

NIH SALARY CAP 2012- EXECUTIVE LEVEL II
Best Practices for NIH Award Issuance on & after 12/23/11

For FY 2012 the NIH salary limitation has been reduced from Executive Level I (\$199,700) to Executive Level II (\$179,700) for all awards with a NGA issue date on or after December 23, 2011. The annual cap amount for 12 month faculty is \$179,700; 9 month AY faculty is \$134,775. Due to this major reduction, the following best practices need to be implemented immediately for faculty currently with base salary equal to or greater than the current NIH Cap (\$179,700). Please see below for clarification in regards to NIH's Notice of Grant Award's (NOGA) Issue Date.

Process:

New (type 1) and Renewal (type 2) awards

Issue dates on or after 12/23/11, the Executive Level II salary cap (\$179,700) will apply. No change in procedure is needed, as is CWRU's process to establish new speedtypes for these awards.

Supplement (type 3)

Issue dates on or after 12/23/11, the Executive Level II salary cap (\$179,700) will apply even if the parent (original award) is subject to Executive Level I. New speedtypes will be assigned as subprojects under the existing contract (CON) for any award issued on or after 12/23/11. In most cases, supplemental funding is restricted for a stated purpose which normally requires a separate speedtype; this procedure change is only for unrestricted supplements.

Non-competing continuations (type 5)

Issue dates on or after 12/23/11, the Executive Level II salary cap (\$179,700) will apply. For awards which are within the non-competing cycle, new speedtypes may be required to be set-up as subprojects under the existing contract (CON) for any award issued on or after 12/23/11 if there are faculty over the NIH salary cap.

For awards which have automatic carry-over and funds remain at the end of the prior (FY2011 or earlier) budget year, the Executive Level I salary cap still applies. Therefore, the existing speedtype will be extended based upon the department providing an unexpended balance budget and expected time to expend. *It will be advantageous to appropriately expend your carry-over funds prior to expending new funding.*

For a complete description of Activity Codes, Organizational Codes, and definitions used in extramural programs visit <http://grants.nih.gov/grants/glossary.htm>.

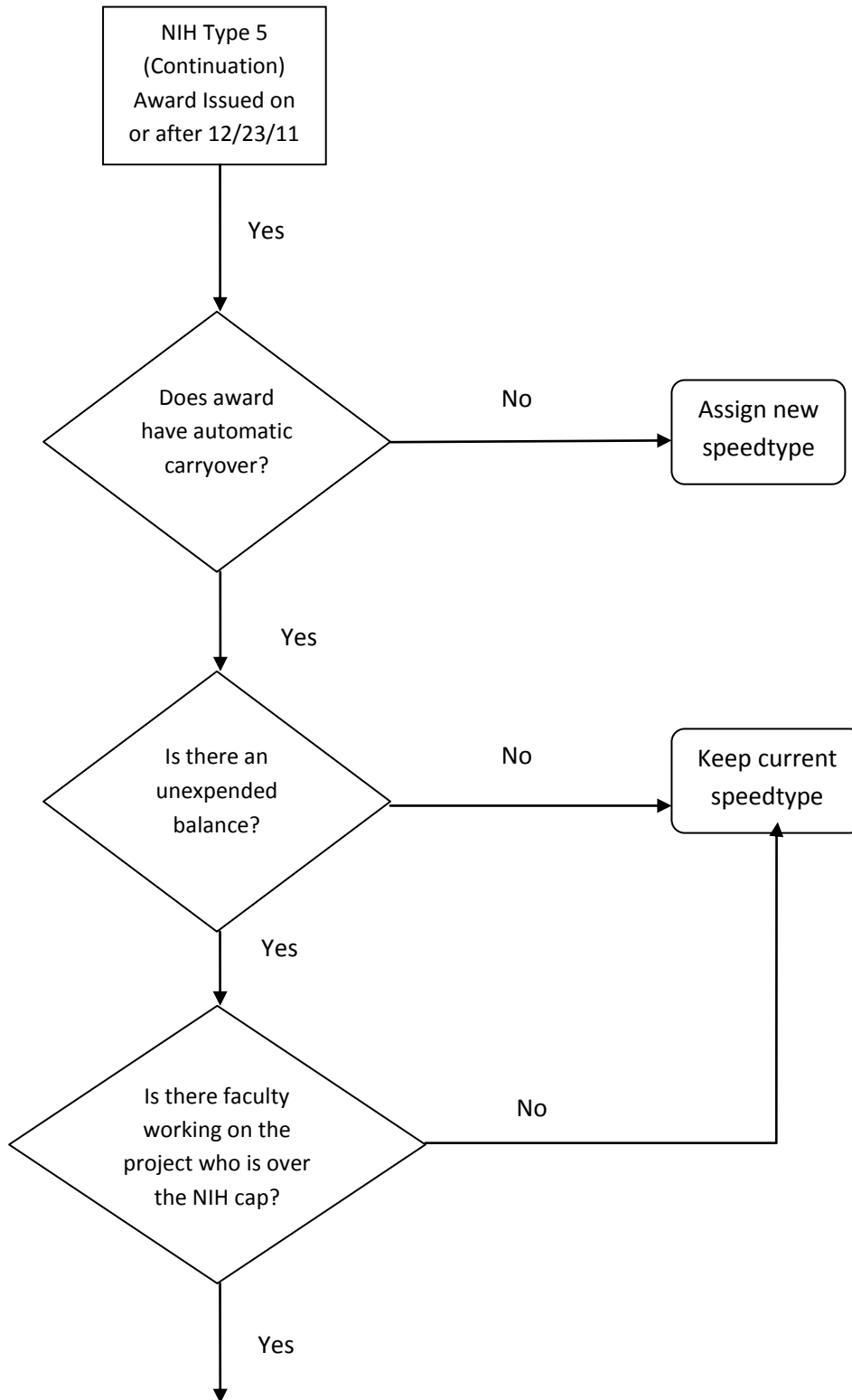
To avoid the issuance of a new speedtype, please review the *2012 NIH Salary Cap Process Flow for Non-Competing Continuation (Type 5) Awards* flow chart listed below.

Subcontracts (Incoming and Outgoing)

When issuing subcontracts funded from NIH awards issued on or after 12/23/11, the terms and conditions MUST reference that the Executive Level II salary cap applies to the funding. For incoming subcontracts where the prime awardee's NIH NOGA Issue Date is on or after 12/23/11, the above procedures will apply based upon the prime award.

For further clarification regarding at or over cap Faculty portfolios or if you have any questions, please contact Robin Trail (rwt2@case.edu) or for the School of Medicine, Holly Lipkovich (medrespost@case.edu).

2012 NIH Salary Cap Process Flow for Non-Competing Continuation (Type 5) Awards



- Obtain a detailed budget for carry-over and expected time to expend balance.
- Issue new speedtype (sub account) for continuation funding.
- Extend existing speedtype per estimated expected time to expend balance and make this the parent project. Indicate on the NOA that this is being done to allow for the change in the 2012 NIH salary cap.