

03(b) Program Income

The purpose of this policy is to outline the required procedures for program income. It will detail how it is generated, accounted for, expended, and reporting on our financial status reports and operating budgets.

Non Federal entities are encouraged to earn income to defray program costs where appropriate. Costs incidental to the generation of the program income may be deducted from the gross income to determine program income, provided these costs have not been charged to the Federal award.

Program Income is defined at 2 CFR 200.80 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. (See 2 CFR 200.77 Period of performance.) 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, taxes, special assessments, levies, and fines raised by a grantee and subgrantee, and interest earned on any of them.

Interest Income

Interest Income generated by TRWIB Inc is from our unrestricted funds through our bank accounts. It is recognized as revenue in the period it was received and will be used at the discretion of the CEO and CFO.

Program Income Exclusions

No obligation to Federal Government with respect to program income earned from license fees and royalties for copyrighted material, patents patent applications, trademarks and inventions produced under an award. However, Patent and Trademark Amendments apply to inventions made under an experimental developmental or research award.

Account for Revenue and cost generating program income

TRWIB Inc uses the net income method to account for program income. With the net income method approach, the costs incidental to the generation of program income are netted against or deducted from gross program income to determine the amount of net program income. The revenues that are generated as program income are tracked separately in the accounting records. Net program income is then recorded in the appropriate program income account and the incidental costs to generate the program income are not charged to the grant.

