

UNIVERSITY OF NEW HAMPSHIRE

PROCEDURES FOR PROGRAM INCOME ON EXTERNALLY SPONSORED PROGRAMS

AT TIME OF PROPOSAL

1. The Project Director (PD) who anticipates that program income will occur during an externally sponsored program project period includes in the initial and/or continuation proposal an estimate of the amounts (non-binding) and sources of the anticipated income. The amounts are entered on the appropriate lines of the sponsor-specific form, if a form is required, and/or explained in detail in the proposal budget narrative.
2. Unless there is required cost sharing for the project and that cost sharing will need to be met with program income, the PD requests in the proposal that the “additive method” be approved by the sponsor. The justification for this method is detailed in the proposal budget narrative. (One needs to consider the possibility that the “deductive method” may be applied at the sponsor’s discretion.)
3. When budgeting for the proposed program or project, the PD includes in the anticipated program income expenses the applicable fringe benefits and Facilities and Administrative (F&A) costs. The UNH Office of Sponsored Research (OSR) Grant and Contract Administrator (GCA) confirms that fringe benefits and F&A line items are included in the proposal budget prior to submission to the sponsor.

AT TIME OF AWARD AND POST-AWARD

1. During the negotiation process for a new award and for unanticipated program income realized during the project period, the OSR GCA works with the sponsor and the PD to clarify the applicable program income application method.
2. The GCA establishes a unique program income account within the appropriate series (15P...) in the USNH financial accounting system and links the program income account to the specific externally sponsored program account that it supports. (In Banner Finance, the program income fund has the same grant number as the related award.) No budget is established until actual program income is received by the PD’s Responsibility Center (RC) unit.
3. When actual program income is received, the RC unit deposits the revenue in the appropriate program income account established by the GCA, and provides the GCA with a copy of the check or evidence of cash receipt or bank transfer, the program income account number, and the requested budget line items. The GCA will establish and/or modify the budget, with sufficient funds to cover anticipated direct and associated fringe benefits and F&A costs. It is the responsibility of the GCA to ensure the appropriateness of re-budgeting program income accounts.
4. It is the responsibility of the RC unit to monitor program income account revenues and expenses, just as for the parent account in order to ensure that expenditures are allowable under sponsor and UNH policies and to avoid deficit spending. If there is a program income account deficit or balance at the end of the project period, OSR’s Financial Management Group (FMG) works with the PD, RC unit financial manager, and GCA to determine how to best remove the account deficit or deal with the balance under the terms of the sponsored programs award. FMG will close program income accounts in the USNH financial accounting system after the end of the project period and all reconciliations have been done.

5. Program income earned after the award project period concludes is deposited by the RC unit in an appropriate unrestricted funds account.