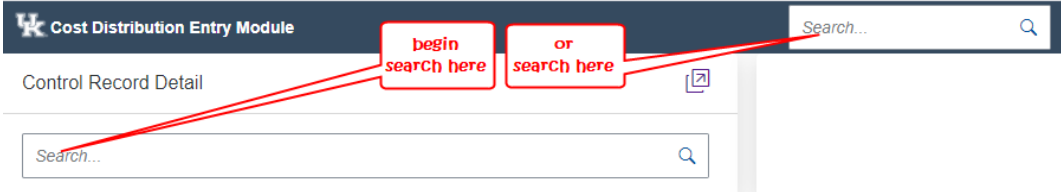# Salary Cap in CDEM (Example)

Simplified example on how to establish salary cap in CDEM. Broader details and information available on QRC CDEM Complete Details.

Salary Cap	Salary Cap is the maximum annual rate of direct (base) salary for full time effort that can be charged to an agency's award. DHHS which includes NIH enforces a salary cap which is indexed to a specified Executive pay level and changes periodically. Fringe benefit expenses follow the salary cap rate. A list of current and historical maximum direct salary rates: https://grants.nih.gov/grants/policy/salcap_summary.htm
Salary Cap Calculation	Salary Cap Calculation is a formula to determine the maximum amount of individual salary allowable to be charged to a grant. Any amount above this calculation must be cost shared to be compliant. Salary Cap templates, examples and FAQs https://www.uky.edu/ufs/payroll-confirmation-service-centers#DHHS%20Salary%20Cap
Salary Cap Cost Share	Salary amounts over the salary cap are considered unallowable expenses and cannot be direct charged to the sponsor. Although amounts over the salary cap are recorded through cost share, these amounts cannot be included in cost share obligations.
Search for individual	
Click on the arrow to view a list of commitments for the individual	

COMMITMENT DOES NOT HAVE COST SHARE

Click the display icon on the left to view details Click the edit icon to make changes to a commitment	**Commitmeı** Curr/Fut Dist? *Click to view Commitment details* *Click to edit*

Add cost share percentage and change external percentage to reflect salary cap calculation Add notes as needed Click Save Effective Period to continue Create and initiate In-progress plan	**Begin** / **End** / **Fund** / **UFP** / **Type** / **Perc** / **Notes** 01-01-1900 12-31-9999 0011890200 No CSTSHR *before* 0 01-01-1900 12-31-9999 0226000060 No EXTERN 0.85 Original budget **Enter Percent distribution by fund:** Fund / Fund Type / Percentage / Notes 0011890200 CSTSHR 0.23 *Change percentage as needed* salary cap *add notes as needed* *Cost share* 0226000060 EXTERN 0.62 Enter notes (optional) *direct charge* *Click to Continue* **Save Effective Period** Cancel

COMMITMENT HAS COST SHARE

Click the display icon on the left to view details Click the edit icon to make changes to a commitment	**Commitmeı** Curr/Fut Dist? *Click to view Commitment details* *Click to edit*

Change cost share percentage and external percentage to reflect salary cap calculation Add notes as needed Click Save Effective Period to continue Create and initiate In-progress plan	**Begin** / **End** / **Fund** / **UFP** / **Type** / **Perc** / **Notes** 01-01-1900 12-31-9999 0011890200 No CSTSHR *before* 1.00 Original budget 01-01-1900 12-31-9999 0226000060 No EXTERN 1.50 Original budget **Enter Percent distribution by fund:** *after* Fund / Fund Type / Percentage / Notes *add notes as needed* 0011890200 CSTSHR 1.08 *Change percentage as needed* 1% original budget for cost share plus .8% for salary cap *Cost share* 0226000060 EXTERN 1.42 Original budget was 1.5%, reduced for salary cap *direct charge* *Click to Continue* **Save Effective Period** Cancel

COMMITMENT HAS COST SHARE BUT AT A DIFFERENT PERCENTAGE IN DIFFERENT PERIODS

Click the display icon on the left to view details Click the add icon to add an effective period to a commitment	Commitmei Curr/Fut Dist? **Click to view commitment details** **Click to add effective period**

	**Begin	End	Fund	UFP	Type	Perc	Notes** 01-01-1900	12-31-9999	0011890200	No	CSTSHR	*before* 1.00	Original budget 01-01-1900	12-31-9999	0226000060	No	EXTERN	1.50	Original budget
Change begin date Change cost share percentage and external percentage to reflect salary cap calculation Add notes as needed Click Save Effective Period to continue Create and initiate In-progress plan	**Effective Period:** 5/1/2020 to 12/31/9999	Go to current date. **Change begin date** Use For Proration **Enter Percent distribution by fund:** **add notes as needed** Fund	Fund Type	Percentage	Notes 0011890200	CSTSHR	1.70	salary cap beginning at earliest retro date — **Change percentage as needed** 0226000060	EXTERN	.80	reduced for salary cap **Click to Continue** → **Create Effective Period**	Cancel **Begin	End	Fund	UFP	Type	Perc	Notes** *after* 05-01-2020	12-31-9999	0011890200	No	CSTSHR	1.70	salary cap beginning at earliest retro date 05-01-2020	12-31-9999	0226000060	No	EXTERN	0.80	reduced for salary cap 01-01-1900	04-30-2020	0011890200	No	CSTSHR	1.00	Original budget 01-01-1900	04-30-2020	0226000060	No	EXTERN	1.50	Original budget

COST OBJECT IS NOT LISTED IN COMMITMENTS

If the cost object is not listed, follow QRC CDEM Add a New Cost Object. Direct charge percentage and cost share percentage should reflect salary cap calculation.

CREATE AND INITIATE IN-PROGRESS PLAN

Follow QRC Create, Initiate and Approve In-Progress Plan in CDEM to update IT27s