**POLICY**

It is the policy of the Upstate Carolina NCORP (UC-NCORP) to identify and carefully record and report program income per NIH Grants Policy Statement requirements.

*8.3.2 Program Income*

*Program income is gross income—earned by a recipient, a consortium participant, or a contractor under a grant—that was directly generated by the grant-supported activity or earned as a result of the award. Program income includes, but is not limited to, income from fees for services performed; charges for the use or rental of real property, equipment or supplies acquired under the grant; the sale of commodities or items fabricated under an award; charges for research resources; registration fees for grant-supported conferences, and license fees and royalties on patents and copyrights. (Note: Program income from license fees and royalties from copyrighted material, patents, and inventions is exempt from reporting requirements unless otherwise specified in the terms and conditions of award.) The requirements for accountability for these various types of income under NIH grants are specified in this subsection. Accountability refers to whether NIH will specify how the income is to be used and whether the income needs to be reported to NIH and for what length of time. Unless otherwise specified in the terms and conditions of the award, NIH recipients are not accountable for program income accrued after the period of grant support.*

*NIH applies the additive alternative to all recipients, including for-profit entities, unless there is a concern with the recipient or activity and NIH uses special terms and conditions, or the program requires a different program income alternative. NIH may require a different use of program income if a recipient has deficient systems; if the PD/PI has a history of frequent, large annual unobligated balances on previous grants; or if the PD/PI has requested multiple extensions of the final budget period of the project period. Regardless of the alternative applied, program income may be used only for allowable costs in accordance with the applicable cost principles and the terms and conditions of the award. Each NoA will indicate the allowable treatment of program income. Program income alternatives and their usage are noted below in Exhibit 9.*

*Consortium agreements and contracts under grants are subject to the terms of the agreement or contract with regard to the income generated by the activities, but the terms specified by the recipient must be consistent with the requirements of the grant award. Program income must be reported by the recipient as discussed in this subsection.*

*8.3.2.1 Reporting Program Income*

*The amount of program income earned and the amount expended must be reported on the appropriate annual financial report, currently the FFR. Any costs associated with the generation of the gross amount of program income that are not charged to the grant should be deducted from the gross program income earned, and the net program income should be the amount reported. Program income must be reported in the Program Income section of the FFR (lines 10 L – O). (See Administrative Requirements—Monitoring—Reporting—Financial Reporting.) For awards under SNAP, the amount of program income earned must be reported in the non-competing continuation progress report.*

*Income resulting from royalties or licensing fees is generally exempt from reporting as program income.*

*When applicable, income earned from the sale of equipment must be reported on the FFR for the period in which the proceeds are received in accordance with the reporting requirements for the program income alternative specified. Amounts due NIH for unused supplies must be reflected as a credit to the grant on the FFR using line 10 m.*

*Reporting requirements for accountable income accrued after grant support ends will be specified in the NoA.*

*IIA*

**PROCEDURE**

* UC-NCORP Administrator will be responsible for monitoring all UC-NCORP income/revenue.
* UC-NCORP Administrator will be responsible for identifying all revenue/income received by the consortium that would meet the NIH Grants Policy Statement program income. For example, the following would be considered program income:
  + UC-NCORP Membership Fees
  + UC-NCORP Investigator Fees
  + UC-NCORP Donations
  + Industry Sponsored Income
  + Other revenue generated outside of the grant award
* Accounting will be notified of any income received that qualifies as program income.
* Designated sub-account for UC-NCORP program income has been established and will be used to capture all program income designated by the administrator.
* Annually the amount of program income will be reported on the Federal Financial Report (FFR).

**REFERENCES: *NIH Grants Policy Statement, October 2018, section 8.3.2 Program Income & 8.3.2.1 Reporting Program Income***

**ASSOCIATED FORMS: N/A**

**COMMITTEE APPROVAL:**

Policy and Procedure Committee