



7.1.8 Program Income on Sponsored Programs

Chapter 7 - Research and Sponsored Programs	Original Effective Date: June 2011
Section: 7.1 Office of Sponsored Programs	Date Last Reviewed: September 2022
Responsible Entity: Vice President and Chief Financial Officer	Date Last Revised: September 2022

I. Purpose

UT Health San Antonio is responsible for the programmatic and financial monitoring of program income generated from sponsored programs.

II. Scope

This policy applies to all individuals involved in sponsored program activities, particularly Principal Investigators and Project Directors.

III. Policy

It is the policy of UT Health San Antonio to properly document and report program income to federal sponsors when earned on federal and federal pass-through projects, according to the terms and conditions of the sponsored project. If required by a non-federal sponsor, UT Health San Antonio shall comply with all program income requirements set forth.

A. Accounting Methods

Program income on federal awards may be accounted for using two (2) methods as determined by the awarding sponsor:

1. Deductive

Deducted from total allowable costs of the project or program to determine the net allowable costs on which the federal share of costs will be based.

2. Additive

Added to funds committed to the project by the federal awarding sponsor and used by UT Health San Antonio to further eligible project or program objectives. The program income must be used for the purposes of the project. If the federal awarding sponsor does not specify in its regulations or terms and conditions of the

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federal award or give prior approval for how program income will be used, then the additive method will apply for any program income earned on the project.

B. Treatment of Program Income

1. Program Income is recorded and reported by UT Health San Antonio pursuant to the method stipulated by the sponsor.
 - a. When the Program Income is subject to the “additive method,” the Office of Sponsored Programs (OSP) will establish a 48001 fund group project so all program income payments can be deposited, and applicable expenditures recorded in order to further the award’s objectives.
 - b. When Program Income payments are received using the “deductive method,” they should be deposited and recorded as a credit expense to the main project of the sponsored award.
2. All Program Income deposits should be made through the OSP no matter what method is being utilized. In addition, all expenditures posted against Program Income must be in compliance with the terms and conditions of the award.
3. The reporting of Program Income will be provided to the sponsor by the OSP. Program Income generated after a program period end is generally excluded from the sponsor's regulations as there is no governance of the income after the end of the period of performance for federal awards.

C. Administration of Policy

Administration of this policy is the responsibility of the OSP. Each UT Health San Antonio department or administrative unit has the primary responsibility to ensure compliance with this policy. Failure to comply with the requirements of this Policy is subject to disciplinary action as described in the Institutional Handbook of Operating Policies (IHOP) policy [4.9.3 Progressive Disciplinary Action](#).

IV. Definitions

When used in this document with initial capital letter(s), the following words have the meaning set forth below unless a different meaning is required by context.

Program Income – the gross income earned by UT Health San Antonio that is directly generated by a supported activity or earned as a result of the award. Some examples of program income include revenue from the sale of research materials (e.g., animal models), fees from participants for conferences or symposia, and proceeds from the sale of supplies or equipment fabricated with project funds. Unless stipulated by the sponsor, program income does not include income earned from license fees and royalties for copyrighted material, patents, patent applications, trademarks, and inventions.

V. Related References

For questions regarding this policy, contact the Office of Sponsored Programs (OSP) at grants@uthscsa.edu or 210-567-2340.

UT Health San Antonio, Office of Sponsored Programs

Policies and Procedures for Sponsored Programs [Manual](#)

Office of Management and Budget Uniform Administrative

Cost Principles, and Audit Requirements for Federal Awards ([OMB Uniform Guidance](#))

National Institutes of Health (NIH)

Policy and Compliance website, [Grants Policy Statement](#)

VI. Review and Approval History

- A. The approving authority of this policy is the University Executive Committee.
- B. The review frequency cycle is set for three years following the last review date, a time period that is not mandated by regulatory, accreditation, or other authority.

Effective Date	Action Taken	Approved By	Date Approved
06/2011	Policy Origination		
11/2016	Policy Revision		
09/2022	Policy Revision	VP/CFO	08/04/22