

NewsFlash!

Announcement: Every year since 1990, Congress has legislatively mandated a provision limiting the direct salary that an individual may receive under an NIH grant. On December 18, 2015, the [Consolidated Appropriations Act, 2016](#) was signed into law. The Act raised the Executive Level II salary cap from \$183,300 to **\$185,100 effective January 10, 2016**. The applicable salary cap should be determined based on the fiscal year rules and time periods outlined in the [NIH Salary Cap Summary \(FY 1990 - Present\)](#). Please begin to use the new salary cap in proposals and applications for funding as per NIH Notice [#NOT-OD-16-045](#).

Salary Cap FAQ

Q: If a grant award (competing or non-competing) has already been issued in FY 2016, will an adjustment be made?

A: No adjustments will be made. However, rebudgeting is allowable (consistent with award terms and conditions).

Q: Can I rebudget grant funds or charge contracts issued in prior years (see Salary Cap Summary, FY 1990 – FY 2016) funds to allow for the 2016 salary cap increase?

A: Yes, provided funds are available and the increase is warranted. Prorated figures should be used for the applicable months, i.e., the \$185,100 level is effective beginning January 10, 2016.

Q: If an application/proposal fails to provide needed salary information, will an adjustment be made based on the new rates?

A: No adjustment will be made if an application fails to provide adequate information regarding the individual's actual salary level.

Q: Does the NIH appropriation language link the salary cap to a Federal Executive Level or to a dollar level?

A: The link is to the Federal Executive Level pay scale (i.e., Executive Level I for FYs 2001-2011, Executive Level II for FYs 2012-2016).

Q: As the cap is linked to Federal Executive Levels, can grantees/contractors with ongoing awards rebudget/charge up to the various salary caps, based on the fiscal year of the award and the time the salary expense is incurred?

A: Yes, salary may be charged in accordance with the FY cap(s), as long as the levels are consistent with the individual's institutional base pay. Please refer to the salary cap summary with times frames for existing salary caps, at: http://grants.nih.gov/grants/policy/salcap_summary.htm.

Q: Will grantees be permitted to submit revised categorical budgets reflecting higher base salaries?

A: Not as a general rule. NIH policy for categorical budgets states that grantees should always reflect actual base salaries in the requested budgets or provide an explanation indicating that actual institutional base salary exceeds the current salary limitation. As a general rule, NIH will use the

information available in the existing application and make adjustments for the salary cap based on information available at the time of award.

Questions? If you have any questions, please contact your [DCG Officer](#) in the Department of Contracts and Grants.