The OSP News & Updates, published by the Office of Sponsored Projects, provides OSP updates, quick facts, sponsor/agency updates, guidance and training in all aspects of sponsored projects administration for faculty and department business offices. Please visit http://grants.yale.edu/news for archives. To subscribe, please go to: https://messages.yale.edu/subscribe.

1 DEPARTMENT OF HEALTH AND HUMAN SERVICES (DHHS) SALARY CAP INCREASES

On December 24, 2015, the NIH issued NOT-OD-16-045 announcing that the Executive Level II salary cap previously set at $183,300 is increasing to $185,100 effective January 10, 2016. Though the NIH issued a specific announcement addressing the new salary cap, it should be noted that the salary cap applies to awards from the CDC, AHRQ, SAMHSA, and other DHHS organizations.

According to NOT-OD-16-045 the following conditions apply to existing NIH grants, cooperative agreements, and research and development contracts:

- No adjustments will be made to modular grant applications/awards or to previously established commitment levels for non-competing grant awards issued with FY2016 funds.
- NIH competing grant awards with categorical budgets reflecting salary levels at or above the new cap(s) that are issued on or after the January 10, 2016 effective date, will reflect adjustments to the current and all future years so that no funds are awarded or committed for salaries over the limitation.
- For awards issued in those years that were restricted to Executive Level II, including competing awards already issued in FY2016, if adequate funds are available in active awards, and if the salary cap increase is consistent with the institutional base salary, Yale may rebudget to accommodate the current Executive Level II salary level. However, no additional funds will be provided to these awards and the total estimated cost will not be modified.
- An individual’s base salary, per se, is NOT constrained by the legislative provision for a limitation of salary. The rate limitation simply limits the amount that may be awarded and charged to NIH grants and contracts. Yale may pay an individual’s salary amount in excess of the salary cap with non-federal funds and in accordance with University policy.
- The salary limitation does NOT apply to payments made to consultants under an NIH grant although, as with all costs, those payments must meet the test of reasonableness and be consistent with institutional policy.
- The salary limitation provision DOES apply to subawards/subcontracts for substantive work under an NIH grant or contract.
Competing grant applications and contract proposals that include a categorical breakdown in the budget figures/business proposal should continue to reflect the actual institutional base salary of all individuals for whom reimbursement is requested. In lieu of actual base salary; however, PIs may elect to provide an explanation indicating that actual institutional base salary exceeds the current salary limitation. When this information is provided, NIH staff will make necessary adjustments to requested salaries prior to award.

**Impact to Existing Proposal Development (PD) Records**

PD has been updated with the new DHHS salary cap – these instructions are applicable to records that are either “In Development” or “In Review”

If no personnel listed in the budget have salaries in any year over the current cap of $183,300, then no action is needed.

For proposals that contains at least one individual with an institutional base salary greater than $183,300, but displayed as $183,300, please follow the instructions below:

**Reminders:**
- *PD automatically moves salary over the cap into the unallowable category*
- *If the appointment was deleted when building the budget, the DBO will need to verify the IBS (through YBT) to determine if the new cap is applicable*

For proposals with personnel exceeding the salary cap, please follow the instructions below to update the budget.

1. Navigate to the Budget Tab
2. Click on “Detail” to the left of the individual over the cap
3. Click on the “Appointments” tab
4. Change the base salary to $185,100
5. Click Save and Close

For proposals with salary at the cap with annual inflation, please follow the instructions below.

1. Navigate to the Budget Tab
2. Click “Detail” to the left of the individual over the cap
3. Click on the “Appointments” tab
4. Change the base salary to $185,100
5. Click on the “Detail” tab
6. Make sure the checkbox at the bottom of the page labeled “Allow defined sponsor cap to be ignored” is checked
7. Click Save and Close

2 Revised Form Justification to Direct Charge F&A Type Costs to a Federal Award

Effective immediately, revised Form 1403 FR.02 Justification to Direct Charge F&A Type Costs to a Federal Award must be used to document the need and appropriateness to direct charge a F&A type cost not included in the original federal or federal pass-through (subaward) proposal budget.

