



POLICIES AND PROCEDURES

POLICY TYPE:	Finance Policy #5, Program Income
EFFECTIVE:	July 1, 2024
REVISED:	July 1, 2025

PURPOSE

This policy will communicate to staff the federal and state requirements associated with Program Income.

REFERENCES

- Workforce Innovation and Opportunity Act (Public Law 113-128)
- Code of Federal Regulations Title 2 Grants and Agreements Subpart A: 2 C.F.R. 200.1 Definitions
- Code of Federal Regulations Title 29 Labor Part 95 Subpart C Financial and Program Management: 95.24 Program Income
- Higher Education Coordinating Commission Office of Workforce Investments Policy: Financial Management and Administrative Standards (09/13/2024) Revised Policy

POLICY

All revenue, including Program Income, must be recorded by Lane Workforce Partnership (LWP) in accordance with applicable local, state, and federal regulatory requirements. Program Income is defined as gross income received by the grantee that is directly generated by a grant-supported activity or earned only as a result of the grant during the grant's period of performance. Program Income includes, but is not limited to, income from the following:

- Income from fees for services performed
- The use or rental of real or personal property acquired under Federal awards
- The sale of commodities or items fabricated under a Federal award
- License fees, and royalties on patents and copyrights
- Principal and interest on loans made with Federal award funds.

Interest earned on advances of Federal funds is not program income. Except as otherwise provided in Federal statutes, regulations, or the terms and conditions of the Federal award, program income does not include rebates, credits, discounts, and interest earned on any of them. See [§ 200.407](#). See also [35 U.S.C. 200-212](#) "Disposition of Rights in Educational Awards," which applies to inventions made under Federal awards.

PROCEDURES

- A. Master Chart of Accounts:** The Chart of Accounts of LWP includes a holding fund for the recording of all Program Income Revenues, designated as Fund 90. Revenues will be posted to

the appropriate Revenue Object Codes within Fund 90. No direct expenditures will be made from this fund.

- B. **Cash Receipt:** All cash (cash or checks) will be transferred within one working business day by the receiving staff person to LWP Finance. A written receipt will be issued upon request for all cash receivables. Responsible Finance staff will enter the cash receipt into the electronic books of record. Cash will be managed in accordance with LWP Finance Policy #8 – Cash Management.
- C. **Addition Method:** All program income received by LWP will be managed using the **Additions Method**, where program income allocable to any federal or state funds will be added back to the respective fund. The cost of generating Program Income shall be deducted from the amount earned to establish the net Program Income available for use, provided such costs have not already been charged to the award.
- D. **Acceptability Test:** All costs charged as Program Income must meet the specifications detailed in LWP Finance Policy #4 – Procurement and Purchasing.
- E. **Allowable Period:** All Program Income earned during the **period of performance** of the grant shall be expended within that same period, unless otherwise authorized in writing by the federal awarding agency or pass-through entity. Any Program Income funds remaining at closeout will be used to reduce the reported grant expenditures.
- F. **Interest on Federal Advances:** Interest earned on advances of federal funds must be handled in accordance with federal regulations (2 CFR 200.305), which may require return of interest to the federal government unless otherwise authorized.
- G. **Reporting:** All Program Income will be reported annually on applicable grant financial documents. LWP Finance will track and reconcile all Program Income as it occurs for accurate financial reporting.

RESPONSIBILITIES

This policy applies to all LWP grant funded activities and staff. For example: An LWP staff person organizes a business seminar for employers to meet and network with other local business leaders as an Employer Service. The staff person spends 4 hours on this task. The staff person is paid \$30.00 an hour. Thirty employers attend and pay \$20.00 each for a total of \$600. The LWP staff member worked a total of 4 hours at \$30 or \$120.00. Other costs attributed to the seminar equal \$25.20 for a total cost of \$145.20. The generated revenues will first reimburse the staff wages and other expenses, leaving the amount of \$454.20 which is program income.

This policy will be monitored for compliance by LWP Finance Staff with oversight provided by LWP Management.

ISSUED

Revised Date: July 1, 2025

Tiffany Cink

Tiffany Cink, Chief Operating Officer