# PSU Sponsored Program Procedure Template

Separate procedures based on use of different databases/technology and if approval/release is required. Use Calibri 12 pt font.

<table>
<thead>
<tr>
<th>Title:</th>
<th>Be specific (i.e. Award Set Up in Banner Finance)</th>
</tr>
</thead>
</table>

**Program Income**

<table>
<thead>
<tr>
<th>Version:</th>
<th>(1-11-14-2019 version number and date released)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1-04-03-2020</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Prepared by:</th>
<th>(Name of Author, Title)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Liane Sutcliffe Post Award Accountant</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Approved by:</th>
<th>(Name, Director of Office of Sponsored Programs 11-14-2019)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Position authorized to execute this procedure:</th>
<th>(Position, Title)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>TBD</td>
</tr>
</tbody>
</table>

**Purpose/goal of procedure:** (Briefly explain what procedure will accomplish)

According to 2 CFR 200 (Uniform Guidance), Program Income means gross income earned by the University that is directly generated by a supported activity or earned as a result of an award during the period of performance. If a product or service is developed during the course of a sponsored project and the development of that product or service was funded by a sponsoring agency, then the net income received is considered program income.

Formula: Price for Product or Service – Costs of Producing Product or Service = Program Income

Examples of Program Income include:
- Fee for services performed, such as laboratory tests.
- Money earned from the use, sale or rental of equipment purchased with project funds.
- Sale of software, tapes or publications.
- Sale of research materials, such as animal models, tissue cultures or reagents.
- Registration fee paid by participants at workshops, conferences or symposia.
- Sale of products with an accompanying material transfer agreement.

Exclusions from Program Income are the following:
- Interest earned on advances of federal funds.
- Receipt of principal on loans, credits, discounts, etc. or interest earned on them.
- Taxes, special assessments, levies and fines raised by government recipients.
- Unless otherwise stated, the University has no obligation to the Federal awarding agency with respect to program income earned from license fees and royalties for copyrighted material, patents, patent applications, trademarks, and inventions made under a Federal award to which 37 CFR part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Awards, Contracts and Cooperative Agreements” is applicable.

**Technology Access Required:** (Banner Finance, Sponsor Portal, USNH Enterprise Systems Gateway, Be specific)

Banner Finance, ability to enter budget documents to recognize incoming revenue.

**Procedure:** (Detail the steps needed to execute procedure. Include screen shots of technology interfaces.)
1. Sponsored Programs Administration will determine whether the program income associated with an award must be reported to the sponsor and will determine the appropriate method to be used. If required, program income information will be included in the official financial report and/or invoices submitted to the sponsor. Reportable program income can be handled in one of 3 methods, depending on the sponsor’s policies or the terms and conditions of the awards.

2. Additive Method Income is added to the funds obligated by the sponsor (and the University if cost sharing is involved), therefore increasing the total project budget available to further eligible project activities and objectives.

3. Deductive Method – Income is deducted from the amount of project cost to be reimbursed by the sponsor therefore reducing the funds obligated by the sponsor.

4. Matching Method – Income is used to finance the cost of the project not borne by the sponsor (i.e. used to fulfill match or cost share requirements).

5. All program income funds should be setup with the same F&A rate as the sponsor grant and fund it is associated with. In other words, F&A costs will be charged to the program income accounts at the same F&A rate applied to the sponsored agreement which generates the income. F&A costs should be included when determining the registration fee, price of materials, etc.

6. Program Income Generated after the Sponsored Project is Closed:
   As specified in 2 CFR 200 §200.307(f) “there is no Federal requirements governing the disposition of income earned after the end of the period of performance for the Federal award, unless the Federal awarding agency regulations or terms and conditions of the Federal award provide otherwise.” This clause will also be applied to program income generated after a non-Federal award expires, unless the terms and conditions of the award specify otherwise.

7. Initiate fund request form, tie the Program Income fund with the grant code. Coding convention is: 65Pxxx and appropriate org. Assuming the grant is already set up in Banner Finance, when the new fund is requested via webi, the grant fund should be listed in the lower part of the request. This ties the grant to the program income fund. Note: one grant can have multiple funds attached to it.

8. As revenue is received, expense and revenue budgets must be increased to build budgets and recognize the revenue received.

9. It is advisable to use Program Income funding first for expenditures, prior to using sponsor funding, though it is not mandatory.

10. Review of expenses and balance available should be reviewed by PI and OSP

11.

12.

13.