

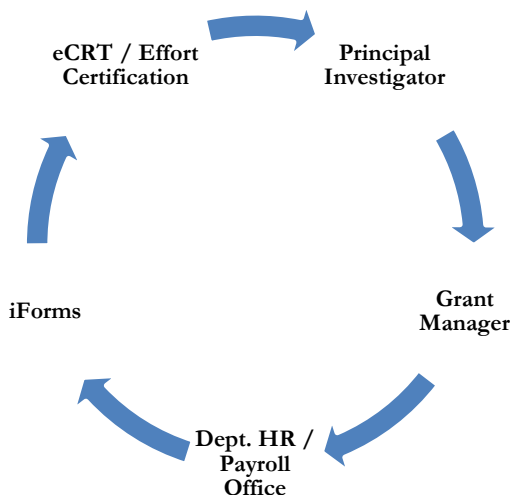
Using the Salary Cap Calculator Tool

Salary Cap Limitations for DHHS Awards

Background: Congress has legislatively mandated a provision limiting the direct salary an individual may receive from awards issued with Department of Health and Human Services (DHHS) funds. The salary cap is restricted to Levels within the Executive Pay Schedule authorized by the U.S. Office of Personnel Management. The salary cap impacts all DHHS agencies, including NIH, CDC, ACF, CMS, HRSA, AHRQ and SAMHSA. The requirement applies to all DHHS awardees and sub-awardees. This means that any DHHS-funded pass through awards are also subject to the salary cap requirement.

Institutional Base Salary (IBS) & Salary Cap

- Institutional Base Salary (IBS) is the annual compensation an individual receives from Duke University whether that individual's time is spent on research, instruction, administration, and/or other activities.
 - When an individual's IBS exceeds the salary cap, the difference between that individual's salary and the maximum amount allowed under the cap **must** be charged to a non-sponsored account.
 - Actual direct salary charges on each award must conform to the salary cap regardless of the individual's current IBS.
 - IBS **excludes** compensation received through the Duke Private Diagnostic Clinic (PDC) or appointments with the VA through the Durham Veterans Affairs Medical Center (VAMC).
 - IBS **excludes** incidental pay and any income an individual earns outside of Duke University.
- DHHS establishes the funding limitation for salaries at the time that a competitive award is made.
 - If subsequent non-competing funding is awarded during a year with a higher salary cap, NIH allows existing funds to be re-budgeted to that level. Typically, no new funds will be awarded for this purpose.
- Federal Sponsors recognize cost sharing commitments when financial commitments are included in any part of the proposal.
 - This commitment becomes voluntary committed cost sharing. It must be documented in university systems and the financial commitment must be met.
 - Departments should be careful to not inadvertently commit to voluntary committed cost sharing.
 - Principal Investigators (PI's) certify expenditure statements for cost sharing activities in the same manner as for direct project expenditures.
 - PI's are responsible for ensuring that cost-sharing commitments are met.



The Salary Cap Calculator Tool:

- ☐ Allows for flexibility in managing multiple sponsored effort projects for faculty and monthly staff.
- ☐ Tool includes calculator for academic, calendar, or summer appointments.
- ☐ Allows for multiple WBSE entries.
- ☐ Can be used as a departmental documentation tool to confirm award allocation.
- ☐ Gives greater transparency for managing effort, cost share requirements, and the sponsored research project between each office responsible (Principal Investigator, Grant Manager, and Departmental HR / Payroll Staff).

- See NIH Salary Cap Summary page for previous rates and effective dates - <http://bit.ly/2jyamLx>
- GAP 200.140, Cost Sharing On Sponsored Projects - <http://bit.ly/2Av2i5z>
- GAP 200.320, Direct Costing on Sponsored Projects - <http://bit.ly/2BRI5mz>
- Office of Research Support – Salaries Above the NIH Cap - <http://bit.ly/2BzGu8X>
- Office of Research Administration – NIH Resources - <http://bit.ly/2z1PbXa>
- Changes in Effort / Cost Sharing - <http://bit.ly/2kWDkVt>
- 60xxxx: Payroll Costs - <http://bit.ly/2BArQ1g>
- Appointment Titles - Regular & Non-Regular Rank - (<http://bit.ly/2EOck0i>)
- Clinical Science Faculty Regular Rank Titles and Job Codes - (<http://bit.ly/2EaEUb9>)
- Aligning Summer Effort with Summer Salaries – (<http://bit.ly/2IpNqFz>)
- Summer Supplement Payments for Faculty – Federal Grants - (<http://bit.ly/2BgWRGv>)

