

<p style="text-align: center;">Nutrition Services Department of State Health Services</p>

Effective June 1, 2002

Policy No. AC:30.0

Program Income

Purpose

To ensure proper disposition and accountability for program income (PI) related to local agencies (LAs) financed in whole or in part with Federal grant funds.

Authority

7 CFR Part 3016; OMB Circular A-87

Policy

PI shall be handled in accordance with the Uniform Federal Assistance Regulations, Part 3016, Subpart A.

Definition

Program income is defined as all revenues directly generated by a WIC contract attachment supported activity or earned only as a result of the WIC project during the term of the contract attachment.

Procedures

- I. LAs shall use PI to further the program objectives in accordance with state/federal regulations.
- II. PI shall be spent only towards WIC activities/expenditures.
- III. LAs shall identify and report this income utilizing the forms and timeframes specified in **Policy AC:28.0**.

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- IV. LAs shall utilize one of the following methods for applying PI:
 - A. Additive method – add PI to the funds already committed to the project by both parties.
 - B. Deductive method – deduct the PI from the total allowable costs to determine the net allowable costs.

- V. LA shall expend PI during the contract attachment term in which it is earned and may not carry forward to the succeeding term.

- VI. PI not expended in the term in which it is earned shall be refunded to the state agency.