



NATIONAL INSTITUTES OF HEALTH SALARY CAP POLICY

SCOPE

This policy sets forth the California Institute of Technology's (Caltech) requirement for compliance with the National Institutes of Health (NIH) salary cap. The policy is applicable to all awards received by Caltech directly from NIH as well as indirectly through subrecipient agreements under an NIH prime award.

DEFINITIONS

As used in this policy:

National Institutes of Health (NIH)

A federal agency under the U.S. Department of Health and Human Services that is the United States' national medical research agency. As a part of its activities, NIH offers grants, cooperative agreements, and contracts for medical and related research.

Salary cap

The NIH salary cap is a limitation placed by Congress on the salary rate that can be charged to an NIH award and applies to all salaries directly charged to NIH grants. The requirements also apply to subrecipient agreements under an NIH prime award.

POLICY

All NIH award recipients and subrecipients are required to have a mechanism to ensure that the NIH salary cap is being implemented and monitored in accordance with NIH requirements. As an NIH awardee, Caltech has implemented processes to manage compliance with NIH salary cap requirements.

A standardized process was created for establishing salary cap companion PTAs with the same funding source award number as the main award for salaries over the cap. An on-line "NIH salary cap calculator" assists grant managers with the distribution of salaries between the NIH main PTA and salary cap companion PTA. In addition to the calculator, a report is available via Cognos under Campus Reports, "NIH Salary Cap Report," to assist with managing salary cap compliance.

ROLES AND RESPONSIBILITIES

Division Administration

- Requests new salary cap PTAs when an NIH award is received that contains salaries above the salary cap amount
- Reviews and monitors NIH salary cap compliance on a quarterly basis and makes adjustments as needed

Office of Sponsored Research

- Reviews and submits proposals to NIH on behalf of Caltech
- Reviews and processes NIH awards made to Caltech; notes salary cap requirement in Caltech systems and on the Award Summary
- Reviews and implements requests for salary cap PTAs for researchers with salaries above the cap

Post Award Administration

- Reviews institutional compliance with NIH salary cap requirements on a semi-annual basis
- Notifies grant managers when labor adjustments are necessary to maintain compliance with salary cap requirements

RELATED REFERENCES

[Salary Cap Calculator](#)

[National Institutes of Health Notice on Salary Limitation on Grants, Cooperative Agreements, and Contracts](#)

[National Institutes of Health Salary Cap Summary \(FY 1990 – Present\)](#)

[Office of Sponsored Research's Chapter 9.3 - Salary Cap for National Institutes of Health Awards from the Guide to Sponsored Programs](#)

[Post Award Administration's NIH Salary Cap FAQ](#)

POLICY ISSUED BY

This policy is issued by Post Award Administration and the Office of Research Administration.

EFFECTIVE DATES AND UPDATES

Action Take	Date	Description of Action
Original Policy	Effective 01/21/2016	Approved by The Office of Financial Services