

Program Income

How To Account for Program Income

The University is accountable for program income generated from sponsored program activities. Generally, program income means all income (revenue) derived by the University from activities financed in whole or part with funds from a sponsored program award.

The sponsor of the underlying award may limit the use of program income. Sponsored Programs Administration should be contacted regarding the usage. Once program income has been established, whether anticipated during the proposal process or unanticipated, Sponsored Programs Administration will provide Grants and Contracts Accounting the proper documents to create a program income index. The program income index will be created with the same budget period of the core index and extended with each new budget period of the same project.

Administration of the index will depend upon the alternative required by the sponsor for program income.

Deductive Alternative

Program income is deducted from the total project cost in determining the net costs of the federal share. Program income will be deposited to the core index as recovery. No separate index will exist.

Additive Alternative

Program income is used for costs that are in addition to the allowable cost of the project but which further the federal statute under which the award was authorized. A separate index will be established. The index title will include the phrase "program income for (the underlying award)." Program income will be deposited as revenue.

Combination Alternative

The additional cost regulation applies to the first \$25,000 of program income and the Deduction Alternative regulation applies to the program income in excess of \$25,000. Program income will be deposited as revenue in a separate index until the first \$25,000 has been received then deposits would be recorded as recoveries in the core index.

Matching Alternative

Program income used to satisfy all or part of non-federal share of a project. A separate index will be established. The index title will include the phrase "program income/match for (the underlying award)." Program income will be deposited as revenue.

Reporting Program income

Program income will be reported to the sponsor of an underlying award if required by the terms of the agreement.

Fixed Price Agreement

Program income may be generated through separate fixed price agreements. When fixed price agreements are closed out, (using the form), the principal investigator may request that after deducting facilities and administrative costs that the balance be transferred to the program income index.

Termination of the Underlying Project

Program income generated during the project and remaining after the project conclusion must be expended according to the approved alternative. Income generated after the underlying award period is free from the sponsor regulations. Income may be expended at the principal investigator's research related discretion. A program income pool index may be created to deposit funds received for goods and services of more than one project after the awards end.

Program Income Transfer

Program income funds may not be transferred to another institution unless expressly directed by the sponsor of the underlying award.