



UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES

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Office of the President
PPM-001-2018
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SUBJECT: Salary Limitation for Grants and Cooperative Agreements

Purpose: This President's Policy Memorandum (PPM) provides guidance on the maximum salary that may be supported under grants and cooperative agreements awarded by the Uniformed Services University of the Health Sciences (USU).

Applicability: This PPM is applicable to grants and cooperative agreements awarded by USU to any organization, profit, or nonprofit regardless of whether the award is made for education, research or a combination thereof. The salary limitation also applies to any sub-award and sub-contract made under a USU grant or cooperative agreement.

Policy: It is USU policy that none of the funds awarded by or on behalf of the USU shall be used to pay the salary of an individual, through a grant, cooperative agreement or other extramural mechanism, at a rate in excess of Executive Level I (EL1) of the Federal Executive Pay Scale.

Since 2002, USU has followed Public Law 107-116, Section 204 which set the limitation of salary specifically related to grant and cooperative agreement awards at EL1. The use of a salary cap has been generally recognized as carrying out an important public policy to fairly share the costs of extramural researchers between the Federal government and academic health centers.

The term "salary" means "direct salary" which is exclusive of fringe benefits and G&A (General and Administrative) or other indirect costs incurred. "Direct salary" has the same meaning as the term "institutional base salary." An individual's institutional base salary is the annual compensation that the organization pays for an individual's appointment, whether that individual's time is spent on research, teaching, patient care or other activities. Base salary excludes any income that an individual may be permitted to earn outside of duties to the project supported by a USU grant.

The EL1 salary rate limitation applies to an annualized, full-time employee. Therefore, if an individual is hired at less than 100% effort, or works less than a full year on a project, the annualized full-time equivalency calculation may not exceed EL1 of the Federal Executive Pay Scale.

In rare situations, such as a national emergency or other exigency, the President of the University may make an exception to policy.

Effective Date: This PPM is effective immediately.

A handwritten signature in black ink, reading "RW Thomas". The letters are cursive and fluid, with a large "R" and "T".

Richard W. Thomas, MD, DDS, FACS
President