

Salary Over the Cap- SOP

For employees who have payroll allocated to a grant funded by the Dept. of Health and Human Services or other sponsoring agencies that have restrictions on amount of salaries that can be charged on their awards and whose institutional base salary is greater than the sponsor mandated salary cap, two payroll allocation lines must be set up in Workday based on expected effort on the grants. One to directly charge the grant up to the salary cap amount and a second allocation line to capture the salaries over the cap.

Below are step by step instructions on allocating payroll when sponsor imposes salary caps.→

Resources:

- [Link to DHHS Salary Cap Amounts](#)
- [Salary Cap Calculator](#)
- [UVA's Institutional Base Salary Policy- FIN-053](#)
- Instructions for Salary Cap Audit Report in PAC System at bottom of document

How do I determine if my grant is subject to the DHHS salary cap?

- In Workday, under Award Lines, Additional Information is a field named Award Line Salary Cap. If populated with “DHHS Salary Cap” then the grant is subject to the DHHS Salary Cap requirement.

| | |
|-----------------------|-----------------|
| Award Line Salary Cap | DHHS Salary Cap |
|-----------------------|-----------------|

How do I link non-sponsored worktags to DHHS (or other sponsored) grant for salary over the cap purpose?

- When the grant is being created non-sponsored worktags for funding the over the salary should be provided to OSP to add to the Grant as Allowable Worktags
- If they are not set up upon grant creation contact OSP to have as many non-sponsored worktags added needed to cover the employee’s salary over the cap

GR100123 MD-PEDT-Predictive Informatics

Details Related Worktags Roles

Related Worktags

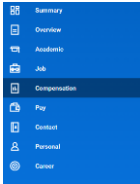
8 items


| Worktag Type | Allowed Worktags | Default Required | Default Worktag |
|---------------|---|------------------|---|
| Project | | | |
| Cost Center | CC1093 MD-IMMD CV Medicine CC1148 MD-PEDT Neonatology CC1252 MD-PBH3 Public Health Sciences Admin | | CC1148 MD-PEDT Neonatology |
| Business Unit | BU01 MD-Medicine | | BU01 MD-Medicine |
| Fund | FD005 Unrestricted Sponsored Program Indirect Recovery Fund (State 03030) FD014 Unrestricted Medical Center Operating Fund (State 03090) FD015 Restricted Local Fund FD021 Restricted Federal Sponsored Program Fund (State 03010) | | FD021 Restricted Federal Sponsored Program Fund (State 03010) |
| Function | FN009 Research Projects & Individual | | FN009 Research Projects & Individual |
| Program | | | |
| Gift | GF000660 FG-MD-LPD Academic Support | | |
| Designated | DN000001 MD-MSA Indirect Cost Recovery DN001573 MD-Med Center Funds Flow | | |

Salary Over the Cap- SOP

How do I determine if my employee's IBS is great than to the DHHS salary cap?

- Use the [Link to DHHS Salary Cap Amounts](#) link to determine the salary cap for the time frame in question.
- Use the [UVA's Institutional Base Salary Policy- FIN-053](#) to understand what is considered IBS and then enter the employee's name in the Workday search bar and hit enter. Once completed find the "compensation" area on the left-hand side of the screen.



If an employee has multiple positions that constitutes their IBS, like Clinical Faculty receiving UPG pay, this icon  should be used to find all position's compensation Example:

