



## **Boston College: OFFICE FOR SPONSORED PROGRAMS Program Income Policy**

### **Background**

The Boston College Office for Sponsored Programs (OSP) provides administration and support for sponsored programs. Sponsored programs, or the term sponsored awards, may be used in this document interchangeably and mean any agreement, contract, project, or grant that is funded by a source other than Boston College. Activities related to sponsored programs must comply with the sponsor's terms and conditions, Boston College's policies and procedures, and Federal regulations.

### **Purpose**

The purpose of this policy is to document the Office for Sponsored Programs' (OSP) Program Income Policy for sponsored awards at Boston College.

### **Scope**

This policy is applicable to all sponsored awards and **must** be followed by schools, departments, centers, institutes, and personnel of Boston College involved with sponsored awards.

### **Effective Date**

The effective date of this policy is December 1, 2015 and it was revised in March 2016 and March 2018.

### **Policy Details**

#### What is Program Income

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 a sponsored award, and the sale of commodities or items fabricated under a sponsored award.

#### What is Not Program Income

Interest earned on advances of sponsored funds is not program income.

Program income does not include rebates, credits, discounts, and interest earned on any of them, except as otherwise provided in Federal statutes, regulations, or the terms and conditions of a sponsored award.

Taxes, special assessments, levies, fines, and other such revenues raised by a non-Federal entity (Boston College) are not program income unless the revenues are specifically identified in the sponsor's terms and conditions of the award, or a Federal awarding agency's regulations as program income.

Proceeds from the sale of real property, equipment, or supplies are not program income.

Sponsored awards that have program income will follow the guidance set forth below for recording and tracking program income in Boston College's system, PeopleSoft.

Program income is the gross income earned that is directly generated by a supported activity or earned as a result of a sponsored award. Boston College requires Principal Investigators (PI's) in conjunction with their Departmental Research Administrators (DRAs) to identify Program income on a sponsored award. The nature of this income must be appropriately documented and the resulting revenue and any associated expenses (use of the program income) properly recorded and accounted for according to the sponsor's terms and conditions of the award, Boston College policies and procedures, and Federal regulations.

Program income must be administered through a program income chart string established in PeopleSoft by OSP. OSP works with Principal Investigators (PI's), Departmental Research Administrators (DRA's), Cash Services, and Controller's Office for identifying, collecting, tracking, spending, and reporting of program income on sponsored awards.

### **Accounting For and Use Of Program Income**

Sponsored awards that have program income will follow the sponsor's terms and conditions for program income.

For Federal awards made to Boston College, the use of program income is determined by the Federal awarding agency's regulations or the terms and conditions of the Federal award. The Federal award may specify the Additive Method, Deductive Method, or the Matching Method for accounting for program income, in accordance with the Office of Management and Budget (OMB) 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

However, if the Federal awarding agency does not specify in its regulations or in the terms and conditions of the Federal award how program income is to be used, then an Institution of Higher Education (IHE), such as Boston College, **must** apply the Additive Method, in accordance with OMB's Uniform Guidance.

For the Additive Method, program income funds are added to the funds committed to the project by the sponsoring agency and used to accomplish program objectives. For example, the initial

project budget was \$90,000 and \$3,000 of program income is generated, so the total project is now \$93,000.

The program income **must** be used only for allowable costs in accordance with the applicable cost principles and the terms and conditions of the award. Funds remaining in the project or program income account after the project has terminated will be returned to the sponsor. If the PI wishes to use these funds to further project or program objectives, then the PI should work with OSP on a no-cost extension which should be requested from the sponsor prior to the award's end date.

Program income generated on a sponsored award from a non-Federal entity will be processed according to the sponsor's terms and conditions of the award. If the award document is silent on the issue of program income, then the additive method will be used. This program income is not required to be reported to the sponsor.

OSP, in conjunction with PI's and DRA's, will complete all required sponsor reporting related to program income received and spent.

### **Guidance on What Is Program Income and What Is Not Program Income**

Below are guidelines for identifying and tracking program income on sponsored awards. Activities related to sponsored awards must comply with the sponsor's terms and conditions, Boston College's policies and procedures, and Federal regulations.

- If a PI anticipates program income on his/her award, then this should be included in the proposal submission to the sponsor. Any questions regarding this process should be directed to OSP.
- When program income is not anticipated at the time of the proposal, but is later earned or generated, then it is the responsibility of the PI to notify his/her DRA and OSP. OSP will ensure a program income account is established for tracking the funds.
- Program income (revenue) and any associated expenses (use of the program income) must be specifically identified and tracked separately in PeopleSoft.

### **Definitions**

See [OSP's Definitions](#) and *Glossary of Terms*, as well as *OMB's Uniform Guidance*.

### **Contacts**

If you have any questions about this policy, or need additional information, please contact the Office for Sponsored Programs main number at 617-552-3344 or directly contact your area's OSP Liaison.