Rice University Policy 303

PROGRAM INCOME

I. General Policy

Sponsored projects or programs may generate income as a result of activities conducted as part of the project or program. The Office of Management and Budget (OMB) Uniform Guidance (2 CFR Part 200), Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and applicable federal agency regulations document the identification, recording, reporting, and monitoring requirements for such income generated during the project period. To be consistent in its accounting practices, Rice University extends these requirements for managing program income to nonfederal sponsored projects.

Requirements

Program income is to be recorded and tracked in the University's accounting system and reported to the sponsor as required by sponsoring agency regulations. Principal investigators (PIs) are required to identify and document program income from both federal and nonfederal sponsors in accordance with this policy and its related procedures.

Program income is defined in OMB Uniform Guidance as "gross income earned by the non-federal entity that is directly generated by a supported activity or earned as a result of the Federal award. Program income includes, but is not limited to:

- proceeds from the sale of software, CDs, tapes, or publications produced under the award;
- income from fees for services performed, such as laboratory tests or analyses;
- registration fees from conferences or symposia;
- payments received from external users of property or equipment acquired with sponsored project funds to the extent payments exceed total usage costs;
- proceeds from the sale of supplies or equipment purchased or fabricated under an award; and
- income resulting from license fees and royalties on patents and copyrights that is handled by the Office of Technology Transfer.

Principal investigators are responsible for being aware of the regulations of the awarding agency and the terms and conditions of an award for any specific language regarding program income for the project.

While all program income is to be tracked and recorded, the terms and conditions of an award determine whether the program income is reported to the sponsor. For example, income resulting from license fees and royalties is reported to federal sponsors only if the terms and conditions of the award require such reporting.

Unless otherwise provided in the award, program income earned after the end of the award period is not subject to either this policy or its related procedures.
II. Responsible Official and Key Offices to Contact Regarding the Policy and its Implementation

Responsible Official: VP Finance
Other Key Offices: Controller’s Office

III. Links to Additional Information

More detailed information is available in OMB Uniform Guidance (2 CFR Part 200), Sections 200.80 and 200.307.

Procedures for managing program income are available from the Research and Cost Accounting website.

David W. Leebron
President

Policy History
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