NIH Salary Cap Guidance

Based on NIH posted guidance, proposals submitted for consideration must budget at actual salary amounts: https://grants.nih.gov/grants/how-to-apply-application-guide/format-and-write/develop-your-budget.htm

NIH is not obligated to pay requested salary above the annual salary cap, (see https://grants.nih.gov/grants/policy/salcap_summary.htm.) If salary is requested above the salary cap, NIH will likely reduce that line item to the current salary cap level, resulting in a reduced total award amount. In future years, if the salary cap increases, grantees may rebudget to pay investigator salaries up to the new salary cap, but NIH may not increase the total award amount.

Note to departmental liaisons who assist in preparing proposal budgets:

- Include actual institutional base salaries. Do not include salaries based on the NIH cap. This practice provides NIH staff with the most current information at the time a project is selected for funding. Per NIH Policy, it allows for NIH to apply the appropriate salary cap at that time of award.

Potential Consequences if not budgeting salary on actuals:

- NIH has stated that budgeting at the salary cap may result in reduced funding since salary caps are updated periodically.
- If a project is budgeting PI salary at the salary cap at proposal stage and the salary cap is raised after submission, the salary will remain at the lower level cap at award stage.

Note - it is possible that a specific NIH division advises that a project should be budgeted at the salary cap. For example, if there is a cap on the overall amount of the award or direct costs (ie 500k per year), NIH may ask that we budget at the salary cap. This is somewhat rare. If the situation does arise, reach out to your SPO team to discuss options. It may be necessary to contact the Grants Management Specialist to confirm whether we should be budgeting at the salary cap.