Employee IBS: \$400,000

DHHS Salary Cap: \$203,700

Budgeted Effort: 10%

Open Salary Cap Calculator and enter employee's specific details:

| Employee: John Doe | IBS Distribution | Information |
|--|------------------|---|
| Academic | \$ 100,000.00 | IBS at UVA includes ACD + UPG salaries |
| UPG | \$ 300,000.00 | |
| UVA Institutional Base Salary | \$ 400,000.00 | |
| DHHS Salary CAP | \$ 203,700.00 | FIN-053: Institutional Base Salary |
| Budgeted Effort: % | 10.00% | Link to NIH Salary Cap |
| Monthly Full Time Salary at UVA Rate | \$ 33,333.33 | |
| Monthly Full Time Salary at Capped Rate | \$ 16,975.00 | |
| Monthly Salary Based on Committed Effort | \$ 3,333.33 | |
| Monthly salary with cap applied | \$ 1,697.50 | IBS monthly salary amount to charge to grant. See "WD Payroll Alloc-Multi Position" if employee has ACD and UPG positions |
| Percent of Monthly with capped applied | 5.09% | |
| Monthly cost shared amount paid from UVA non sponsored fund for salary over cap | \$ 1,635.83 | IBS monthly salary over the cap salary amount that needs to be covered from non sponsored worktags. |
| Percent of Monthly cost shared amount paid from UVA non sponsored fund for salary over cap | 4.91% | |

Workday Payroll Allocation For UVA and UPG salaries

| Academic Base Salary | | | UPG Base Salary | | |
|--|-------------------|------------------|--|-------------------|------------------|
| Academic Salary- Annual | \$ 100,000.00 | | UPG Salary- Annual | \$ 300,000.00 | |
| Monthly Academic Salary | \$ 8,333.33 | | Monthly UPG Salary | \$ 25,000.00 | |
| Worktags | Costing \$ | WD Alloc% | Worktags | Costing \$ | WD Alloc% |
| DN000001 | \$ 1,697.50 | 20.37% | DN001452 | \$ 25,000.00 | 100.00% |
| GR100123 | \$ 1,635.83 | 19.63% | | \$ - | 0.00% |
| GR100123-DN000001-SOC | \$ 4,000.00 | 48.00% | | \$ - | 0.00% |
| GF001923 | \$ 1,000.00 | 12.00% | | \$ - | 0.00% |
| | \$ - | 0.00% | | \$ - | 0.00% |
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| | \$ - | 0.00% | | \$ - | 0.00% |
| | \$ - | 0.00% | | \$ - | 0.00% |
| ACD Monthly Totals | \$ 8,333.33 | 100.00% | UPG Monthly Totals | \$ 25,000.00 | 100.00% |
| Variance +/- | \$ - | 0.00% | Variance +/- | \$ - | 0.00% |
| Instructions | | | Instructions | | |
| Enter UVA position payroll allocation details Variances must be resolved before entering into Workday | | | Enter UPG position payroll allocation details Variances must be resolved before entering into Workday | | |

Salary Over the Cap- SOP

Please note that the results in green are based on a monthly paid employee's IBS. If the employee has only one position than the details from the "Salary Cap Calculator" tab can be used "as is" in your costing allocation. However, if you have a Clinical Faculty whose IBS is comprised of an Academic Position and an UPG Position, each position must have its own 100% payroll allocated. In these scenarios, please use the "WD Payroll Alloc-Multi Position" tab to ensure the appropriate allocation %s is used for each position.

Using the information from the calculator, assign the costing allocation for the employee in Workday

Academic Position:

| Posting Company | GR | Grant | Designated | Project | *Fund | *Cost Center | Function | Program | Additional Worktags | * Distribution Percent |
|---|----|---|---|---------|---|---|--------------------------------------|---------|---|------------------------|
| The Rector & Visitors of the University of Virginia | | | DN000001 MD- F&A Indirect Cost Recovery | | FD005 Unrestricted Sponsored Program Indirect Recovery Fund (State 03030) | CC1202 MD-PB46 Public Health Sciences Admin | FN009 Research Projects & Individual | | Activity: AC02960 MD-IBMS Research Admin Business Unit: BU01 MD-Medicine | 20.37 |
| The Rector & Visitors of the University of Virginia | | SR100123 MD- F&A Predictive Informatics | DN000001 MD- F&A Indirect Cost Recovery | | FD005 Unrestricted Sponsored Program Indirect Recovery Fund (State 03030) | CC1202 MD-PB46 Public Health Sciences Admin | FN009 Research Projects & Individual | | Activity: AC03408 MD-IBMS Operating Business Unit: BU01 MD-Medicine | 48 |
| The Rector & Visitors of the University of Virginia | | SR100123 MD- F&A Predictive Informatics | | | FD001 Restricted Federal Sponsored Program Fund (State 03010) | CC1148 MD-PEDT Neonatology | FN009 Research Projects & Individual | | Business Unit: BU01 MD-Medicine | 19.63 |
| The Rector & Visitors of the University of Virginia | | GF001923 TE-MD- IBOM Coulter Endowment | | | FD024 Restricted Endowment Income Fund | CC1200 MD-IBOM Coulter Center | FN009 Research Projects & Individual | | Business Unit: BU01 MD-Medicine | 12 |
| 100.00% | | | | | | | | | | |

