

NewsFlash!

Announcement: Every year since 1990, Congress has legislatively mandated a limitation on direct salary for individuals under NIH grant and cooperative agreement awards (referred to here as a grant). The mandate appears in the annual appropriation act that provides authority for NIH to incur obligations for a given Fiscal Year (FY). At this time, NIH has not received a FY 2018 appropriation, and is operating under a Continuing Resolution, the "Continuing Appropriations Act, 2018" ([Public Law No: 115-56](#)), that applies the terms and conditions of the Consolidated Appropriations Act, 2017.

The Consolidated Appropriations Act, 2017, restricts the amount of direct salary to Executive Level II of the Federal Executive pay scale. The Office of Personnel Management has recently released new salary levels for the Executive Pay Scale. Effective January 7, 2018, the salary limitation for Executive Level II is **\$189,600**.

For awards issued in those years that were restricted to Executive Level II (see [Salary Cap Summary, FY 1990 – FY 2017](#)), including competing awards already issued in FY2018, if adequate funds are available in active awards, and if the salary cap increase is consistent with the institutional base salary, grantees may rebudget to accommodate the current Executive Level II salary level. However, no additional funds will be provided to these grant awards.

Once the Department of Health and Human Services Appropriation for FY 2018 is enacted, NIH will publish the annual Notice of legislative mandates to provide information on any statutory provisions that limit the use of NIH grant funds in FY 2018.

Salary Cap FAQ

Q: If a grant award (competing or non-competing) has already been issued in FY 2017, 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 2017](#)) funds to allow for the 2018 salary cap increase?

A: Yes, provided funds are available and the increase is warranted. Prorated figures should be used for the applicable months.

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 2012-2018).

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.