

DHHS Salary Cap Administration

By statute, no grant funds may be used to pay an individual working on a DHHS-funded project at a rate in excess of the Federal Executive Level II Pay Scale. This amount typically increases annually and generally applies for the entire calendar year. Beginning January 8, 2017, the salary rate limitation has increased from \$185,100 to \$187,000 for all DHHS awards.

Actual salary charges on the award must conform to the DHHS salary cap regardless of the individual's Health Science Centers (HSC) base salary.

For those individuals whose HSC base salary exceeds the DHHS salary cap, payroll appointments should be made by applying the amount of effort committed to the project to the DHHS salary cap.

Example: A faculty member whose HSC base salary is \$200,000 receives a DHHS award where he/she has proposed 25% effort.

Payroll appointment cannot exceed 25% of DHHS salary cap of \$187,000 annually; in this case, the person could not charge payroll expenses to the grant in excess of \$46,750 annually (25% effort x \$187,000). The excess salary costs must be paid from a non-grant departmental project.

Using this example, the individual's payroll appointment would be 23.37% ($\$46,750/\$200,000$)

Despite the fact that the individual is not being paid under the DHHS grant at his/her HSC rate, the effort commitment made in the proposal must be honored and certified at the time of the semi-annual effort certification. When effort is decreased by 25% or more, approval must be sought from federal sponsors.

The DHHS salary cap applies to awards from all Department of Health and Human Services (DHHS) operating divisions (NIH, HRSA, CDC, AHRQ, SAMHSA, etc.).

Further information about the DHHS salary cap and the impact on charging salary costs to and certifying effort on DHHS sponsored programs is available by contacting Chris Green (telephone 210.567.4938 or via email at greenc@uthscsa.edu) in the Office of Sponsored Programs.