A salary cap limits the amount of salary that can be charged to an award. The salary amount over the cap is not considered cost-sharing, as it is not an allowable expense and it cannot be used to meet cost-sharing obligations. However, this amount must be tracked by the academic unit and reflected in the Effort Reporting System (ERS) during the annual effort certification period.

The salary cap does not limit the total UIC Institutional Base Salary (IBS) but only the portion of salary that can be charged to an award. The portion of salary over the cap must be charged to an unrestricted or non-sponsored fund. Salary cap limitations generally assume a 12 month, full-time appointment; therefore, appointments less than 1.0 FTE and/or less than 12 months must be prorated.

UIC’s largest sponsor, the National Institutes of Health (NIH), is governed by regulations establishing a maximum salary that may be awarded to a project participant. Other federal and non-federal agencies also impose salary caps.

Example:
A faculty member’s IBS is over the salary cap and committed 10% effort on an NIH award. Only 10% of the NIH salary cap can be charged to the award:

IBS: $225,000
NIH Cap: $183,300
Effort committed to NIH grant: 10%

**Maximum salary charged to NIH grant:** Effort % X NIH Cap = $18,330 (10% X $183,300)

Salary corresponding to 10% effort (A): Effort % X IBS = $22,500 (10% X $225,000)
Amount to be charged to NIH grant (B): Effort % X NIH Cap = $18,330 (10% X $183,300)

**Amount to be tracked & charged to non-sponsored fund:** (A) – (B) = $4,170 ($22,500 - $18,330)

For additional examples, select appropriate fiscal year from the Salary Cap Summary webpage at: