

## Instructions for Completing Grantee Program Income Form 225-P

**Note:** The OEO Form 225-P is available to you at the OEO Website ([www.ncdhhs.gov/o eo/forms.htm](http://www.ncdhhs.gov/o eo/forms.htm)) as a word document. This form serves as an informed, projected plan of how program income will be used to support the CSBG program activities. The OEO Form **225-P is required to support the use of CSBG program income**. The instructions for Form 225-P are listed for each section below.

**Section I. Identification:** The Program Income amount to be listed should be a projection based on last year's program income and can be adjusted during the reporting year to actual. If you experience a reduction in program income you should submit a new plan to report the changes in income and planned expenditures.

**Section II. Description:** Describe how Program Income is generated by CSBG funds. Explain what CSBG budgeted expenditures helped generate the program income. Provide detail on the activities related to the income. If applicable, explain if the income is generated by shared costs between CSBG and other programs.

**Section III. Tracking:** Describe how Program Income will be tracked in financial records. Detail the controls used to track CSBG Program Income. Provide related account coding. If applicable, detail the account codes used when Program Income is shared between programs.

**Section IV. Usage:** Select one of the following ways Program Income will be used based on 2 CFR Part 215.24 Program Income and 10A NCAC 97C .0603. Review the Federal regulation and the NC Administrative Code on program income. (see attachments) Select one of the three options provided. Explanation of each option is as follows:

**Option 1-** Agency will use all Program Income to further the program by providing additional client services or incurring program expenditures that further CSBG objectives. These services and/or activities must be detailed in **Section V** of the 225-P.

**Option 2-** Agency can use the Program Income to offset shared expenses not related to the CSBG program that helped generate the income. These costs must be allowable under the Federal and State regulations.

**Option 3-** Agency can opt to use the Program Income to offset (reduce) allowable CSBG costs, which may prevent agencies from using their entire allocation.

**Section V. Detail:** Detail the specific expenses to be offset with Program Income. Agencies should explain in detail how additional CSBG expenditures will offset the income. Use the eight cost categories to show line items benefitting from program income.

Instructions for Completing Grantee Program Income Form 225-P (cont.)

SAMPLE OEO Form 225-P

Section I Identification	
Agency Name: <i>Best Agency Ever, Inc.</i>	Agency Contact: <i>Smart Art, Finance Director</i>
Program Generating Income: <i>Self Sufficiency Job Training</i>	
Projected Program Income	\$26,000
Section II Description	
<i>Income is generated by participants working/training in community organizations. Our agency bills each organization a flat monthly fee for the number of participants working. Clients do not receive any payment for their services as it is a training activity. Clients work in the organizations an average of 20 hours a week for one month. Agencies are billed \$200 a month for each participant working/training at its organization.</i>	
Section III Tracking	
<i>The program income is deposited under separate CSBG income account, 3300-02. The CSBG funding account 3300-01 tracks funds received from CSBG, which includes interest earned. Each organization receives a monthly invoice that details the participants provided and the monthly fees charged. If participants do not finish the required month of work/training, the invoice is adjusted based on time worked. The list of our community organizations are coded to track income from each entity.</i>	
Section IV Usage	
<input checked="" type="checkbox"/> 1. Added to funds committed to the project by the Federal awarding agency and recipient and used to further eligible project or program objectives. <input type="checkbox"/> 2. Used to finance the non-Federal share of the project or program. <input type="checkbox"/> 3. Deducted from the total project or program allowable cost in determining the net allowable costs on which the Federal share of costs is based.	
Section V Detail	
Salaries	\$
Facilities	\$
Equipment	\$
Supplies	\$
Contractual	\$
Travel	\$
Client Services: <i>training materials and transportation costs for additional 26 participants.</i>	\$ 26,000
Other	\$
Preparer's Signature	
Date	
Executive Director's Signature	
Date	

