement) could no longer audit for correct application of the cap since it is not easily discernible in the system which Executive Level applies.

- The Grants Office has begun to conduct the salary cap review based on a list from Cost Reimbursement of projects which may have the cap incorrectly applied.
- We anticipate receiving the data file from campus quarterly.
- We merge new columns of data from MSGrants and eRPM (for instance date last award received on campus) and apply calculations to show which projects are at risk of non-compliance.
- Departments will receive a spreadsheet identifying projects that are in need of further review
 - Yellow 'fail' are over the cap by \$50 or less;
 - Red 'fail' indicates more than \$50 over;
 - Orange 'not determined' requires additional information
- Remember that this is a distribution issue, not an effort issue – and should never require a re-certification of effort

Questions may be addressed to Tracey Naylor (tstaples@umich.edu) or msggrants@umich.edu.

VA Interagency Personnel Agreements (IPA)

Direct questions to Jane Sierra (jmsierra@umich.edu 3-4272) or see Grants Office website: <http://medicine.umich.edu/medschool/research/office-research/grant-review-analysis/pre-award-information/proposal-submission/medical-school-veterans-affairs-ipas>

- Two issues (one pre- one post-) are brewing related to VA IPA agreements:
 - ORSP has difficulty matching agreements that arrive from the VA with PAFs
 - The VA has implemented a new invoicing system which requires every IPA to have a new purchase order number (PO)
- There was a meeting of ORSP, Sponsored Programs, VA, and the school to try to resolve

Detailed directions are available on the website. Highlights include:

Pre-Award:

- If you are submitting a VA IPA, create a PAF in order to obtain an ORSP PAF#, even if you are not ready to route,
- Add the PAF# to upper right-hand corner of the contract. This will help ORSP to match-up the contract with the PAF if it arrives directly from the VA.
- There are implications from the Purchase Order (PO) system below and *every new PO # needs a new PAF*
- Because of this, if you do not have an agreement for more than 1 year, do not complete a PAF for more than 1 year

At the VA:

- They are intending to add the Purchase Order number to the agreement so that UM knows where to bill

Post-Award:

- ORSP will issue a PAN when the agreement is signed by UM
 - No PAN will be executed without a PO #
 - PO # will likely change annually, and *every new PO # needs a new PAF*
 - A New P/G # will be issued for each PO #
 - UM is responsible for salary until the agreement is executed

Also, we are aware that there are some invoices that are outstanding and at this point difficult to recover because of the PO change at the VA.

- Sponsored Programs is working through recovery with the VA – but it will take a while.
- If you have an outstanding invoice to the VA and you are aware that it needs to be resolved sooner than later due to other circumstances, please let Heather Offhaus know as soon as possible.

- Otherwise, Sponsored Programs will just continue working with the VA for this recovery.