

## Applying the DHHS Salary Cap

**Federal Salary Cap Guidelines:** Congress has established limitations on the salary that individuals may receive under specific federal awards, including those from DHHS, NIH, AHRQ, SAMHSA, CDC, and HRSA. These limitations are tied to the Executive Level II of the federal pay scale and are adjusted in accordance with federal salary increases, typically updated each January. For the most current salary cap levels, please refer to the [NIH Salary Cap Summary](#).

The salary cap restricts the amount of compensation that can be charged to grants and contracts funded by agencies that enforce the DHHS salary cap or similar limitations. This cap serves as the benchmark for determining allowable salary charges to federally sponsored awards. The salary cap also applies to subcontractors working on applicable sponsored projects for the University of Oklahoma.

**Cost Sharing Requirements:** Individuals whose institutional base salary exceeds the applicable cap must provide cost sharing from non-sponsored funds to cover the portion of their salary that exceeds the allowable limit.

**Summer Salary Policy:** Faculty with academic-year appointments who charge summer salary to NIH-funded projects must adhere to the same salary cap policies and procedures outlined above.

**Rebudgeting Considerations:** NIH does not provide supplemental funding for awards issued under prior salary cap rates. However, principal investigators (PIs) may rebudget existing funds to accommodate increases in salary rates, provided that sufficient funds remain in the award to cover the additional salary and associated fringe benefits.

**PI Responsibility:** Principal investigators are responsible for ensuring that salary charges exceeding the cap are not allocated to sponsored project accounts. They must also ensure that the corresponding cost share is properly documented and recorded.

**Salary Cap Calculator:** To assist with salary cap calculations, please use the Excel-based Salary Cap Calculator.

**Example:**

Salary and Cost Categories	Amount
Institutional Base Salary (IBS)	\$250,000
Salary cap	\$212,100
Over the cap amount (\$250,000 - \$212,100)	\$37,900
Effort on project	10%
Salary allowed to be directly charged to project (10% x \$212,100)	\$21,210
Salary to be paid by non-sponsored account (10% x \$37,900). Allocate this salary to a non-sponsored account.	\$3,790

**For more information:** If you would like assistance with salary cap compliance, please contact your GCA Grant Analyst.