

Program Income: IDEA Discretionary Grants

By the authority of **34 CFR § 80.25**, there are two ways to treat program (or project) income earned on federal grant-related activities. Program income may either be –

1.) deducted from the total grant award allocation by the end of the grant award period (e.g. if \$5,000 in program income is earned and the total grant award allocation is \$100,000, the grantee can only claim \$95,000 in grant funds);

-or-

2.) added to the total grant award allocation amount and used toward approved grant activities under the condition of the grant agreement [34 CFR § 80.25(g)(2)]. This would be authorized by the DPI Special Education Team liaison through the application process via the web-based system.

In both cases, all program income earned from grant-related activities must be reported and tracked via the Discretionary Grant Web Portal.

There are three (3) components of this tracking system:

- 1. Record Program Income:** The grantee must record what income was earned on grant-related activities. This income should be recorded at the time when it is earned during the grant period.
- 2. Budget Program Income:** The grantee must budget for how this project income will be spent on approved grant-related activities. The income may be budgeted at any time during the grant period.
- 3. Claim Program Income:** The grantee must “claim” program income in the sense that the grantee must show how the income was actually spent during the grant period. The income must be “claimed” by the end of the grant period (June 30). If the expenditure of program income is not claimed by the end of the grant period, the discretionary grant award available will be reduced by the amount of unexpended program income. If the grantee claims all grant funds prior to the end of the fiscal year and has program income unspent as of June 30, the grantee will be required to return the unexpended program income to the Wisconsin Department of Public Instruction.

Grantees must record program income within the [Discretionary Grant Web Portal](#). Recording, budgeting and “claiming” program income will be completed in a separate section of the Portal to distinguish this information from the IDEA discretionary grant budget and claims.

Download the [Discretionary Grant Web Portal User Guide](#) for full instructions about recording, budgeting and “claiming” program income in the Portal.



Frequently Asked Questions

- **What is 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 a grant award.

It includes, but is not limited to:

- Fees earned for services performed under the grant.
- Funds generated by the sale of commodities, such as toolkits, guides, or training materials.
- Funds generated through workshop or conference registration fees
- Rental or usage fees, such as those earned from fees charged for the use of computer equipment purchased with grant funds.
- Royalties and license fees for copyrighted material, patents and inventions. These may be considered program income only if the revenues specifically identified in the grant agreement. [34 CFR § 80.25(e)]

It does not include interest on grant funds, rebates, credits, discounts, refunds, etc. and interest earned on any of them. Nor does it include proceeds from public benefits or insurance or private insurance.

- **Must all program income be reported to the Department?**

Yes. The grant recipient is required to report any program income generated during the performance of the grant. Program income generated that is not reported or not approved by the department is not allowed.

- **Should a grantee record gross income earned, or only net income?**

The grantee should only report net program income. In other words, only report the program income earned after expenses have been deducted.

For instance, the cost of a grant-funded conference is \$3,000 (including site rental, food, materials and presenter costs). A \$35 registration fee is charged for each conference attendee, and 100 people attend the conference. The grantee has earned a gross \$3,500 in program income from the registration fees; however, the conference cost totaled \$3,000. Once the cost of the conference has been deducted, the net program income that must be reported is \$500.



- **What grant activities may generate program income?**

This determination is made by the DPI Grants Liaison and the DPI Grants Administrator. When a grantee submits their grant application/work plan, they will indicate which activities they expect to earn income. The DPI Grants Liaison will review these activities and make the determination whether certain activities are appropriate for generating program income. By approving the application, the DPI Grants Liaison has determined that those activities are appropriate for generating program income.

The grantee is not allowed to generate income on a grant activity unless it has been approved by the DPI Grants Liaison and is noted in the grant application/work plan. The DPI Grants Liaison and Grants Administrator have the authority to set guidelines and limitations specific to each grant project regarding how program income may be generated. The liaison will communicate those expectations to the grantee.

- **What are some examples of common grant activities that may generate income?**
 - Fees from trainings, conferences, workshops, or other events
 - Fees for consulting
 - Income from sale of materials, guides or other grant-funded products

- **Does program income include income earned after the end of the grant project period?**

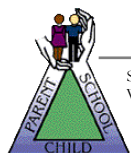
No. This is not considered program income and does not need to be reported. Unless WDPI or the terms and conditions of the award provide otherwise, grant recipients have no obligation to the Federal government regarding program income earned after the end of the grant period (June 30).

- **What if income is earned from copyrighted material or publications developed with grant funds after the end of the award period?**

Unless WDPI's regulations or the terms and condition of the award provide otherwise, grantees have no obligation to the department or the Federal government with respect to program income earned from license fees and royalties for copyrighted material, patents, and inventions produced under an award.

- **What if program income is very small, say less than \$100? Does it still need to be reported?**

Yes. All net program income must be recorded, budgeted and claimed.



- **When should program income be reported on the Discretionary Grant Web Portal?**

Program income must be reported on the Discretionary Grant Web Portal when it is earned during the grant period.

- **When should program income be budgeted on the Discretionary Grant Web Portal?**

Program income may be budgeted at any time during the grant period, although it is recommended not to wait until the end of the grant year.

- **When should program income be “claimed” on the Discretionary Grant Web Portal?**

Program income must be claimed by the end of the grant period (June 30).

- **What if program income is earned very late in the grant period? Can it be used after the grant period ends?**

No. Program income must be recorded, budgeted and claimed in the Discretionary Grant Web Portal by the end of the grant period even if it is earned late in the year. No program income may be carried over into the next grant period or fiscal year.

- **What happens if all the program income cannot be claimed by the end of the grant period?**

In that case, the total grant award available must be reduced by that exact amount (i.e. the full amount of the grant award cannot be claimed). In a situation where all the grant award funds have already been claimed but program income could not be expended by the end of the grant period, the grantee must reimburse the Wisconsin Department of Public Instruction for that exact amount.



- **What may be purchased with program income dollars?**

Program income earned on grant-related activities must also be spent on approved grant related activities. Any limitations to discretionary grant dollars also apply to program income dollars, as well.

Examples might include additional supplies or materials for grant activities; additional funds for travel for grant project staff; funds for additional days for grant project staff; funds for additional conferences, workshops or events. If additional grant activities are made possible by the use of program income dollars, those activities must first be approved by the DPI Grant Liaison through a work plan revision.

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