



Program Income

Responsible Executive: VP for Research
Responsible Office: Office for Sponsored Research and Award Administration
Effective: 9/1/2018
Last Revised: 9/1/2018

I. Policy Statement

Oregon State University (OSU) is responsible for maintaining compliance with regulations governing the collection and use of program income related to sponsored awards. This policy will assist Principal Investigators (PIs) and other campus personnel to ensure that program income revenue and expenditures for sponsored awards are in compliance with federal regulations, sponsor terms and conditions and University policy.

II. Reason for Policy

Program income revenue and expenses must be properly recorded and accounted for within OSU's records in order to ensure appropriate monitoring and reporting to sponsoring agencies.

For most Federal awards, OSU is required to comply with OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR §200) ("Uniform Guidance"), specifically sections §200.80 and §200.307, which set forth the requirements for Program Income.

III. Scope & Audience

University wide. OSU personnel involved with the conduct and administration of sponsored award activities are affected by this policy.

IV. Definitions

- **Allocable Cost** –A cost assigned to a sponsored award or other cost objective where the goods or services involved are chargeable or assignable to that sponsored award or cost objective in accordance with relative benefits received.
- **Allowable Cost** – A reasonable cost that is allocable to the sponsored award. The cost must conform to any limitations or exclusions set forth in federal regulations or the sponsored award agreement.
- **IUCRC** – National Science Foundation's (NSF) Industry-University Cooperative Research Center program established by Congress in 1973 to contribute to the nation's research infrastructure base by developing and supporting multi-

member, sustained partnerships among industry, academe and government. Centers are catalyzed by an investment from NSF and are primarily supported by industry Center members.

- **IUCRC Industry Membership Fees** – fees or dues paid by industry members of an IUCRC. Previously identified as cost-share, industry membership fees are now classified by NSF as program income. These funds must be accounted for and reported in accordance with NSF guidelines.
- **Methods for Use of Program Income** – Required accounting method for program income, as defined in the terms and conditions of a specific sponsored award. Some sponsored awards may dictate a combination of these methods for program income.
 - **Additive Method** – Program income funds are added to the funds committed by the sponsoring agency and used to further project or program objectives, as long as expenses covered by program income are allowable and allocable to the sponsored award.
 - **Add/Deduct Method** - the addition method is used up to an agency dollar limit. After that point, the deduction method is used.
 - **Deductive Method** – Program income must be deducted from the total allowable project costs to determine the sponsor share of project costs.
 - **Matching Method** – Program income may be used to meet the cost sharing or matching requirement of the award.
- **Program income** - Gross income earned by OSU that is directly generated by a supported activity or earned as a result of a sponsored award during the period of performance. Program income includes, but is not limited to:
 - Industry membership fees associated with Industry-University Cooperative Research Centers (IUCRC)
 - Income from fees for service performed or use of resources such as laboratory tests during the project period
 - Income generated from the use, or rental of equipment purchased or fabricated with project funds during the project period.
 - Proceeds from the sale of software, CDs, or publications during the project period
 - Income from the sale of research materials such as animal models during the project period.
 - Fees from participants at conferences or symposia during the project period

V. Website (specific to this policy)

<http://research.oregonstate.edu/osraa>

VI. Contacts

Department	Phone Number	Website
Office for Sponsored Research and Award Administration (OSRAA)	541.737.4933	http://research.oregonstate.edu/osraa

VII. Responsibilities & Procedures

Program income for sponsored awards must be appropriately identified and recorded in order to be easily identifiable for monitoring and reporting purposes. PIs should contact OSRAA to discuss any activity that will generate program income and its relationship to a sponsored award.

IUCRC industry membership fees collected from industry partners under an IUCRC award from NSF were previously tracked as cost-share, however, NSF now classifies these funds as program income. OSU must account for and report the collection and use of IUCRC program income, as well as remit unused program income funds to NSF.

Additional guidelines and procedures are found in the document titled [Guidelines for Program Income](#) on the OSRAA website.

VIII. Forms & Tools

Frequently Asked Questions

See OSRAA Website

IX. Related Information

[OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Section §200.80 Program Income](#)

[OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Section §200.307 Program Income](#)

[OSU Documentation Standards Policy](#)

[OSU Fiscal Operations \(FIS\) Manual](#)

X. History

Last review date: 9/1/2018

Next scheduled review date: 9/1/2020

Original issue date: Effective 9/1/2018

Note: The Office of University Compliance will attempt to track the original issue date of policy and revision dates to existing policies but will not publish this information on the website.