

DHHS Salary Cap Calculation

Faculty with Part-Time Appointment (based on the Executive Level II salary of \$189,600 as an example)

To ensure compliance to DHHS/NIH policy, it has been recommended that a manual calculation of the actual payroll amounts to the current CAP limit be used to determine the amount of cost sharing as it relates to the limitation.

When a JHU employee's Institutional Base Salary (IBS) at 1.0 FTE is over the amount of Executive Level II of the Federal Executive pay scale, the Executive Level II salary of \$189,600 will be used to calculate the JHU employee's labor distribution. (***Executive Level II salary may change, please review the NIH Salary Cap summary for correct salary limitation.**)

Dr. Harrison's received a new NIH award. Dr. Harrison is providing 30% of effort the on NIH Award #2.

Step 1: Calculate Salary to be charged to NIH Award

Dr. Harrison's current Institutional Base Salary is \$240,000 and Actual Salary is 75% of his IBS or \$180,000 ($\$240,000 \times 75\%$). The current NIH Salary Cap Limitation is \$189,600, at 75% is \$142,200 ($\$189,600 \times 75\%$). Dr. Harrison's labor distribution (Infotype 9027 Base Pay and Labor Distribution) will be calculated using the NIH Salary Cap, $\$142,200 \times 30\%$ of effort provided to new NIH Award #2. Salary Cap (Executive Level II) X Effort Percentage

Calculation for Adjusted Salary Cap

Actual Salary Paid/IBS=Percentage of Salary

$$\$180,000/240,000 = 75\%$$

Percentage of Salary X Salary Cap (Executive Level II) = Adjusted Salary Cap

$$75\% \times \$189,600 = \$142,200$$

Calculate Salary to be charged to NIH Award

Adjusted Salary Cap (Executive Level II) X Actual Effort

$$\$142,200 \times 30\% = \$42,660 \text{ * this is the maximum salary allowed to be charged to the NIH Award \#2.}$$

$$\$42,660/24 = \$1,777.50 \text{ per pay period}$$

Step 2: Review the Semi-Annual Effort Form and Calculate the NIH Salary Cap Cost Sharing

NIH Salary Cap (Adjusted) X Actual Effort (Payroll Amount)
\$142,200 X 30% = \$42,660 (For six months \$21,330)

The effort percentages on the Effort Form are calculated using the Actual Salary Paid
 Actual Salary X Effort Percentage
\$180,000 X 30% = \$54,000 (For six months \$27,000)

The cost sharing amount on Cost Sharing Column
\$54,000-\$42,660 = \$11,340. (For six months \$5,670)

Name: Harrison, Sally © Employee ID: 00000002 Title: Faculty
 Sub Dept: 00000000 - ERS BSPH III Division: 162 - ERS Testes Title Code: U030

Unsaved Changes



Reporting Period: 123118 (07-01-2018 through 12-31-2018)

Payroll	Accounts	Description	Cost Sharing	Total \$	Total %
Sponsored Accounts					
\$21,330.00	24% 70000002	NIH Award #2	\$5,670.00 6%	\$27,000.00	30%
\$36,000.00	40% 70000006	Robert Wood John	\$0.00 0%	\$36,000.00	40%
\$57,330.00	64%	Sponsored Subtotal	\$5,670.00 6%	\$63,000.00	70%
Non-Sponsored Accounts					
\$32,670.00	36% 71000000	General Salaries	-5,670.00 -6%	\$27,000.00	30%
\$32,670.00	36%	Non-Sponsored Subtotal	\$-5,670.00 -6%	\$27,000.00	30%
\$90,000.00	100%	Grand Total	\$0.00 0%	\$90,000.00	100%

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After the cost sharing adjustment, the effort form will reflect the 30% of effort on NIH Award #2.

If 24% of effort is correct effort provided to the NIH Award #2 the department will need to reduce the salary on the NIH/DHHS award by using an E form. Once the E form is approved the Effort Form will be updated with E form changes.

E form will credit NIH Award #2 and debit a non-sponsored account

Originally charged \$42,660 -\$34,128 (see calculation below) = \$8,472 (\$353 per pay period)

After the approved E form has been updated in ERS, the Effort Form will appear as below:

NIH Salary Cap X Actual Effort (Payroll Amount)

\$142,200 x 24% = \$34,128 (For six months \$17,064)

IBS X Effort Percentage

\$180,000 x 24% = \$43,200 (For six months \$21,600)

The cost sharing amount on Cost Sharing Column

\$43,200-\$34,128 = \$9,072 (For six months \$4,536)

This Effort Form is a newly created RCT form. Click [here](#) to view the original effort copy.

Pre Review

Name: Harrison, Sally Employee ID: 00000002 Title: Faculty
Sub Dept: 00000000 - ERS BSPH IH Division: 162 - ERS Testing Title Code: U020

Changes Saved

Reporting Period: 123118 (07-01-2018 through 12-31-2018)								
Payroll	Accounts	Description	Cost Sharing	Total \$	Total %			
Sponsored Accounts								
\$17,064.00	19%	70000002	NIH Award #2	\$4,536.00	5%	\$21,600.00	24%	
\$36,000.00	40%	70000006	Robert Wood John	\$0.00	0%	\$36,000.00	40%	
\$53,064.00	59%		Sponsored Subtotal	\$4,536.00	5%	\$57,600.00	64%	
Non-Sponsored Accounts								
\$36,936.00	41%	71000000	General Salaries	\$-4,536.00	-5%	\$32,400.00	36%	
\$36,936.00	41%		Non-Sponsored Subtotal	\$-4,536.00	-5%	\$32,400.00	36%	
\$90,000.00	100%		Grand Total	\$0.00	0%	\$90,000.00	100%	

Add Account

References:

*NIH Salary Cap Summary

https://grants.nih.gov/grants/policy/salcap_summary.htm

DHHS

Please review the DHHS Agencies grant policies and Notice of Award

If you have additional questions please contact effort@jhu.edu or 443-997-3806.