

Salary Cap (FFY12) Implementation

The University of Michigan is supporting use of FFY12 funds issued by PHS agencies consistent with the guidance posted by the NIH under their FAQs and consistent with the published table:

http://grants.nih.gov/grants/policy/fy2012_salary_cap_faqs.htm

Initial Award Issue Date	Award Type	Exec Level (EL) for FY 2012	Notes
On/Before 12/22/2011	Competing	EL I	<ul style="list-style-type: none"> • FY2012 Award = Executive Level I (\$199,700) • Future Years** = Executive Level II (\$179,700) • Detailed Budgets: Awards will be revised to adjust future year commitments only • Modular Budgets: <ul style="list-style-type: none"> ○ Awards will not be adjusted for salary cap ○ Grantees apply EL I for FY2012 ○ Grantees apply EL II for FY2013, unless otherwise amended by legislation; rebudgeting of excess in FY2013 will be allowed
	Non-Competing	EL I	<ul style="list-style-type: none"> • FY2012 Award = Executive Level I (\$199,700) • Future Years** = Executive Level II (\$179,700) • NIH will not adjust future year commitments for non-competing within this issue date range • For FY2013 and beyond, grantees will need to charge using EL II**; rebudgeting of excess is allowed
On/After 12/23/2011	Competing	EL II	<ul style="list-style-type: none"> • FY2012 Award = Executive Level II • Future Years** = Executive Level II • Detailed Budgets: Awards will be issued using EL II for FY2012 and all future years • Modular Budgets: <ul style="list-style-type: none"> ○ Awards will not be adjusted for salary cap ○ Grantees apply EL II ○ Rebudgeting of excess is allowed
	Non-Competing	EL II	<ul style="list-style-type: none"> • FY2012 Award = Executive Level II • Future Years** = Executive Level II • NIH will not adjust FY2012 award or future year commitments for non-competing in this category • Grantees must charge at EL II; rebudgeting of excess is allowed

**References to future years are contingent upon legislation that supports this provision or provides otherwise.

Questions? Contact the Grants Office
762-4272 or msgrants@umich.edu

In general, continued use of Exec Salary I will be allowed *only* when there is substantiated documentation.

- For most **PHS grants**, the Notice of Grant Award (NoGA) will serve this purpose.
- For **PHS Contracts**, consultation with the sponsor by the project team may be necessary to substantiate use of Exec Level I cap. An email from the contracting officer will serve as campus documentation that the rate is appropriate.
- For **subcontracts and contracted services** from other institutions, a copy of the parent award notice and date will substantiate use of the Exec Level I cap.

A notable exception to the FAQs:

- For projects with **prior year carry forward in the same P/G**, the University of Michigan has no current process in place to differentiate the prior year's budget award from the subsequent award to allow for a differentiation of salary cap within the same project/same budget year. In these cases, when the project changes to Exec Level II salary cap for the new funds, all salary expenses will be at the same salary cap.
- However, in the case of a **NCTX**, you may continue at the same Salary Cap as the last budget award year.

Individuals will be routinely reviewed by Cost Reimbursement Office for the appropriate use of the Exec Level Cap (I or II) by project.

- When possible, the Cost Reimbursement Office will independently review for the appropriate application of the salary cap.
 - Further documentation of use may be requested / obtained from the home (Dean / Major Unit area) of the faculty being reviewed. Acceptable documentation may include:
 - A complete listing of all active projects with explanation of the award issuance dates, documentation from other institutions as a subawardee
 - Date listed on the NoGA which is uploaded in the eRPM system.
 - NIH awards have the following external data sources (both include Award Notice Date):
 - RePORTer for project awarded FFY11 and prior
<http://projectreporter.nih.gov/reporter.cfm>
 - FFY12 grants eligible to use Exec Sal I
<http://report.nih.gov/FileLink.aspx?rid=824>
- Other PHS agencies do not have equivalent web resources.*

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