



INDIANA UNIVERSITY

National Institutes of Health (NIH) Salary Limitation

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Effective: 1 March 2011
Last Updated: 1 March 2011

Responsible University Office:
Office of Research Administration

Responsible University Administrator
Steven A. Martin, Associate Vice President for Research Administration

Policy Contact:
James P. Becker, Executive Director of Grants and Contract Services

Scope

This policy applies to all Indiana University faculty, staff and students, including approved practice plan employees, paid all or in part on sponsored research accounts that adhere to the Federal Salary Limitation on Grants, Cooperative Agreements and Contracts.

Policy Statement

It is the policy of Indiana University to abide by the Federal salary limitation guidelines and to record the salary over the stated salary limitation as cost share on university A-21 effort certification documents.

Reason for Policy

To establish guidelines and best practices for the monitoring of the NIH salary limitation, and ensure any required cost share is correctly recorded on sponsored research accounts.

Procedures

The calculation of the salary limitation and required cost share for each individual varies based on their appointment (institutional base salary) and their level of effort on the project in question. The NIH will announce new salary limitation figures early in the year. Shortly after, Indiana University will disseminate the new NIH salary limitation information - usually by March 1st of the current salary limitation year.

To establish the individual salary limitation amount for a specific award, the following information must be determined:

1. The individual's appointment (Academic 10-Pay, Monthly 12-Pay, Academic Summer),
2. The effort period for which the individual's effort will be recorded (or has been recorded),
3. The percentage effort to be applied (or that has been applied) to the award during the effort period.

Illustrations of the NIH Salary Limitation application to academic 10-Pay and monthly 12-Pay appointees are available on the Office of Research Administration Financial Compliance webpage, http://researchadmin.iu.edu/GrantContract/gc-ace/ace_salary_cap.html.

Please Note: Departments with individuals receiving compensation from the approved practice plans and have effort on any sponsored research account adhering to NIH salary limitation guidelines must ensure all individuals meet the NIH salary limitation guidelines utilizing this methodology. An illustration of the NIH Salary Cap as applied to individuals with practice plan effort is available on the Office of Research Administration Financial Compliance webpage, http://researchadmin.iu.edu/GrantContract/gc-ace/ace_salary_cap.html.

Definitions

Approved Practice Plans: Those practice plans approved by Indiana University to recover salary costs related to research conducted under the auspices of Indiana University.

Institutional Base Salary: The annual salary received for a payroll appointment. At Indiana University this is defined as base pay applicable to an appointment. This includes, if appropriate, compensation from both Indiana University and an approved practice plan.

Cost Share: Cost sharing is defined as the portion of the project or program costs that are not borne (paid for) by the funding agency.

Sanctions

University faculty, staff and students found to be in violation of this policy will have that portion of salary exceeding the stated salary limitation reallocated and recorded as cost share. Such failure to adhere to this policy may result in audit findings and further cost disallowances.

Additional Contacts

<i>Subject</i>	<i>Contact</i>	<i>Phone</i>	<i>Email</i>
Policy Implementation	Tim Burris, ACE Compliance Analyst	(812) 855-0185	thburris@indiana.edu
Policy Implementation	Jan Young, ACE Team Manager	(812) 855-5326	jyoung@indiana.edu

Forms

NA

Related Information

NIH Grants Policy - Salary Limitation on Grants, Cooperative Agreements, and Contracts

<http://grants.nih.gov/grants/guide/notice-files/NOT-OD-10-041.html>

OMB Circular A-21, Part J_10. Compensation for Personal Service

http://www.whitehouse.gov/omb/circulars/a021/a21_2004.html

Office of Research Administration Financial Compliance Page

http://researchadmin.iu.edu/GrantContract/gc-ace/ace_salary_cap.html

History

Replaces:

- III-100 "A-21 Effort Reports"