

10A NCAC 97C .0603 PROGRAM INCOME

- (a) For the purpose of this Subchapter, program income shall be defined in accordance with the following provisions:
- (1) Program income means gross income earned by a grant recipient from activities in which part or all of the cost is either borne as a direct cost by contract from the Office or counted as a direct cost towards meeting a cost sharing requirement of such contract;
 - (2) Program Income includes, but is not limited to:
 - (A) income from services fees;
 - (B) proceeds from the sale of property or other assets with an acquisition cost of less than one thousand dollars (\$1,000);
 - (C) usage or rental fees;
 - (D) royalties on patents and copyrights;
 - (E) interest income on grant derived funds; and
 - (3) The following specific revenues shall not be included as program income but as applicable credits to be treated as specified in Rule .0604 of this Section:
 - (A) rebates, discounts, and recoveries on leases;
 - (B) income earned by individuals or a group of project participants when such income accrues directly to the participants; and
 - (C) proceeds from the sale of property or other assets with an acquisition cost of more than one thousand dollars (\$1,000).
- (b) Program income may be used as follows:
- (1) For any service which the grant recipient may provide with CSBG funds.
 - (2) All program income must be used during the program year in which it is earned. It must be used to enhance the project. On a regular basis, this program income shall be deducted as a cash resource from total allowable project costs for the purposes of determining net cost.
 - (3) Program income must be deposited into an appropriate bank account on a regular basis.
- (c) In accounting for program income, the grant recipient shall meet the following requirements:
- (1) Grant recipients must utilize generally accepted accounting standards for collecting and recording participant contributions or other program income.
 - (2) The grant recipient must account for program income on an ongoing basis, and must report such income to the Office through the established financial reporting system.
 - (3) Accounting records and reports submitted by a grant recipient to the Office should provide an auditable trail on all program income and its uses. Accounting records and reports should accurately reflect the receipt of such funds separate from the receipt of federal funds and grant recipient funds.
 - (4) Grant recipients should maintain adequate accounting records on any interest income earned on grant derived funds. Interest income must be used for an activity which will further the purposes of the project and the Act.

*History Note: Authority G.S. 143B-10; 143B-276; 143B-277; 143-323(d);
Eff. December 1, 1983;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. April 25, 2015.*