

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
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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 a fund hierarchy of non-sponsored funds will be added in the Allowed Worktags area so any associated Designated, Gift or Project worktags can be used for salary over the cap costing allocations.

GR013241 GB10767-162728-101-Neuroimmune Regulation of Acute Kidney Injury ⋮

Details Related Worktags Roles

Related Worktags

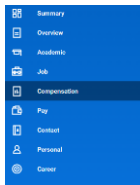
Worktag Types 8 items


Worktag Type	Allowed Worktags	Default Required	Default Worktag
Project			
Cost Center			CC1092 MD-INMD Nephrology
Business Unit			BU01 MD-Medicine
Fund	FD021 Restricted Federal Sponsored Program Fund (State 03010) FDH087 Allowed for Cost Share (Lvl 2)		FD021 Restricted Federal Sponsored Program Fund (State 03010)
Function	FN009 Research Projects & Individual		FN009 Research Projects & Individual
Program			
Gift			
Designated			

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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	FHS-053: Institutional Base Salary Link to NIH Salary Cap
Budgeted Effort: %	10.00%	
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 work
Percent of Monthly cost shared amount paid from UVA non sponsored fund for salary over cap	4.93%	

[illegible]

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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:

Costing Company	GR	Grant	Designated	Project	*Fund	*Cost Center	Function	Program	Additional Worktags	* Distribution Percent
x The Rector & Viceroy of the University of Virginia			x DN000001 MD-FSA Indirect Cost Recovery		x F0005 Unrestricted Sponsored Program Indirect Recovery Fund (State 03030)	x CC1202 MD-PB45 Public Health Sciences Admin	x FN009 Research Projects & Individual		x Activity AC03860 MD-SURS Research Admin x Business Unit: BU01 MD-Medicine	20.37
x The Rector & Viceroy of the University of Virginia		x GR100123 MD-PEDT Predictive Information	x DN000001 MD-FSA Indirect Cost Recovery		x F0005 Unrestricted Sponsored Program Indirect Recovery Fund (State 03030)	x CC1202 MD-PB45 Public Health Sciences Admin	x FN009 Research Projects & Individual		x Activity AC03408 MD-PHSD Operating x Business Unit: BU01 MD-Medicine	48
x The Rector & Viceroy of the University of Virginia		x GR100123 MD-PEDT Predictive Information			x F0021 Restricted Federal Sponsored Program Fund (State 03010)	x CC1148 MD-PEDT Neonatology	x FN009 Research Projects & Individual		x Business Unit: BU01 MD-Medicine	19.63
x The Rector & Viceroy of the University of Virginia	x GF001023 TE-MD-BDM Coulter Biosciences				x F0024 Restricted Endowment Income Fund	x CC1200 MD-BDM Coulter Center	x FN009 Research Projects & Individual		x Business Unit: BU01 MD-Medicine	12
										100.00%

UPG Position:

Costing Company	GR	Grant	Designated	Project	*Fund	*Cost Center	Function	Program	Additional Worktags	* Distribution Percent
x University of Virginia Physicians Group			x DN001402 UPG-Local General Funds		x F0009 Affiliated Foundations	x UPL001001 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 consistent with the institutional base salary, recipients may rebudget funds to accommodate the current Executive Level II salary level."

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Multiple salary cap audit report have 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.

The “**SOC Recon Report- Based on Computed Payroll % by Period**” has been created to assist PRCs with employees who are subject to the DHHS salary cap. This report assumes the computed payroll % is following the time spent on the grant. If there is an amount in the “Positive value requires adjustment” column reallocation of payroll between the sponsored grant and associated SOC worktags to maintain the same computed payroll %.

- 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.

Reporting		
This page lists all reports that are available through the application.		
Category	Reports	Description
Commitments	* Inactive Claim System Report	
Management	* Proactive Cost Transfer Report	
Monitoring	SOC Recon Report- Based on Computed Payroll %	The “SOC Recon Report- Based on Computed Payroll %” has been created to assist PRCs with employees who are subject to the DHHS salary cap. This report assumes the computed payroll % is following the time spent on the grant. If there is an amount in the “Positive value requires adjustment” column reallocation of payroll between the sponsored grant and associated SOC worktags to maintain the same computed payroll %.
Payroll/Cost Share	SOC Recon Report- Based on Computed Payroll % (Non Faculty)	
Time Study	SOC Recon Report- Based on Computed Payroll % by Period	
UVA Custom Reports	SOC Recon Report- Based on Computed Payroll % by Period (Non Faculty)	
	SOC Recon Report- Based on Salaries Charged on Grant	
	SOC Recon Report- Based on Salaries Charged on Grant by Period	
	* SPES (Sponsored Project Employee Summary) Report	

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 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.

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- 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.

The "**SOC Recon Report- Based on Salaries Charged on Grant**" has been created to assist PRCs with employees who are subject to the DHHS salary cap. This report assumes the salaries charged to the sponsored grant are allocated accurately based on the DHHS salary cap and budgeted effort. If there is a positive variance on this report this amount needs to be allocated to the SOC worktag to reflect total salaries (charged to grant + SOC) for effort spent on the grant.

Employee	Cost center	Pprc	Period	Grant number	Grant start date	Grant end date	Totalpay	Prorated salary cap	Payroll dollars	Payroll %	Soc and cost share dollars	Total payroll dollars	Calculated soc	Variance
			06/25/2024-12/24/2024	GR102249	10/29/2021	07/18/2024	119991.67	110950.0	6532.11	5.44	527.97	7060.08	531.95	3.98
			06/25/2024-12/24/2024	GR102249	10/29/2021	07/18/2024	119991.67	110950.0	6532.11	5.44	527.97	7060.08	531.95	3.98
			06/25/2024-12/24/2024	GR103949	09/16/2021	05/31/2026	161608.33	110950.0	1665.00	1.03	760.02	2425.02	760.02	0.0
			06/25/2024-12/24/2024	GR100493	09/01/2022	08/31/2027	161608.33	110950.0	11095.02	6.87	5069.25	16164.27	5069.25	0.0
			06/25/2024-12/24/2024	GR102264	08/01/2023	04/30/2027	185149.98	110950.0	12716.91	6.87	8506.62	21223.53	8506.62	0.0

- a. **Employee** - 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. **Total Pay** – the employee's institutional base salary for the PAC statement period.
- g. **Prorated salary cap** - the salary cap at time of expense for the reporting period of 6 months.
- h. **Payroll dollars** - the amount of payroll charged to the sponsored grant.

- i. **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. **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.
- l. **Calculated SOC**- calculated salary over the cap amount to allocated to using non sponsored funds for reporting period
- m. **Variance**- difference between Soc and cost share dollars and Calculated SOC fields

Workday RAD Report- this report has been created to provide pay period level detail for salary over the cap allocations. Please note, this report is only valid for pay periods beginning 1/1/2025 and after. There are three different "Sheets" in RAD that provide different breakdowns for salary over the cap.



SOC Analysis



SOC Analysis 2



Salary OTC Report

