PURPOSE/POLICY

The Mid-Michigan District Health Department (MMDHD) receives funding from a variety of sources including from federal sources. The purpose of this policy is to provide reasonable assurance that program income is correctly earned, recorded and used in accordance with the requirements of Uniform Grant Guidance 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Generally Accepted Accounting Principles (GAAP), the approved grant agreement and any other applicable laws, regulations, rules and guidelines. Program income means gross income earned by MMDHD that is directly generated by supported activity or earned as a result of an award during the grant’s 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 awards
- License fees and royalties on patents and copyrights
- Principle and interest on loans made with federal award funds

Interest earned on advances of federal fund is not program income as described in the cash management policy. Except as otherwise provided in federal statutes, regulations, or the terms and conditions of the award, program income does not include rebates, credits, discounts, and interest earned on any of these. Additionally, taxes, special assessments, levies, fines and other such revenues raised by grantee are not program income unless the revenues are specifically identified in the award or awarding agency regulations as program income. Proceeds from the sale of real property, equipment or supplies are not program income.

The agency will use one of the following methods in accounting for program income:

- Deducted from outlays
- Added to the project budget
- Used to meet matching requirements

Absent specific guidance from the awarding agency regulations or terms and conditions of the award, the program income shall be deducted from the program outlays. Program income, when applicable, shall be accounted for as a revenue source in the same program code.