UPG Position:

| Posting Company | GR | Grant | Designated | Project | *Fund | *Cost Center | Function | Program | Additional Worktags | * Distribution Percent |
|---|----|-------|-----------------------------------|---------|-----------------------------|---------------------------------------|----------|---------|---------------------|------------------------|
| University of Virginia Physicians Group | | | DN001482 UPG- Local General Funds | | FD009 Affiliated Foundation | UPR-011001 UPG-MD-IBMD Infectious Dis | | | | 100 |
| 100.00% | | | | | | | | | | |

Notes:

- When directly charging a sponsored grant for payroll expenses only Academic and Medical Center Position Salaries can be used. UPG Position Salaries cannot be used to directly charge a sponsored grant. However, UPG Position Salaries can be used for Salary Over the Cap and Cost Share purposes using the Gift worktag specifically created for using UPG salaries (GF003860).
- When entering an allocation line for salary over the cap purposes, enter the Grant ID first and then either the Designated (DN), Gift (GF) or Project (PJ). Since DN, GF and PJs are also driver worktags entering them second after the Grant ID will make entering the costing allocation more efficient.
- Grants with a Designated, Gift or Project and a non-sponsored fund will not bill the sponsor. These expenses will directly charge the non-sponsored worktags provided with the Grant ID associated for salary over the cap tracking purposes.

FAQs

- When determining the salary cap to use from the [Link to DHHS Salary Cap Amounts](#) should I use the salary cap amount from the year the award was issued or should I use the salary cap for the year the payroll is being paid out?
 - From DHHS: "For issued awards that were restricted to Executive Level II (see historical record of salary cap link below), including competing awards already issued in FY 2023, if adequate funds are available in active awards, and if the salary cap increase is

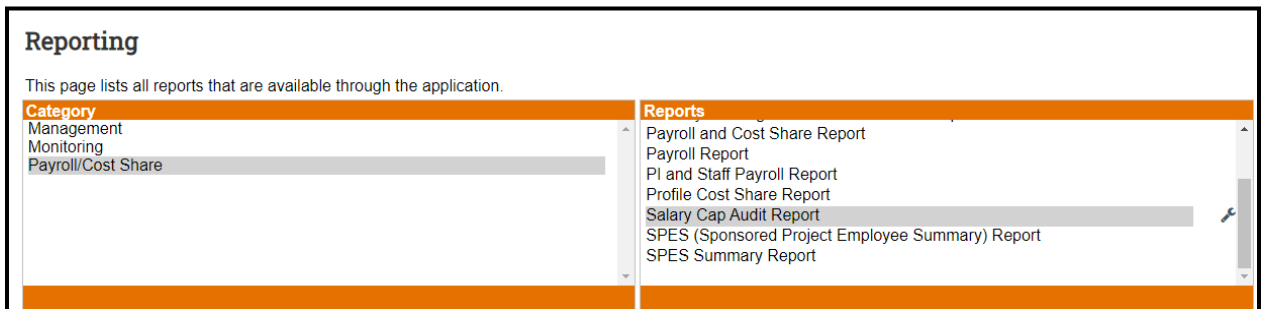
Salary Over the Cap- SOP

consistent with the institutional base salary, recipients may rebudget funds to accommodate the current Executive Level II salary level.”

