I. GENERAL STATEMENT

This Policy sets forth guidelines for identifying, accounting for, and reporting program income associated with sponsored projects. The Policy applies to all Principal Investigators (PIs), co-PIs, and any other person with a role or responsibility in the application for, receipt of, or administration of sponsored projects.

II. DEFINITIONS

A. Additive Use of Program Income: Program income is added to funds already committed to the sponsored project and used to further the sponsored project’s objectives.

B. Deductive Use of Program Income: Program income is used to reduce the sponsor’s share of sponsored project funding.

C. Matching Use of Program Income: Program income is used to meet the non-federal cost sharing portion of the sponsored project.

D. OMB Circular A-110: The document published by the federal government’s Office of Management and Budget establishing uniform administrative requirements for grants to and agreements with institutions of higher education, hospitals, and other non-profit organizations.

E. Principal Investigator: The individual designated by the University as responsible for the scientific or technical direction of the sponsored project. The Principal Investigator is also part of the University team responsible for a sponsored project’s financial and administrative compliance.

F. Program Income: Gross, and if authorized by the sponsor net, income that is directly generated by the sponsored project or earned as a result of the sponsored project. There are generally three methods for using program income: additive, deductive and matching.
III. PROCEDURE

A. Examples of Program Income

The following is a non-exhaustive list of examples of program income:

- Income from fees for services performed;
- Income generated from rental fees for items purchased using project funds;
- Proceeds from the sale of commodities created using project funds; and
- Fees from participants attending conferences or symposia supported by a sponsored project.

B. Accounting for Program Income Earned During the Sponsored Project Period

There are generally three acceptable uses for program income earned during the sponsored project period: Additive Use, Matching Use, or Deductive Use. Please consult award terms and conditions, OMB Circular A-110, and any sponsor-specific guidance when determining how to account for program income earned on a specific sponsored project.

If authorized by sponsor regulations, sponsor guidance, or award terms and conditions, the University may deduct costs incidental to generating program income from the gross program income to calculate total program income. The University may not deduct from its program calculation any incidental costs charged to the program income generating sponsored project.

C. Program Income Earned After the End of the Sponsored Project Period

The University has no obligation for any program income earned after the end of the sponsored project period, unless sponsor regulations, sponsor guidance or award terms and conditions provide otherwise.

D. Program Income Earned Through Intellectual Property

The University has no obligation for any program income earned from license fees and royalties for copyrighted material, patents, patent applications, trademarks, and inventions produced under a sponsored project, unless sponsor regulations, guidance or award terms and conditions provide otherwise.

E. Reporting Program Income

Total program income should be reported on the sponsors’ financial reporting form.

F. Failure to Comply with Program Income Policy
Failure to comply with the Policy set forth above may result in disciplinary action up to and including termination of employment.

IV. EMPLOYEES OF OTHER DISTRICT OF COLUMBIA AGENCIES

To the extent the foregoing Policy is relevant to employees of District of Columbia agencies over whom the University lacks personnel authority, the University will work in good faith with those employees to effectuate adherence to the Policy.

V. CONTACTS

University Office of the Chief Financial Officer
University Office of Sponsored Programs

VI. COMMITTEES REVIEWING/APPROVING PROCEDURE:

Sponsored Programs Policy Committee
Audit, Administration and Governance Committee of the Board of Trustees
Board of Trustees of the University of the District of Columbia

HISTORY/REVISION DATES

Last Amended Date: July 10, 2014

Next Review Date: