



PROGRAM INCOME POLICY

1.0 Purpose. The purpose of this policy is to define program income as it relates to WIA and state funds allocated to the NW PA Workforce Investment Area through its fiscal agent, Regional Center for Workforce Excellence.

2.0 Requirements. The Regional Center for Workforce Development is committed to ensuring compliance with WIA Section 195; 20 CFR 667.200(a)(5) through (7); 29 CFR 95.24 and 29 CFR 97.25; OMB Circulars A-102 and A-110.

Program income is defined in 29 CFR 97.25(b) as “the gross income received by the grantee or subgrantee directly generated by a grant supported activity, or earned only as a result of the grant agreement during the grant period.”

Program income may be retained only if used to continue to carry out WIA programs. Program income should be expended prior to the submission of the final Financial Status Report. Program income must be expended under the funding stream in the grant agreement in which it is earned. Program income not expended shall be returned to the Labor, Education and Community Services (LECS) Comptroller’s Office, L&I Federal Accounting. In addition, the administrative cost limitation of the grant from which it is earned also applies to program income. Program income must be accounted for by grant, title, and funding period.

Income subject to these requirements includes:

- Fees for services performed;
- Fees received from use or rental of real or personal property acquired with grant or subgrant funds;
- Sale of commodities or items fabricated under a grant or subgrant;
- Revenues earned by a governmental or private non-profit entity under either a fixed-price or reimbursable award that are in excess of the actual costs incurred in providing the services; and
- Interest income.

Income does not include:

- Reductions to grant costs as a result of rebates, credits, discounts, refunds or interest earned on them;
- Proceeds from the sale of personal property;
NOTE: The proceeds of the sale must be treated in accordance with the disposition and instructions received from the awarding agency.
- Income from royalties and license fees for copyrighted material, patents, and inventions developed by the grantee or subgrantee, unless USDOL regulations or the grant agreement specify otherwise;
- Earned income after the grant period is ended;



- Donations and contributions voluntarily given to the ETA-funded program;
- Profits earned by commercial for-profit organizations;
- Funds provided to satisfy any matching requirements of ETA grants; or
- Taxes, special assessments, levies, fines and other governmental revenues raised.

Regional Center for Workforce Excellence will:

- Maintain records sufficient to determine the amount of program income received and the purposes for which this income is expended;
- Expend program income received before requesting additional cash draws; and
- Use the addition method for program income:
 - When expending program income, RCWE will use the addition method when expending program income. Final Rule 667.200(a)(5) requires that “The addition method, described at 29 CFR 95.24 or 29 CFR 97.25(g)(2) (as appropriate) must be used for all program income earned under WIA Title I grants.” For reference, the relevant text of 29 CFR 95.24 and 29 CFR 97.25(g)(2) is included here:
 - 29 CFR 95.24 requires, in part, that “...program income earned during the project period shall be retained by the recipient and added to funds committed to the project by DOL and recipient, and used to further eligible project or program objectives.”
 - Although 29 CFR 97.25(g)(2) refers to relationships between Federal agencies and their grantees, reference to this provision in Final Rule 667.200(a)(5) indicates that the requirements of this provision also apply to lower tier relationships. 29 CFR 97.25(g)(2) states: “...When authorized, program income may be added to the funds committed to the grant agreement by the Federal agency and the grantee. The program income shall be used for the purposes and under the conditions of the grant agreement.”

Program Income Distribution

Program income earned at the PA CareerLink®s as a result of shared activities or shared costs is attributable to all partners.

Program income is governed by the Uniform Administrative Requirements that are codified for ETA-funded programs at 29 CFR 97.25 and 95.24. Partner organizations are governed by the program income requirements of their funding source. If program income is earned at the PA CareerLink® through a shared cost, then that income must be distributed to all partner organizations. The program income will be allocated in the same proportion as the shared costs. Program income must be expended on allowable grant activities. The earning, allocation, and use of program income will be addressed in the resource sharing agreement. Partners may agree to use program income to reduce their share of costs or resources needed to fund the costs if that is allowable under the partners’ authorizing statutes and regulations.



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(Example: A local employer conducts preliminary interviews and screenings of potential employees at the PA CareerLink®. The local employer uses a classroom that is part of the Career Resource Center and pays a room rental charge to the PA CareerLink®. The PA CareerLink® Operator, as one of the partners, is responsible for providing information on the program income to partners, and ensuring that program income would be distributed to all partners that share in the costs of the Career Resource Center.)

Program Income

All program income must be reported on the appropriate Financial Status Report (FSR). Please refer to the Financial Management System Reference Manual.

3.0 Responsibility. The responsibility for implementation and oversight of this policy shall reside with the RCWE fiscal agent.

4.0 History.

Name	Date	Rev. Level	Description of change	Effective Date
Deb O’Neil	5/01/2009	A	New policy	7/01/2009

Auxiliary aids and services are available upon request to individuals with disabilities.
Equal Opportunity Employer Program
Paul Newlin – Equal Opportunity Officer
Phone: (814) 333-1286
TTY/TDD (814) 337-7205