In certain circumstances, an F&A type cost may be appropriate to direct charge to a federal or federal subaward. To do so, Form 1403 PR.02 must be completed prior to incurring the expense, signed by the PI and the Department Business Office (DBO), and retained by the DBO for audit purposes as well as reviews conducted by OSP.

When completing the Form users are provided with a list of appropriate justification(s) rather than requiring the user to provide a detailed explanation for each type of cost. However, some costs, as noted on the form, still require a detailed justification. If a justification fitting the circumstance is not provided, select “Other” and follow the instructions.

The revised Form was designed to be easier to complete and reduce burden for the PI and DBO. Questions regarding the use or purpose of the Form can be directed to John Maloney at ext. 5-3077.

3 Timely Payment of Federally Funded Subaward Invoices

Any federal award received on or after December 26, 2014 and includes a subrecipient is subject to the following A-81 requirement:

“When the reimbursement method is used, the Federal awarding agency or pass-through entity must make payment within 30 calendar days after receipt of the billing, unless the Federal awarding agency or pass-through entity reasonably believes the request to be improper.”
In order to comply with federal requirements and avoid a potential audit finding, PIs and department business office staff need to closely monitor and manage the timely payment of subaward invoices from their departmental Accounts Payable worklists.

Therefore, OSP recommends:

- DBOs monitor the Accounts Payable worklist at least weekly
- If there are problems or concerns with the content of a subaward invoice which will prevent its immediate release for payment, record those problems and concerns as comments in the worklist transaction. Provide sufficient information so auditors and others will understand why the invoice is not released for payment. Immediately contact the subrecipient to resolve the issues and update the worklist comments accordingly.
- If the PI determines not to pay a subaward invoice for any reason (e.g., received from the subrecipient long after subaward expiration date; duplicate invoice; early termination of agreement, work was not done, etc.), reject the invoice and record the reason(s) in the space provided. **Do not leave a subaward invoice on the worklist that the PI does not intend to pay.**
- Contacting sharedservices@yale.edu or dennis.titley@yale.edu for assistance with worklist/invoice questions.

## 4 OSP STAFF UPDATES

We are pleased to announce the following promotions and new hires:

### Proposal Management Team
- We celebrate the promotion of Adrienne Marable from TA (Team Assistant) to Proposal Manager. Adrienne has been with Yale for more than twenty-six years; the last four have been with OSP. We are excited to have Adrienne in this new role.

- The remaining Proposal Manager position has been filled by Kimberly Fiore. Kim is new to the University, having previously spent eleven years working for the City of New Haven as Manager of Community Development programs. Kim’s previous experience will be a great asset to the Community.

### Subrecipient Monitoring Team
- We are pleased to announce that Melissa Norton has joined the Subaward Management Team as of November 30. Melissa is new to Yale, coming to us from a technology solutions company in Shelton, CT. Melissa’s background in customer service, ensuring regulatory compliance, and management of corporate contracts makes her a perfect fit for the team and OSP.
Financial Management Team

- We are pleased to welcome Bethany Nimons as OSP’s most newly hired Accountant. Bethany joined OSP on November 10th and comes with several years of Public Accounting experience. Bethany is currently undergoing training and OSP will in the near future announce her portfolio assignment.

- Congratulations go to Jessica Gray on her promotion to Effort Reporting Administrator. Jessica has been in OSP for over three years as an Invoicing Accountant. We are fortunate to have Jessica move into her new responsibilities within OSP and take on the challenging role of Effort Reporting Administrator.

5 Recent OSP Website Updates

As a reminder, check the OSP website for updates to Federal Sponsor award terms and conditions: http://grants.yale.edu/federal-award-terms-and-conditions-handbooks. The following agencies have updated their grant guides:


- **Environmental Protection Agency**: Awards made on or October 6, 2015 http://www.epa.gov/grants/grant-terms-and-conditions