

March 3, 2023

RYAN WHITE HIV/AIDS PROGRAM GUIDANCE: Salary Cap Limitations for Executive Level II

The DC Health HAHSTA Ryan White Program follows federal guidelines around salary limitations supported through Ryan White Parts A and B Grant funding.

Effective January 1, 2023, the salary limitation for Executive Level II is \$212,100. This is the maximum salary rate that may be awarded and charged to federally funded grants and cooperative agreements. Award funds may not be used to pay the salary of an individual at a rate in excess of Executive Level II as individual salaries above the Executive Level II cap are considered *unallowable costs*. Additionally, program income may not be used to pay salaries in excess of the salary rate limitation.

Definition: An individual's institutional base salary is the annual compensation that the sub-recipient organization pays an individual and excludes any income an individual may earn outside the applicant organization duties.

The salary limitation does not apply to payments made to consultants under this award; although, as with all costs, those payments must meet the test of reasonableness and be consistent with the sub-recipient's institutional policy.

Note: an individual's base salary, per se, is not constrained by the statutory provision for a limitation of salary. The rate limitation simply limits the amount that may be awarded and charged to HAHSTA.

Sub-recipients must use funds from non-federal awards to pay the excess balance for individuals whose salary rates are in excess of Executive Level II. Sub-recipients must disclose the source of funding with which they intend to fund the balance of salaries that exceed the cap.

The following are examples of Salary Application Requests, Salary Cap Calculations and Adjustments:

For all examples:

- the Institutional Full-Time base salary (FTS) is \$240,000
- the requested Fringe Benefits rate is 25% of the direct salary
- the (F&A) indirect cost rate is 45%
- the salary cap for grant awards/contracts issued on or after January 1, 2023, is \$212,100

Example 1. Individual with Full-Time Appointment

Level of effort requested in application/proposal – 12 months (50% effort)

a.	Individual's institutional base salary for a FULL-TIME calendar year appointment	\$ 240,000.00	(FTS)
b.	Direct Salary with research effort (50%)	\$ 120,000.00	(a x .50)
c.	Fringe Benefits requested at 25% of salary	\$ 30,000.00	(b x .25)
d.	SUBTOTAL	\$ 150,000.00	(b + c)
e.	Requested F&A (indirect) costs at 45% of subtotal	\$ 67,500.00	(d x .45)
f.	Total amount to be requested	\$ 217,500.00	(d + e)

The salary cap for the above individual will be calculated as follows:

g.	Salary Cap – FY 2023	\$ 212,100.00	
h.	Salary Cap with research effort (50%)	\$ 106,050.00	(g x .50)
i.	Fringe Benefits calculated at 25% of allowable salary	\$ 26,512.50	(h x .25)
j.	SUBTOTAL	\$ 132,562.50	(h + i)
k.	Associated F&A (indirect) costs at 45% of subtotal	\$ 59,653.13	(j x .45)
l.	Total amount to be awarded due to salary limitation	\$ 192,215.63	(j + k)

Therefore, the amount of reduction due to federal salary limitation is:

m.	Total adjustment	\$ (25,284.37)	(l - f)
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Contacts:

For additional information on this program guidance document, please contact Ebony Fortune, Ryan White HIV/AIDS Program Manager at ebony.fortune@dc.gov.

Supporting Regulations:

1. The Consolidated Appropriations Act, 2022, § 202, (P.L 117-103)