

## **Program Income Associated with Sponsored Awards**

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### **Purpose & Scope**

Colorado Mesa University (CMU) is committed to the responsible and compliant management of sponsored awards. This policy outlines the principles and guidelines governing program income associated with sponsored awards in accordance with [Federal Uniform Guidance \(2 CFR §1128.720\)](#) and applies to all faculty, staff, and students involved in the management and administration of sponsored awards.

### **Definitions**

- *Program Income*: income generated directly by a sponsored project during the project period. This includes fundings received from various sources, such as fees, royalties, rental income, or proceeds from the sale of assets acquired with federal funds. It is subject to specific rules and regulations regarding its identification, reporting, and allowable uses.

### **Policy**

#### ***Identification and Reporting of Program Income***

1. Principal Investigators (PIs) and project administrators are responsible for identifying and documenting any program income generated as part of a sponsored award in a timely and accurate manner. Program income must be reported to CMU's sponsored programs office (OSP), which will coordinate with the appropriate department for further action.
2. Program income may be generated in various forms, including but not limited to sales of goods or services, usage fees, licensing revenue, and interest earned on federal grant accounts. PI and project administrators must maintain records of program income activities and submit reports as required by the specific terms and conditions of the sponsored award.

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***Allowable Uses of Program Income***

1. Program income generated in connection with a sponsored award shall be utilized in accordance with Federal Uniform Guidance and the terms and conditions of the specific award. Allowable uses of program income may include:
  - a. Offsetting the costs of the sponsored project.
  - b. Supporting additional project related activities that are consistent with the project's goals and objectives.
  - c. Funding subsequent phases or related projects that align with the initial award's purpose and scope.
  - d. Meeting cost-sharing requirements as outlined in the award agreement.
2. Unauthorized or inappropriate use of program income is strictly prohibited and may result in financial and legal repercussions. All expenditures of program income must be appropriately documented, approved, and in compliance with applicable federal, state, and institutional regulations.

***Reporting and Documentation***

1. CMU will maintain detailed records of program income generated from sponsored awards. These records will be subject to internal audit and will be made available to sponsors or their authorized representatives as required by the specific award terms or federal regulations.
2. CMU will collaborate with PIs and project administrators to ensure accurate reporting and record-keeping, which includes tracking the source, amount, taxability, and utilization of program income.

***Compliance and Oversight***

It is the responsibility of CMU's OSP to ensure that program income generated from sponsored awards complies with all applicable federal, state, and institutional regulations.