

DHHS Salary Cap Calculation

Faculty with Full-Time Appointment (based on the Executive Level II salary of \$212,100)

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) is over the amount of Executive Level II of the Federal Executive pay scale, the Executive Level II salary of \$212,100 will be used to calculate the JHU employee's labor distribution.

Dr. Rosenbluth's received a new NIH award. Dr. Rosenbluth is providing 40% of effort on the NIH Award #2.

Step 1: Calculate Salary to be charged to NIH Award

Dr. Rosenbluth's current Institutional Base Salary is \$240,000. The current NIH Salary Cap Limitation is \$212,100. Dr. Rosenbluth's labor distribution (Infotype 9027 Base Pay and Labor Distribution) will be calculated using the NIH Salary Cap, \$212,100 X 40% of effort provided to the new NIH Award #2. Salary Cap (Executive Level II) X Effort Percentage

Salary Cap (Executive Level II) X Actual Effort

$\$212,100 \times 40\% = \$84,840^*$ **this is the maximum salary allowed to be charged to the NIH Award #2.**

$\$84,840/24 = \$3,535$ per pay period

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

Helpful Hint: If a JHU Employee's total pay is over the salary cap, the effort form will give the Pre Reviewer a warning message **"This Effort Form is potentially over the Salary Cap. Please review."**



This Effort Form is potentially over Salary Cap. Please review.

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

Pre Review

Name: Rosenbluth, Donald ⓘ Employee ID: 00000004 Title: Faculty
 Sub Dept: 00000000 - ERS BSPH IH Division: 162 - ERS Testing Title Code: U010



Reporting Period: 063023 (01-01-2023 through 06-30-2023)							
Payroll	Accounts	Description	Cost Sharing	Total \$	Total %		
Sponsored Accounts							
\$42,420.00	35% 70000002	NIH Award #2	\$0.00 0%	\$42,420.00	35%		
\$29,460.00	25% 70000006	Robert Wood John	\$0.00 0%	\$29,460.00	25%		
\$71,880.00	60%	Sponsored Subtotal	\$0.00 0%	\$71,880.00	60%		
Non-Sponsored Accounts							
\$48,120.00	40% 71000000	General Salaries	\$0.00 0%	\$48,120.00	40%		
\$48,120.00	40%	Non-Sponsored Subtotal	\$0.00 0%	\$48,120.00	40%		
\$120,000.00	100%	Grand Total	\$0.00 0%	\$120,000.00	100%		

➕ Add Account

NIH Salary Cap X Actual Effort (Payroll Amount)
\$212,100 X 40% = \$84,840 (For six months \$42,420)

The effort percentages on the Effort Form are calculated using the Institutional Base Salary (IBS)
IBS X Effort Percentage

\$240,000 X 40% = \$96,000 (For six months \$48,000)

The cost sharing amount on Cost Sharing Column
\$96,000-\$84,840 = \$11,160 (For six months \$5,580)

After the cost sharing adjustment, the effort form will reflect the 40% of effort on NIH Award #2.

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Pre Review

Name: Rosenbluth, Donald Employee ID: 00000004 Title: Faculty
Sub Dept: 00000000 - ERS BSPH IH Division: 162 - ERS Testing Title Code: U010

Changes Saved

Reporting Period: 06/30/23 (01-01-2023 through 06-30-2023)

Payroll	Accounts	Description	Cost Sharing	Total \$	Total %
Sponsored Accounts					
\$42,420.00	35% 70000002	NIH Award #2	\$5,580.00 5%	\$48,000.00	40%
\$29,460.00	25% 78000006	Robert Wood John	\$0.00 0%	\$29,460.00	25%
\$71,880.00	60%	Sponsored Subtotal	\$5,580.00 5%	\$77,460.00	65%
Non-Sponsored Accounts					
\$48,120.00	40% 71000000	General Salaries	\$-5,580.00 -5%	\$42,540.00	35%
\$48,120.00	40%	Non-Sponsored Subtotal	\$-5,580.00 -5%	\$42,540.00	35%
\$120,000.00	100%	Grand Total	\$0.00 0%	\$120,000.00	100%

Add Account

If 35% 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 \$84,840 (3,535.00/per pay) -\$74,235 (3,093.12/per pay) (see calculation below) = credit of \$10,605 (\$441.88 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)

\$212,100 x 35% = \$74,235 (For six months \$37,117.50)

IBS X Effort Percentage

\$240,000 x 35% = \$84,000 (For six months \$42,000)

The cost sharing amount on Cost Sharing Column

\$84,000-\$74,235 = \$9,765 (For six months \$4,882.50)

Pre Review

Name: Rosenbluth, Donald Employee ID: 00000004 Title: Faculty
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Changes Saved

Reporting Period: 063023 (01-01-2023 through 06-30-2023)							
Payroll	Accounts	Description	Cost Sharing	Total \$	Total %		
Sponsored Accounts							
\$37,117.50	31% 70000002	NIH Award #2	\$4,882.50 4%	\$42,000.00	35%		
\$29,460.00	25% 70000006	Robert Wood John	\$0.00 0%	\$29,460.00	25%		
\$66,577.50	56%	Sponsored Subtotal	\$4,882.50 4%	\$71,460.00	60%		
Non-Sponsored Accounts							
\$53,422.50	44% 71000000	General Salaries	\$-4,882.50 -4%	\$48,540.00	40%		
\$53,422.50	44%	Non-Sponsored Subtotal	\$-4,882.50 -4%	\$48,540.00	40%		
\$120,000.00	100%	Grand Total	\$0.00 0%	\$120,000.00	100%		

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 any further question about this please contact effort@jhu.edu .