The New Uniform Guidance Fact Sheet
on
Program Income

Under Section 2 CFR §200.80 in the new Uniform Guidance, program income is defined as gross income earned by an organization that is generated by a supported activity or earned as result of the federal award during the period of performance. For example, if a grantee charges conference fees for a conference that is a grant-sponsored activity, then the conference fees would be considered program income. Another example of program income would be client fees received for a grant activity.

In the previous administrative requirements, recipients were able to utilize the addition method for using program income (add program income to the federal award amount to increase total project costs) at any point during the award period. However, Section §200.307 in the new Uniform Guidance (applicable to all federal awards issued *after* December 26, 2014) requires any program income that was not originally approved in the budget to be deducted from their total federal award (utilizing the "deduction" method). For example, if a recipient generates $10,000 in program income that was not anticipated at the time the budget was approved and their federal award amount is $150,000, then the $10,000 would reduce the federal award to $140,000, while maintaining a total project amount of $150,000.

Federal Award Amount	$150,000
Program Income	- 10,000
New Federal Amount	$140,000

However, the program income may be ***added*** into the federal award to increase the funds available for the program if it is included in the original approved budget, so that the program income is approved and authorized by the Federal awarding agency (e.g., OVW). OVW recipients should contact their program managers or GFMD if they have any questions about program income.

Most importantly, the program income must be used for the purposes under the award and for allowable costs under the federal guidelines and conditions in the federal award. The program income takes on the properties of federal funds, so costs that are allowable in the award would be allowable; and conversely, costs that are unallowable under the award would be unallowable as program income. For example, food is typically not an allowable cost under the Federal guidelines, so the program income should not be used to purchase food. Any program income may be distributed throughout the budget of the award and spent on project-related activities.

Resources:

NSTA Project's Webinar Series and Resources on the New Uniform Guidance: http://resourcesharingproject.org/new-uniform-guidance-webinar-series-feb-2015

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