



Learning with Purpose

University of Massachusetts Lowell

Memo Title:	Program Income
Effective As Of:	04/12/2024
Responsible Office:	Office of Sponsored Programs (OSP)

Purpose:

Compliance with Federal regulations on program income

Scope:

Federally-funded sponsored projects that include revenue generating activities in the scope of work

Definitions:

Program income is gross revenue generated from activities associated with or generated as a result of a federal sponsored award. Program income is subject to all federal requirements as stipulated in 2 CFR 200.307 Program Income.

Federal regulations define program income (2 CFR 200.80 Program income) 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 during the period of performance except as provided in § 200.307(f)...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, and 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.”

Guidance:

Program income is generated with federal sponsor resources, therefore, this revenue is the property of the federal sponsor and not the department or university. Program income revenue is accounted for and expended in accordance with federal sponsor requirements.

For non-federal awards that generate revenue, refer to the award document, program announcement, and sponsor policies for guidance.

Revenue that is not associated with a sponsored award should be tracked according to the University of Massachusetts Policy for Management of University Funds, section 17, Revenue-Based Operations. Contact the Controller’s Office for guidance on setting up a non-sponsored project to account for revenue

generated that is not related to a sponsored award.

Please consult with OSP and Controller's Office if there are questions about determining whether income is restricted program income, or unrestricted fee-for-service income.

Attachments:

[eCFR :: 2 CFR 200.307 -- Program Income](#)

[Program Income Definition](#)

[University of Massachusetts Policy for Management of University Funds](#)