

Policy 15 - Program Income

Definition

Program income is the gross revenue earned from activities for which the direct costs have been charged to a grant (or subgrant) or counted as a direct cost toward meeting a cost sharing or matching requirement of a grant.

Examples of program income are:

- Fees for services such as laboratory drug testing or conference fees
- Proceeds from sale of equipment or supplies purchased or constructed with grant funds if title does not vest in the grantee
- Usage or rental fees charged for use of facilities or equipment such as computer use charges or copy charges
- Funds generated by the sale of commodities such as sale of tissue cultures, cell lines or research animals
- Third party patient reimbursements for hospitals or other medical services where such reimbursement occurs because of the grant supported activity
- Patent or copyright royalties

Depositing Program Income

Grants and Contracts Accounting should be contacted at the time it is recognized program income will be generated. They will assist in establishing the proper method of accounting for the income. Since program income has the same accountability requirements as federal grant funds, Grants and Contracts will select a mechanism which will account for program income in accordance with federal requirements.

Reporting Program Income

Program income, in accordance with specific agency requirements, is reported to the sponsoring agency on financial reports which are prepared periodically.