Salary Cap Audit Report – PAC System

The Salary Cap Audit Report has been created to assist PRCs to review salaries of employees who are charged to sponsors that mandate salary caps. Note that the report only displays Certifiers whose IBS Salary is greater than the Prorated Salary Cap.

- a. While in the PAC system, select Reporting and Payroll/Cost Share Category.
- b. Then select “Salary Cap Audit Report” and click the “Run Report” button.



| Certifier | Cost center | Pprc | Period | Grant number | Grant start date | Grant end date | Ibs for period | Prorated salary cap | Grant payroll | Grant payroll percent | Soc and cost share dollars | Soc and cs percent | Computed payroll | Total payroll dollars | Amount to charge to grant | Positive value requires adjustment |
|-----------|-------------|------|--------|--------------|------------------|----------------|----------------|---------------------|---------------|-----------------------|----------------------------|--------------------|------------------|-----------------------|---------------------------|------------------------------------|
| | | | | | | | 106791.67 | 101850 | 998.32 | 0.93 | 0.00 | 0.00 | 0.93 | 998.32 | 947.21 | 51.12 |
| | | | | | | | 106791.67 | 101850 | 23432.50 | 21.94 | 0.00 | 0.00 | 21.94 | 23432.50 | 22345.89 | 1086.61 |
| | | | | | | | 149575.00 | 101850 | 19929.96 | 13.32 | 8441.90 | 5.64 | 18.97 | 28371.86 | 19320.95 | 609.02 |
| | | | | | | | 149575.00 | 101850 | 19930.02 | 13.32 | 10140.00 | 6.78 | 20.10 | 30070.02 | 20471.85 | -541.83 |
| | | | | | | | 142575.04 | 101850 | 1578.50 | 1.11 | 178.50 | 0.13 | 1.23 | 1757.00 | 1252.76 | 325.75 |
| | | | | | | | 142575.04 | 101850 | 19740.00 | 13.85 | 6310.10 | 4.43 | 18.27 | 26050.10 | 18608.00 | 1132.01 |
| | | | | | | | 142575.04 | 101850 | 6790.00 | 4.76 | 2743.66 | 1.92 | 6.69 | 9533.66 | 6813.77 | -23.77 |

The columns of the report are defined as:

- a. **Certifier** - the employee whose salary is subject to the salary cap.
- b. **Cost Center** - is the cost center of the certifier.
- c. **Pprc** - the Primary PRC of the cost center
- d. **Period** - the reporting period of the statement.
- e. **Grant Number, Grant start and Grant end dates** – the Grant information subject to Salary Cap
- f. **IBS for period** – the employee’s institutional base salary for the PAC statement period.

Salary Over the Cap- SOP

- g. **Prorated salary cap** - the salary cap at time of expense for the reporting period of 6 months.
- h. **Grant payroll** - the amount of payroll charged to the sponsored grant.
- i. **Grant payroll percent** - the percentage of payroll charged to the sponsored grant.
- j. **Soc and cost share dollars** - provides the amount of payroll allocation for salaries over the cap.
- k. **Soc and cs percent** - provides the percent of payroll allocation for salaries over the cap.
- l. **Computed payroll** - the combination of columns Grant payroll percent and Soc and cs percent.
- m. **Total payroll dollars** - the total payroll dollars associated with the grant, directly charged to the sponsored grant and SOC allocations. This report uses the information in the Computed Payroll column as the intended budgeted effort % the employee is contributing toward the grant.
- n. **Amount to charge to grant** - Based on the understanding that the Computed Payroll column is the intended budgeted effort % the employee is contributing toward the grant, this column provides the amount to charge the sponsored grant.
- o. **Positive value requires adjustment** - tells the report user if the calculation in this column is a positive number, then this amount of payroll needs to be adjusted from the sponsored grant to the SOC and CS portion of the grant.