

UAS GM 7: Budgets (Including Program Income)

Preparation of Budgets and Budget Revisions for Awards

Initial budgets and budget revisions are prepared and entered by the Budget and Grants Office based upon the award documentation and/or revision requests.

Budgeting of Cost Sharing - Matching Funds

Some awards require UAS share the cost of the project. The amount of cost sharing, as well as the type of cost sharing required or permitted, varies.

A specific "Fund 14" needs to be set up to track expenditures that will be reported as match/cost-share. Cost share is a commitment to share the cost of the project overall, and by the time the project is over, both the agency portion and the UAS portion must be expended. Matching funds are more restrictive, in that for every dollar of the award the unit spends, a proportionate share of the unit's match fund must be expended at the same time. The match need not be 1:1; the call for proposal will have specified exactly how the match will be expended.

Cost sharing or matching funds expenditures must be as explicitly identified as the direct charges to the restricted funds. Uniform Guidance Subpart D, 200.306, contains standards for cost sharing and matching as they apply to Federal grants and other agreements.

See UAS GM 15 for additional information on Match and Cost Share, and Match/Cost Share FAQ found at the UAS Grant website.

Program Income

Program income means gross income earned by the recipient that is directly generated by a supported activity or earned as a result of the award. 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 federally-funded projects, the sale of commodities or items fabricated under an award, license fees and royalties on patents and copyrights, and interest on loans made with award funds. Interest earned on advances of Federal funds is not program income. Except as otherwise provided in Federal awarding agency regulations or the terms and conditions of the award, program income does not include the receipt of principal on loans, rebates, credits, discounts, etc., or interest earned on any of them. See Uniform Guidance Subpart D, 200.307.

General Accounting Requirements for Program Income

Uniform Guidance Subpart D, 200.307 (e) outlines use of program income:

- Alternative (1): deduction from total allowable costs
- Alternative (2): addition to award
- Alternative (3): cost sharing or matching

The terms and conditions of the award and/or the agency's regulations should be consulted in determining the proper use.

If at the end of the award's period of performance there is an excess of revenues over expenditures, the excess must be deducted from the total costs in determining the Federal share.

All sponsored projects funded directly or indirectly with Federal funds that generate income from the activities being sponsored will be required to establish a restricted fund to account for the program revenues and expenditures.

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The restricted fund used to account for program income will be assigned to the Grant Administrator that administers the parent grant. It will be assigned its own Grant Number but will have the same Predecessor Fund (or within the same group) as the parent Grant Number. The program income fund will be classified as a miscellaneous type fund and will not automatically accrue revenue. The department will have university cashier's deposit the cash receipts directly to the revenue account code.