

**Mount Sinai School of Medicine
Program Income**

FINANCIAL MEMORANDUM		
Memorandum No. 178	MOUNT SINAI SCHOOL OF MEDICINE	Page 1 of 1
Approved by  S. HARVEY	SUBJECT: PROGRAM INCOME	Date Issued/Amended 3/21/08
		Replaces Amended Policy Issued:

Program Income on sponsored awards is identified, recorded, expended and reported according to the following policies and procedures:

Program income includes, but is not limited to:

- (a) income from fees or service performed
- (b) income from the sale of pamphlets or written material
- (c) rental fees
- (d) proceeds from the sale of tangible property or items fabricated under an award.

The Federal regulations generally provide three alternatives for accounting for program income:

- (a) Additive, whereby the income is added to the funds committed to the project to further the objectives of the award,
- (b) Matching, used to finance the non-federal share of the project, or
- (c) Deductive, whereby the income is used to reduce the federal share of the funding of the project.

Each sponsoring agency has the discretion to select one of the three methods above. For both NIH and NSF unless otherwise specified in the Notice of Award, program income is to be treated as Additive. For sponsored projects awarded by other agencies that result in program income, contact Sponsored Projects Accounting for guidance.

If authorized by Federal awarding agency regulations or the terms and conditions of the award, costs incident to the generation of program income may be deducted from gross income to determine program income, provided these costs have not been charged to the award.

Unless Federal awarding agency regulations or the terms and conditions of the award provide otherwise, there is no obligation to the Federal Government regarding program income earned after the end of the project period.

Finally, unless Federal awarding agency regulations or the terms and condition of the award provide otherwise, there is no obligation to the 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 (35 U.S.C.

18) apply to inventions made under an experimental, developmental, or research award.

The Principal Investigator/ Department Administrator is responsible for working with the Sponsored Projects Accounting when Program Income is identified in order to properly record, expend and report the income to the funding agency.

<http://frwebgate3.access.gpo.gov/cgi-bin/waisgate.cgi?WAISdocID=47631529354+3+0+0&WAIAction=retrieve>