- 1 Upon notification of a new Sponsored Project or a change in the institutional base salary of the Duke University employee, the responsible person should prepare a new Salary Cap Calculation worksheet for review, calculation, and confirmation prior to any changes entered in iForms for the employee's cost distribution.
- 2 The Salary Cap Calculator Tool **requires** preliminary data points to be entered before sponsored projects can be evaluated for cost share requirements and appropriate G/L determination. These data points include appointment type, position type, institutional base salary, and salary cap level.



SALARY CAP CALCULATOR

[Current NIH Salary Cap](#)

STEP 1. Enter data in yellow highlighted cells.

STEP 2. Review results in gray cells for use in iForms to properly reflect required cost sharing.

Name of Individual:	A	Mickey Mouse	DUID:	B	110110
Type of Appointment:	C	12	Calendar		
(12 Months [Calendar], 9 Months [Academic], 1 Month [Summer])					
Position Type:	D	Regular Rank Non-Tenure Track Faculty			
Institutional Base Salary (IBS):	E	\$200,000.00	Enter Full Time Institutional Base Salary		
Choose Salary Cap Time Frame:	F	Level II 01/08/2017 - until changed			\$187,000.00
Effective Date:	G	2/1/2018			

- A. Name of Individual:** Enter the name of the individual impacted by the new change.
- B. DUID:** Enter the DUID of the individual. This will ensure that HR/Payroll applies the changes to the correct employee.
- C. Type of Appointment:** Choose the current appointment type **[required]**.

Calendar (12 months)

Academic (9 months)

Summer (1 month) – See Summer Supplement Payments for Faculty – Federal Grants (<http://bit.ly/2BgWRGv>)

- D. Position Type:** Choose the current appointment type (see 60xxxx: Payroll Costs - <http://bit.ly/2HMKqgE> and <http://bit.ly/2u0Sptf> for assistance in determining the appointment/position type for Faculty and Staff **[required]**).

TENURE AND TENURE-TRACK FACULTY

Professor (Tenure), Job account 1541
Associate Professor (Tenure), Job account 1542
Assistant Professor (Tenure), Job account 1543
Professor, Job account 1545
Associate Professor, Job account 1546
Assistant Professor, Job account 1547

MONTHLY EXEMPT STAFF

Staff (non faculty) who are not subject to the minimum wage/overtime pay requirements of the FLSA.

- E. Institutional Base Salary (IBS):** Enter the Institutional Base Salary as a dollar amount only **[required]**.
[Calendar](#) [12 month] and [Academic](#) [9 month] appointments should be entered as the yearly base.
[Summer](#) should be entered as a one month base only (to calculate one summer month = the IBS ÷ 9).
- F. Choose Salary Cap Time Frame:** Choose the DHHS Salary Cap Level. Once an entry is chosen, the amount of the cap will be shown in the orange box to the right. The amount shown will be calculated based on response for **Item C** (Appointment) and **Item F** **[required]**.

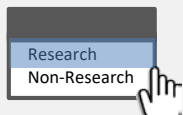
- G. Effective Date:** Enter the date the change goes into effect.

- 3 The Salary Cap Calculator Tool allows the user to input up to ten (10) WBSEs at a time. Each of these WBSEs are marked whether they are research, non-research, and federal/federal prime awards. The tool then calculates the appropriate direct cost and cost share effort related to the staff member. Each of these determinations are driven by the required data points that were previously entered (see section #2).