FOR OEO USE ONLY

Approved \_\_\_\_\_

Not Approved \_\_\_\_\_

\_\_\_\_\_  
Director

\_\_\_\_\_  
Date

Based on 2 CFR Part 215.24 **Program income.**

*(a) Federal awarding agencies shall apply the standards set forth in this section in requiring recipient organizations to account for program income related to projects financed in whole or in part with Federal funds.*

*(b) Except as provided in paragraph (h) of this section, program income earned during the project period shall be retained by the recipient and, in accordance with Federal awarding agency regulations or the terms and conditions of the award, shall be used in one or more of the ways listed in the following.*

*(1) Added to funds committed to the project by the Federal awarding agency and recipient and used to further eligible project or program objectives.*

*(2) Used to finance the non-Federal share of the project or program.*

*(3) Deducted from the total project or program allowable cost in determining the net allowable costs on which the Federal share of costs is based.*

*(c) When an agency authorizes the disposition of program income as described in paragraphs (b)(1) or (b)(2) of this section, program income in excess of any limits stipulated shall be used in accordance with paragraph (b)(3) of this section.*

*(d) In the event that the Federal awarding agency does not specify in its regulations or the terms and conditions of the award how program income is to be used, paragraph (b)(3) of this section shall apply automatically to all projects or programs except research. For awards that support research, paragraph (b)(1) of this section shall apply automatically unless the awarding agency indicates in the terms and conditions another alternative on the award or the recipient is subject to special award conditions, as indicated in §215.14.*

*(e) Unless Federal awarding agency regulations or the terms and conditions of the award provide otherwise, recipients shall have no obligation to the Federal Government regarding program income earned after the end of the project period.*

*(f) 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.*

*(g) Proceeds from the sale of property shall be handled in accordance with the requirements of the Property Standards (see §215.30 through §215.37).*

*(h) Unless Federal awarding agency regulations or the terms and condition of the award provide otherwise, recipients shall have 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.*

#### **10A NCAC 97C .0603 PROGRAM INCOME**

*(a) For the purpose of this Subchapter, program income shall be defined in accordance with the following provisions:*

*(1) Program income means gross income earned by a grant recipient from activities in which part or all of the cost is either borne as a direct cost by contract from the Office or counted as a direct cost towards meeting a cost sharing requirement of such contract;*

*(2) Program Income includes, but is not limited to:*

*(A) income from services fees;*

*(B) proceeds from the sale of property or other assets with an acquisition cost of less than one thousand dollars (\$1,000);*

*(C) usage or rental fees;*

*(D) royalties on patents and copyrights;*

*(E) interest income on grant derived funds; and*

*(3) The following specific revenues shall not be included as program income but as applicable credits to be treated as specified in Rule .0604 of this Section:*

*(A) rebates, discounts, and recoveries on leases;*

*(B) income earned by individuals or a group of project participants when such income accrues directly to the participants; and*

*(C) proceeds from the sale of property or other assets with an acquisition cost of more than one thousand dollars (\$1,000).*

*(b) Program income may be used as follows:*

*(1) For any service which the grant recipient may provide with CSBG funds.*

- (2) *All program income must be used during the program year in which it is earned. It must be used to enhance the project. On a regular basis, this program income shall be deducted as a cash resource from total allowable project costs for the purposes of determining net cost.*
  - (3) *Program income must be deposited into an appropriate bank account on a regular basis.*
- (c) *In accounting for program income, the grant recipient shall meet the following requirements:*
- (1) *Grant recipients must utilize generally accepted accounting standards for collecting and recording participant contributions or other program income.*
  - (2) *The grant recipient must account for program income on an ongoing basis, and must report such income to the Office through the established financial reporting system.*
  - (3) *Accounting records and reports submitted by a grant recipient to the Office should provide an auditable trail on all program income and its uses. Accounting records and reports should accurately reflect the receipt of such funds separate from the receipt of federal funds and grant recipient funds.*
  - (4) *Grant recipients should maintain adequate accounting records on any interest income earned on grant derived funds. Interest income must be used for an activity which will further the purposes of the project and the Act.*