# Verifying Salary Cap for 10-Month Employees

**These salary cap guidelines apply to any agency with a salary limitation requirement.**

**Appointment**

**10-Month (Academic)**

**Salary Limitation (10-month)**

**DHHS**

NIH - January 1, 2023 through September 30, 2023 (Executive Level II) $159,075.00\*

This limitation applies to all Health and Human Services (HHS) agencies. A listing of HHS agencies can be found at the following

link: <https://www.hhs.gov/about/agencies/hhs-agencies-and-offices/index.html>

**Other Agencies**

Reference the Award agreement for the corresponding limitation amount

**The Percent of IBS Salary Allowable**

Allowable Percent = Salary Limitation / Institutional Base Salary

 Unallowable Percent = 1 – (Salary Limitation / Institutional Base Salary)

**Allowable Amount**

**The total salary charged to an award account (Direct Salary + Cost Share) is multiplied by the Allowable Percent to determine the allowable amount that can be to be applied (or that has been applied) to the award. The remainder is unallowable and must be applied to an INSxx subaccount.**

## Verifying Academic Year Salary Cap – 10-Month Employees

Salary Limitation $159,075.00\*

Institutional Base Salary $166,100.00

Allowable Percent $159,075.00/ $166,100.00 = 95.77%

Unallowable Percent 1 – ($159,075.00/ $166,100.00 = 4.23%

Amount Charged to Award Account

 Direct Charges to Award Account $4,000.00

 Cost Share Charges to Award Account $1,000.00

 **Total Salary allocated to Award Account $5,000.00**

Allowable Amount

 Total Salary allocated to Award Account x Allowable Percent = Allowable Amount

$5,000.00 x 95.77% = $4,788.50

Unallowable Amount

 Total Salary allocated to Award Account x Unallowable Percent = Unallowable Amount

$5,000.00 x 4.23% = $211.50

**The Unallowable Amount must be reallocated to an INSxx subaccount from the direct charge and/or the cost share portion originally allocated to the award account.**

## Verifying Salary Cap for Academic Summer Salary

The total summer salary on grant accounts is typically limited to a maximum of 13 weeks\*\* in order to provide the faculty member with vacation time as well as time to prepare and submit new proposals. Though Indiana University limits the total salary received to a maximum of 13 weeks, the salary cap guidelines apply to amounts allocated to an award account for any agency with a salary limitation requirement.

The allowable amount of summer salary that can be charged to a grant with a salary limitation requirement is based on the prior fiscal year Institutional Base Salary and the current effective Salary Limitation.

Salary Limitation $159,075.00\*

Prior Fiscal Year Institutional Base Salary $166,100.00

Allowable Percent $159,075.00/ $166,100.00 = 95.77%

Unallowable Percent 1 – ($159,075.00/ $166,100.00) = 4.23%

Amount of Summer Salary Charged to Award Account

 Direct Summer Salary Charges to Award Account $4,000.00

 Cost Shared Summer Salary to Award Account $1,000.00

 **Total Summer Salary allocated to Award Account $5,000.00**

Allowable Summer Salary Amount

 Total Summer Salary allocated to Award Account x Allowable Percent = Allowable Summer Salary Amount

$5,000.00 x 95.77% = $4,788.50

Unallowable Summer Salary Amount

 Total Summer Salary allocated to Award Account x Unallowable Percent = Unallowable Summer Salary Amount

$5,000.00 x 4.23% = $211.50

**The Unallowable Summer Salary Amount must be reallocated to an INSxx subaccount from the direct charge and/or the cost share portion originally allocated to the award account.**

\*For awards subject to the NIH Salary Limitation, at Indiana University the Academic 10-Pay Salary Limitation is 75% of the announced NIH Salary Limitation. (e.g. Effective January 1, 2023, $212,100.00 x 75% = $159,075.00)

\*\* IU Policy - [Summer Salary from Sponsored Program Accounts SPA-11-015](https://policies.iu.edu/policies/spa-11-015-summer-salary-sponsored-program-accounts/index.html)