

IV. ACCOUNTING

Effective Date: April 21, 2008

H. PROGRAM INCOME

Grantee organizations are encouraged to earn income to help cover the cost of state-funded projects or activities. Program income includes, but is not limited to, income from services rendered, the use or rental of real or personal property acquired with state funds, sale of commodities, etc. Interest earned on state funded deposits is considered to be program income.

When program income has been earned during the project period by a component funded with state monies, the grantee should request written authorization from the Department of Health and Human Services funding agency to utilize the income in one or more of the following ways.

1. Add the program income amount to the project award which would allow the grantee to use the additional funds to further project or program objectives.

2. If the project has a cost-sharing or matching requirement, allow the grantee to use the program income to satisfy the non-state share of project costs. This option is not available if funds received from the State represent federal funds and/or if prohibited by legislation.

3. Use the program income to reduce total allowable costs of the project when determining net costs upon which the state share is based for participation purposes.

If program income at the end of the project period exceeds an amount previously approved by the Department of Health Human Services funding agency in accordance with either option one or two above, the excess shall be administered in accordance with Option 3 as a reduction to allowable costs.

When allowable costs have been incurred by the grantee incidental to the generation of program income and such costs have not been charged to a state-funded program, the costs may be deducted from the total program income to determine net program income.

A grantee should also have program income policies and procedures in place which would be applicable to subrecipient organizations.