

## Florida Atlantic University Program Income Policies and Procedures

### II. Definitions:

- A. Office of Management and Budget (OMB): the federal agency that establishes grants management policies and guidelines through circulars and common rules.
- B. OMB Circular A-21: “*Cost Principles for Educational Institutions*” provides guidelines on the allowability of costs for federal awards received by universities. Section J. of this document lists 50 cost items and states whether they are allowable or unallowable costs on federal awards. This document also includes the Cost Accounting Standards that are applicable to educational institutions. A complete copy of this document can be obtained at <http://www.whitehouse.gov/OMB/circulars/a021/a021.html>.
- C. OMB Circular A-110: “*Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations*” sets forth standards for obtaining consistency and uniformity among Federal agencies in the administration of grants to and agreements with institutions of higher education, hospitals, and other non-profit organizations. A complete copy of this document is available at <http://www.whitehouse.gov/OMB/circulars/a110/a110.html>. Subpart C of this document discusses Post Award Requirements, such as the following:
1. Standards for Financial Management Systems
  2. Payment Methods
  3. Cost Sharing or Matching
  4. Program Income
  5. Revision of Budget and Program Plans
- D. OMB Circular A-133: “*Audits of States, Local Governments, and Non-Profit Organizations*” sets forth standards for obtaining consistency and uniformity among Federal agencies for the audit of States, local governments, and non-profit organizations expending Federal awards. A copy of this document is available at <http://www.whitehouse.gov/omb/circulars/a133/a133.html>. Part 3, Section J. of the A-133 Compliance Supplement discusses the Compliance Requirements for Program Income.
- E. Program Income: Incidental income generated as a result of a sponsored program or project. See Article IV. for examples of Program Income.

OMB Circular A-110 defines Program Income as follows:

**Program income** means gross income earned by the recipient that is directly generated by a supported activity or earned as a result of the award (see exclusions in paragraphs

\_\_\_\_.24 (e) and (h)). 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 federally-funded projects, the sale of commodities or items fabricated under an award, license fees and royalties on patents and copyrights, and interest on loans made with award funds. Interest earned on advances of Federal funds is not program income. Except as otherwise provided in Federal awarding agency regulations or the terms and conditions of the award, program income does not include the receipt of principal on loans, rebates, credits, discounts, etc., or interest earned on any of them.

- F. Program Income Fund: a separate Banner Fund that is set up to account for the Program Income generated (received) and spent for a particular sponsored program or project.