

# Sponsor Salary Restrictions: Including Clinical Practice in Institutional Base Salaries

## Background

The National Institutes of Health (NIH), in consultation with the Department of Health and Human Services and other federal agencies, has revised the requirements for including clinical practice compensation (CPC) within institutional base salary (IBS) costs charged to NIH grants for investigators receiving compensation from the institution (grantee/contractor) and separately organized clinical practice plans.

The criteria require the IBS not vary by specific clinical services provided by the investigator within the periods for which total IBS is certified by the institution.

The revised requirements support conformance with applicable federal cost principles and other limitations, such as the legislative salary cap, to ensure consistency in compensation across the institution regardless of the source of support.

## Requirements

CPC may be included in the IBS budgeted and charged to NIH sponsored agreements if all of the following criteria are met:

- a. Clinical practice compensation must be set by the institution\*
- b. Clinical practice activity must be shown in the institution's payroll or salary appointment forms and records approved by the institution
- c. Clinical practice compensation must be paid through or at the direction of the institution
- d. Clinical practice activity must be included and accounted for in the institution's effort reporting and/or payroll distribution system
- e. The institution must assure that all financial reports and supporting documents associated with the combined IBS and resulting charges to NIH grants are retained and made available to Federal officials or their duly authorized representatives consistent with the requirements of 45 CFR Part 74.53 (A-110 Subpart C 53)."

\*Set by the institution means the grantee/contractor institution must be able to document and certify the specified amount of CPC is being paid in essentially the same manner as other specified amounts of the committed IBS (compensation) of the investigator.

## References

- NIH New Guidelines 8/4/05: <https://grants.nih.gov/grants/guide/notice-files/NOT-OD-05-061.html>
- OMB Circular A-21 (Cost Principles for Colleges and Universities): [https://www.whitehouse.gov/omb/circulars\\_a21\\_2004](https://www.whitehouse.gov/omb/circulars_a21_2004)

## Feedback

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