

## **CEHS Policy on Federal Salary Cap Cost Sharing**

### **Purpose**

To ensure a consistent, transparent, and fiscally responsible approach to cost sharing requirements associated with the federal salary cap for sponsored projects within CEHS.

### **Background**

Federal agencies impose a salary cap that limits the portion of an investigator's institutional base salary that may be charged to a sponsored project. When an investigator's salary exceeds this cap, the difference between the capped and actual salary must be supported by non-sponsored funds and constitutes required cost sharing.

### **Policy**

In CEHS, investigators are responsible for covering all cost sharing associated with salary amounts that exceed the federal salary cap. This cost sharing must be met using allowable, non-sponsored sources under the investigator's control (e.g., endowments, discretionary, overhead, or other non-restricted funds).

College, department, or E&G funds are not to be used to meet this obligation except under exceptional circumstances and with prior approval.

### **Scope**

This policy applies to all CEHS faculty and investigators participating in externally funded sponsored projects subject to a federal salary cap.

### **Related CEHS Policies**

- CEHS Policy on Returned F&A
- CEHS Course Buyout Policy
- CEHS Salary Savings Guidelines

Original Issue Date: 07/01/2026

Last Review Date: 07/01/2026

Previous Revision Dates: n/a