

Program Income

Program income as defined by 2 CFR §200.80 means gross income earned by the non-Federal entity that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance. Federal awarding agencies require recipient organizations to account for program income related to projects funded in whole or in part with federal funds. The use of these funds is specified in the award, and further described below.

It is the responsibility of the sponsored program's principal investigator (PI) to identify in the proposal the possible receipt of program income. If the award is funded, then a separate account should be created by Grants and Contracts Accounting (GCA) to ensure proper accounting treatment. When a sponsored project account is being closed, GCA confirms program income amounts and includes program income on the financial status report to the sponsor.

OUHSC follows these principles in the treatment of program income, unless the agency-specific requirements of the award specify otherwise:

- 1) Program Income earned during the project period is to be retained by OUHSC and, in accordance with awarding agency regulations and/or terms and conditions of the award, must be used in one or more of the following ways:
 - a) The program income may be added to funds already committed to the project by the awarding agency and OUHSC and used to further eligible project or program objectives.
 - b) It may be used to finance the non-Federal share of the project/program.
 - c) It may be deducted from the total project or program allowable cost in determining the net allowable costs on which the Federal share is based.
- 2) If not specified by agency regulations or the terms and conditions of the award, section 1.c applies automatically to all projects or programs except research. For awards supporting research, section 1.a automatically applies unless indicated otherwise.
- 3) OUHSC has no obligation to the Federal Government regarding program income earned after the end of the project period.
- 4) OUHSC has no obligation to the Federal Government with respect to program income earned from license fees and royalties for copyrighted material, patents, patent applications, trademarks, and inventions produced under an award.

Federal and agency-specific guidelines regarding program income can be found at:

[Uniform Guidance 2 CFR §200.307](#)

[NIH Grants Policy Statement Section 8.3.2](#)