

Recent Announcements by the National Institute of Health

NIH has increased the GRA Cap, decreased the PI Salary Cap, and removed escalation from the future years of its awards.

The PI Salary Cap has been decreased from \$199,700 to \$179,700 per calendar year effective January 20, 2012. This is the first year that the salary limitation has been reduced; it is now restricted to **Executive Level II of the Federal Pay Scale**. For academic year appointments this translates into a decrease from \$149,775 to \$134,775. Please access the full text of the notices here ([NOT-OD-12-034](#)) ([NOT-OD-12-035](#)) and [NOT-OD-12-036](#). There is also a [FAQ](#) that is very helpful.

- This reduction was part of the law signed December 23, 2011, implementation of the lower level is effective with *FY2012 awards where the initial Issue Date of the award is on/after 12/23/2011*.
- *Future years of current awards may be impacted*. The "current cap" applies to all NIH grants regardless of when they begin or end, so read your award notifications carefully especially for increments received during the summer months.
- For nonmodular, noncompeting awards, you may not get paid beyond the salary cap by rebudgeting from other categories, *but you may use any freed up salary funds for other purposes*.
- NIH has announced that it will not provide supplemental funding for awards or modular grants issued with FY 2010 funds; however, PIs may redirect existing funds, if available, to pay applicable salaries at the higher rate unless specifically prohibited by the terms of the award.
- **The monthly salary amount charged to a NIH award during the academic year and/or summer cannot exceed the NIH monthly cap rate multiplied by the percentage of effort.** For example, a PI who has been awarded summer salary and will expend 100% effort for two summer months on that NIH award may not charge the grant more than \$16,642 (based on the FY 2008 NIH cap level) in a given summer month, *even if the actual monthly pay rate exceeds that amount*.
- **The reported percentage of effort on a NIH award should equate to the effort committed and actually expended on the project, NOT to the percentage of salary charged. This percentage should include the effort that could not be charged to the award because of the salary cap.** For example, a PI with a twelve month appointment and an institutional base salary of \$200,000 (\$16,667 per month), who committed and expended 25% effort to an NIH project during the first three months of the University academic year, must report 25% effort on the PAR, even though only 22.5% ($[\$15,942 \times 25\%]/[\$16,667]$) of the salary was charged to the grant.
- The salary limitation does NOT apply to payments made to consultants under an NIH grant or contract although, as with all costs, such payments must meet the test of reasonableness and be consistent with institutional policy.
- To determine the applicable NIF salary Cap based on the fiscal year rules and time period shown below.

Federal FY	Salary Cap annual	Salary Cap monthly	Salaries Earned within the period
FY 2012	\$179,700	\$14,975	01/01/12 – 12/31/12
FY 2011	\$199,700	\$16,642	01/01/11 – 12/31/11
FY 2010	\$199,700	\$16,642	01/01/10 – 12/31/10

A new stipend level has been determined for Fiscal Year 2012 NIH awards made after October 1, 2011. The NIH stipend for beginning postdoctoral students has been increased from \$38,496 to \$39,264. These stipend levels are to be used in the preparation of future competing and non-competing NRSA institutional training grant and individual fellowship applications. They will be administratively applied to all applications currently in the review process. Please access the full text of this notice at [\(NOT-OD-12-033\)](#).

NIH also announced its Fiscal Policy for Grant Awards for Fiscal Year 2012. NIH awards for FY 2012 will be awarded without any inflationary adjustment except for special needs such as equipment and added personnel. Efforts will be made by NIH to keep the average size of awards constant at the FY 2011 level or lower. In addition, inflationary increases for future year commitments will be discontinued for all competing and noncompeting research grant awards issued in FY2012. However, adjustments for special needs will continue to be accommodated. FY 2012 awards that have already been issued will be revised to adjust the award level and future year commitments in accordance with these principles. Please access the full text of this notice at [\(NOT-OD-12-036\)](#).

Please find the updated budget documents for the NIH Budget Worksheets, NIH GRA Cap and NIH PI Salary Cap Worksheets [here](#) and contact for pre award grant administrator with any questions.