New York University

UNIVERSITY POLICIES

Title:	Program Income Policy for Sponsored Programs
Effective Date:	December 1, 2017
Supersedes:	September 1, 2013
Issuing Authority:	Sponsored Programs Administration
Responsible Officer:	Assistant Vice President for Post-Award Administration

Policy

It is the policy of New York University (NYU, "the University") that program income must be identified and tracked in accordance with federal and other sponsor requirements.

Program income is gross income earned by the recipient that is directly generated by a supported activity or earned as a result of a sponsored award. Program income includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under Federally funded projects, the sale of commodities or items fabricated under an award, and principal and interest on loans made with award funds.

A project may have program income as a result of providing services to other organizations and/or from the sale of items developed under the award. When NYU engages in such activities, program income must be accounted for in the manner prescribed by sponsor regulations and NYU's Policy.

Federal awards that contain program income will usually contain terms and conditions specifying how the program income should be used. The various options for the application of program income are shown below. In the rare cases where the application of program income is not defined in the terms and conditions of the agreement, recipients should use the default methodology defined in option 2, *Addition*. Please note that the Federal awarding agency may distinguish between income earned by the recipient and income earned by subrecipients and between the sources, kinds, or amounts of income.

1) *Deduction*
   Ordinarily program income must be deducted from total allowable costs to determine the net allowable costs. Program income must be used for current costs unless the Federal awarding agency authorizes otherwise. Program income that the non-Federal entity did not anticipate at the time of the Federal award must be used to reduce the Federal award and non-Federal entity contributions rather than to increase the funds committed to the project.

2) *Addition*
   With prior approval of the Federal awarding agency program income may be added to the Federal award by the Federal agency and the non-Federal entity. The program income must be used for the purposes and under the conditions of the Federal award.

3) *Cost sharing or matching.*
With prior approval of the Federal awarding agency, program income may be used to meet the cost sharing or matching requirement of the Federal award. The amount of the Federal award remains the same.

4) *Income after the period of performance*
There are 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 the terms and conditions of the Federal award provide otherwise. The Federal awarding agency may negotiate agreements with recipients regarding appropriate uses of income earned after the period of performance as part of the grant closeout process.

For non-Federal awards, stipulations around program income should be addressed in the sponsor's terms and conditions or by contacting the sponsor through the Office of Sponsored Programs (OSP).

Proceeds from the sale of property shall be handled in accordance with the requirements of the Property Standards as defined in *OMB Uniform Guidance, Sections 200.317 to 200.326*

Purpose of this Policy

The purpose of this policy is to set forth the circumstances for identifying and tracking program income in accordance with Federal and other sponsor requirements.

Scope of this Policy

This policy is applicable to all schools, departments, units and personnel of the University involved in administering sponsored awards.

Procedures for Implementation

- The PI(s) and Department Administrator (DA) will determine which activities on the award may generate program income. OSP should be consulted when determining the inclusion of program income in the proposal.

- If required by the sponsor, prior to using surplus funds, the PI and/or DA should confer with their OSP Projects Officer. OSP will then obtain permission from the funding sponsor.

- The department/unit will need to notify Sponsored Programs Administration (SPA) of the revenue and expenditures associated with the activity that generated program income.

- The revenue and expenses must be specifically identified and tracked separately in FAME.

- Journal entries are processed to credit program income to the award in accordance with the method prescribed by the sponsor.

- SPA will ensure that all necessary steps have been followed when preparing the financial status report and closing out the award in FAME.

- When a sale for unused equipment/commodities is deemed appropriate by the PI, the PI will work with OSP to seek sponsor approval for the sale.

- Upon written approval from the sponsor, the transaction will be processed.

- For sale and disposal of equipment, see the *NYU Asset Management Policies and Procedures manual*.

- The department/unit will send an invoice to the Purchaser (and a copy to SPA) for the agreed-upon price of the equipment within 30 days of the sale. The sponsor's program officer will instruct the PI on applying those funds to the program. The funds are typically applied to offset current costs or held to purchase a particular item.

- Funds cannot be used until SPA has confirmed receipt of payment from the buyer.

Policy Definitions

Program Income	Gross income earned by the recipient that is directly generated by a supported activity or earned as a result of an award.

Related Policies

- Asset Management Policies and Procedures
  http://www.nyu.edu/content/nyu/en/about/policies-guidelines-compliance/policies-and-guidelines/asset-management-polices-and-procedures.html

Federal Regulations

- OMB Uniform Guidance
  http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl