

**IOWA DEPARTMENT OF JUSTICE**

**ATTORNEY GENERAL  
BRENN A BIRD**



## Chapter 4 Program Income Procedures

Grantees must use any program income to supplement allowable program costs. Program income must be tracked in accordance with federal financial guidelines. Grantees should expend program income as soon as possible, unless otherwise specified by CVAD. If program income is not expended by a subrecipient, the subrecipient may have to refund the program income to the Federal government.

# Program Income Defined

Program income, as described in [28 CFR, Part 66.25 \(PDF\)](#), means gross income received by the subrecipient directly generated by a grant supported activity, or earned only as a result of the grant agreement during the grant period. "During the grant period" means the time between the effective date of the award and the ending date of the award.

## **Examples of 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 Federal awards, the sale of commodities or items fabricated under a Federal award, license fees and royalties on patents and copyrights. Program income does not include rebates, credits, discounts, and interest earned on any of them.

# Program Income Disposition Requirements

[Sale of Property](#)

[Royalties](#)

[Attorney Fees and Costs](#)

[Registration/Tuition Fees](#)

## **Sale of Property**

In the case of real property purchased in part with federal funds, the subrecipient may be permitted to retain title upon compensating CVAD for its fair share of the property. The federal share of the property shall be computed by applying the grant specific percentage of the federal participation in the total cost of the project for which the project was acquired to the current fair market value of the property.

## **Royalties**

Subrecipients shall retain all royalties received from copyrights or other works developed under projects or from patents and inventions, unless the terms and conditions of the project provide otherwise, or a specific agreement governing such royalties has been negotiated between CVAD and the subrecipient.

## **Attorney's Fees & Costs**

Income received pursuant to a court-ordered award of attorney's fees or costs, which is received subsequent to completion of the project, is program income to the extent that it represents a reimbursement for attorney's fees and costs originally paid under the award. Disposition of such program income is subject to the restrictions on the use of program income set forth in the grant.

## **Registration/Tuition Fees**

These types of program income shall be treated in accordance with disposition instructions set forth in the project's terms and conditions.

Program income, with the approval of the CVAD, may be retained by the entity earning the program income or used by CVAD for the purpose that furthers the objectives of the legislation under which the grant was made.

# Accounting for Program Income

All income generated as a direct result of an agency-funded project shall be deemed program income. Program income must be used for the purposes and under the conditions applicable to the grant. If program income is earned, it must be accounted for up to the same ratio of federal participation as funded in the project or program.

Unless specified by CVAD, program income should be used as earned and expended as soon as possible. If the cost is allowable under the federal grant program, then the cost would be allowable using program income.

**Current program income information should be reported on the [Project/Program Income Report](#).**

This report is due quarterly due 15 days after the end of each calendar quarter; final due 30 days after the end of the grant award period or when the required percentage of earned project income is expended, whichever is later.

If there is no special condition on the grant concerning the accounting for program income after the funding period, then program income can be used at the discretion of the subrecipient.

Unless instructed by CVAD there are no requirements on the disposition of program income earned after the end of the period of performance of the award.

