

CATEGORY: RESEARCH ADMINISTRATION  
SECTION: Research  
SUBJECT: Program Income  
EFFECTIVE DATE: January 3, 1995  
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I. PURPOSE

To establish accounting control of income from federally sponsored programs. Certain federal programs generate income which either is subject to special rules and restrictions or may be applied as additional program support.

II. DEFINITION

"Program income" refers to that portion of gross revenues, including royalties, received by or accruing to a grantee or contractor through activities undertaken in the performance of a grant or contract whether received during or after the grant or contract period. Program income includes, but is not limited to, receipts from the sale, licensing, lease, rental, or other arrangement for the use, release, dissemination or other disposal of copyrightable or non-copyrightable material, property, services, and inventions developed, produced, or acquired with sponsor support. Program income also includes any interest earned on all such significant revenues and proceeds. Program income is divided into federal share and the grantee's share on the basis of their respective contributions to the cost of the program.

III. POLICY

All program income from federally sponsored awards must be accounted for in the specific ledger-5 account. All such income, if not subject to specific contract or grant conditions, must be applied to provide additional program support. It shall be added to the funds committed to the program by the sponsor and be used to further program objectives. Expenditures of such program income are subject to regular ledger-5 rules including indirect cost charges.

Unless specifically outlined in the contract or grant, the awardee shall have no obligation to sponsoring agencies with respect to program income received beyond the life of the award. The Office of the Controller has the responsibility to account for and, when applicable, to remit any program income earned.