Important Reminder on Implementing the Executive Level II Salary Cap

This is reminder about Yale’s implementation procedures for the new salary cap as previously outlined in the G&CAlert! New Guidance on Implementing the NIH Salary Cap, issued Week of March 5-9, 2012.

Yale awards and installments received prior to December 23, 2011 as well as no cost extensions on FY2011 awards are subject to the Executive Level I rate until September 30, 2012. Beginning October 1, 2012 (which is the beginning of Federal Government fiscal year 2013), all awards funded by a Department of Health and Human Services (DHHS) operating division are subject to the new cap of $179,700. Operating divisions within DHHS include the NIH, SAMHSA, AHRQ, CDC and HRSA. For a complete listing, visit the DHHS website: http://www.hhs.gov/open/contacts/index.html#od. This guidance is applicable to all sponsors that limit salary to the Federal Pay schedule, and to the subawards.

The overall grant budget is not affected by this change. Budgeted dollars are eligible to be re-budgeted for other personnel or non-personnel charges that are associated with the award.

Department Action Needed

- A cost sharing account is required for all awards with Investigator salaries that are greater than the new Executive Level II salary cap. If a project linkage does not already exist, Department administrators will need to submit a project/award linkage request. Please refer to Procedure 1304 PR.01 for guidance on the setup and Procedure 1306 PR.01 for cost sharing information.
- Labor schedules need to be adjusted (for the October payroll and going forward) to include or increase the cost sharing account percentage.

If you have any questions about the implementation, please contact your GCFA representative.