WBSE	Project Type	Total % Effort*	NIH/DHHS Federal / Federal Prime*	Effort G/Ls		% Effort	Calendar Year Amount	Monthly Amount
EXAMPLE:								
A030000	Research	15.0%	Yes	A030000 - 603600	Direct Cost	14.00%	\$28,050.00	\$ 2,337.50
				A030000 - 603400	Cost Share	1.00%	\$1,950.00	\$ 162.50
H 0	I Research	J 0.0%	K Yes	L 0 - 602600	Direct Cost	0.00%	\$0.00	\$ -
				0 - 600400	Cost Share	0.00%	\$0.00	\$ -
0	Non-Research	0.0%	No	0 - 602700	Direct Cost	0.00%	\$0.00	\$ -
					Cost Share			
0	Research	0.0%	No	0 - 602600	Direct Cost	0.00%	\$0.00	\$ -
					Cost Share			

H. WBSE: Enter the WBSE for the project to be evaluated.

I. Project Type: Choose the project type. Sponsored Research and Non-Research WBSEs have different payroll general ledger codes to identify the type of effort related to the project based on the exempt position type (Tenure Track, Non Tenure Track, Non Regular Rank, Monthly).



Research (All 2X3/3X3,AX3 WBSEs) - This includes those funds whose primary purpose is the support of sponsored research, including clinical trials. Sponsored research includes all research and development activities of the University that are separately budgeted, accounted for, and organized with definite research objectives.

Non-Research (NON 2X3/3X3,AX3 WBSEs) - This includes those funds whose primary purpose is the support of training activities (3X2 WBSEs), aid to students (scholarships/fellowships/grants-in-aid, stipends – 3X8 WBSEs), and other sponsored activities (3X9 WBSEs).

J. Total % Effort: Enter the total effort for each sponsored project (**note – cannot be less than 1.0%**).

K. NIH/DHHS Federal / Federal Prime: Indicate Yes/No if the project is NIH/DHHS Federal or Federal Prime Flow Down. All HHS operating divisions except the FDA (funded under the USDA appropriations bill) are under the salary cap requirement.

L. The Tool returns suggested effort G/Ls, percentage breakdown (direct and cost share), and corresponding calendar/academic year amounts with monthly amount based on preliminary data entered at top of form.

Things to Consider

- The Salary Cap Calculator Tool is meant to be an aide to assist Research Administrators, Principal Investigators, and Departments in the management of cost share requirements on sponsored projects.
 - The smart form anticipates the corresponding effort G/Ls and calculated effort based on preliminary data.
 - Review of the G/Ls should be made to ensure the appropriate G/L is used for the effort/role/project.
- Tenure-Track and Non-Tenure Track Faculty.
 - Faculty are comprised of two groups: "tenured and tenure-track faculty" and "non-tenure-track faculty" (<http://bit.ly/2u0Sptf>).
 - The "tenured and tenure-track faculty" is composed of those individuals holding the ranks of assistant professor, associate professor, and professor.
 - The "non-tenure-track faculty" is composed of those individuals holding the ranks of instructor, lecturer, senior lecturer, principal lecturer, professor of practice, visiting (assistant/associate/professor), adjunct (assistant, associate/professor), research faculty (assistant/associate/professor), and emeritus faculty.
- Summer supplement payments for faculty (<http://bit.ly/2DFkMwx>) – Supplemental Pay Forms Overview & Matrix.
 - Such payments cannot exceed 1/9th, if a 9-month faculty member (1/10th if a 10-month faculty member or 1/11th if an 11-month faculty member) in a month and they cannot exceed 3/9^{ths}, if a 9-month faculty member (2/10^{ths}, if a 10-month faculty member or 1/11th, if an 11-month faculty member) within a fiscal year.
- The Tool is not formatted to work to calculate NIH "K" award effort commitments.
- The Tool is not used for Total Professional Effort (TPE) calculations within the School of Medicine/School of Nursing.
- The Tool is only for NIH/DHHS salary cap calculations. All HHS operating divisions except the FDA (funded under the USDA appropriations bill) are under the salary cap requirement. Other sponsors may impose a salary cap so it is important to read the solicitation carefully to determine if the sponsor has a salary cap.