Proposal Guidance for the NIH Salary Cap Reduction

Previous guidance has been provided to departmental business offices following the January 20 announcement from NIH lowering the salary cap. This alert serves as a reminder.

Notice of Salary Limitations on Grants, Cooperative Agreements, and Contracts (Notice NOT-OD-12-035) provides information regarding the salary limitation for NIH grant and cooperative agreement awards and extramural research and development contract awards. The NIH budget approved December 23, 2011 reduces the salary cap from Executive Level I ($199,700) to Executive Level II ($179,700) of the Federal Pay Scale.

Specific guidance for NIH Competing grant applications and contract proposals:

Continue to reflect actual institutional base salaries (refer to Policy 1311 Institutional Base Salary for Sponsored Projects which sets forth Yale University’s definition of Institutional Base Salary (IBS) for sponsored projects). For those cases where an investigator’s salary is higher than the cap and they elect to list their salary at the capped amount, an explanation continues to be required indicating that actual institutional base salary exceeds the current salary limitation. The explanation may be included in the proposal budget justification (Example: Dr. X’s institutional base salary exceeds the current NIH salary cap. The amounts requested for salary and fringe benefits in this budget have been calculated to reflect the current NIH salary cap). The NIH will adjust salary levels if necessary at time of award.

Additional information will be provided in an upcoming G&CAalert! regarding the identification and handling of salary cap reductions on new installments and awards.