Scheduling Labor Costs for Faculty over the National Institutes of Health (NIH) and the Department of Health and Human Services (DHHS) Salary Caps

**OLD CAP:** $199,700 (Executive Level I) - January 1, 2010 – December 22, 2011

**NEW CAP:** $179,700 (Executive Level II) – December 23, 2011 through September 30, 2012 (and beyond if no Appropriations bill is signed into law by 9/30/12)

Caps apply to:
- all award mechanisms (grants, cooperative agreements and contracts)
- categorical budgets
- modular budgets
- subawards/subcontracts

**NEW APPLICATION OF THE CAP:**
- Cap impacts faculty who in the past were not subject to the cap
- Cap applies to any sponsored funding coming from DHHS – not just from the Institutes (NIH) (Examples: Centers for Disease Control, Food and Drug Admin.)

**KEY** to Old Vs. New Cap Scheduling = ISSUE Date:
- Is the initial ‘ISSUE DATE’ on the Sponsor’s Notice of Award
- Is that issue date (not the start date of the project/budget period) before or after **12/23/11**?

**Scheduling to the Old Cap ($199,700):**
- Remains in effect into the FY2012 fiscal year as long as the ISSUE date on the NOA is before 12/23/11
- Schedule to the Old Cap throughout that specific funded/budget period until that piece of funding ends

Example 1: For an R01 your last NOA has an ISSUE date of 12/20/11. The project/budget start date is 1/1/12 and runs through 12/31/12.

Example 2: You received an NOA with an ISSUE date of 8/15/11. The project/budget start date is 8/16/11 and runs through 8/15/12.

**Scheduling to the New Cap ($179,700):**
- From the moment we receive a Notice of Award with an ISSUE date of 12/23/11 or later (this is then the new FY2012 funding/money)
- Schedule LD starting with the NOA’s project start/budget period date (not the UVa payroll period begin date)
Example: Year 4 funding on an existing NIH/DHHS award is issued on 1/15/12. Project start date in 2/1/12 and runs through 1/31/13. New cap applies starting on 2/1/12 – not on 1/25/12 (the UVa payroll period begin date)

Link to Scheduling Labor to Sponsored Programs:
http://www.virginia.edu/sponsoredprograms/ldguidance.html