

Program Income

Program income is gross income earned by an awardee that is directly generated by a federally supported activity or earned as a result of a Federal award. Program income may be earned in research, education, or conference awards.

Program income includes but is not limited to income from:

- (1) Registration fees for conferences supported by conference awards;
- (2) Fees for services performed;
- (3) The use or rental of real or personal property acquired under the award;
- (4) The sale of commodities or items produced using award funds;
- (5) License fees and royalties on patents and copyrights; or
- (6) Interest on loans made with award funds.

Program income does **not** include income from:

- (1) Interest earned on advances of Federal funds;
- (2) The receipt of principal on loans; or
- (3) Rebates, credits, or other discounts.

The OIG has encountered instances where awardees have not adhered to rules concerning the expenditure of program income. These rules are set forth in this pamphlet. Please note that the rules associated with program income earned by research awardees are different than those applicable to program income earned by conference and group travel awardees. If in doubt about which rules apply, consult your NSF program officer or grants officer.

Research Award Program Income

Unless otherwise noted in the award letter, program income earned by the awardee during the period of the award shall be added to the funds committed to the project by NSF and used to further project objectives. (Grant General Conditions, Section 19 (b))

Exceptions:

The awardee has no obligation to NSF with respect to:

- (1) Program income generated by license fees and royalties for copyrighted material, patents, patent applications, trademarks and inventions received or accrued at any time; or
- (2) Program income received after the period of the award.

Program Income Records

The awardee is responsible for keeping appropriate records concerning the expenditure of program income earned during the award period. The awardee must maintain these records for three years after the NSF award closes.

Conference and Group Travel Award Program Income

“[R]egistration or other fees paid by conference participants shall be used to defray reasonable expenses directly associated with the conference for which funds are not otherwise available. If fees exceed such expenses, the remainder shall be used to offset allowable costs otherwise chargeable to th[e] grant.” (F.L. 26, Administration of NSF Conference or Group Travel Award Grant Special Conditions, Section j)

NSF recovers program income under conference awards by crediting costs otherwise chargeable against the grant on the Federal Cash Transaction Report. Income in excess of the grant **must** be remitted to NSF electronically or by check. (Grant Policy Manual, Section 444)

Participant Support Costs

Frequently, conference awards provide funds for participant support. Participant support costs include stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (**but not employees of the awardee**) in connection with NSF-supported meetings, conferences, symposia or training. Funds provided for participant support costs may **not** be redirected to other uses without specific **prior written approval** from the NSF program officer.

The awardee is required to account for participant support costs separately and maintain records for three years after the NSF award closes.

What is an Office of Inspector General?

Each Federal agency has an independent Office of Inspector General (OIG) responsible for recommending policies and practices to promote economy and efficiency and conducting audits and investigations to detect and deter fraud, waste, and abuse related to that agency. Our office regularly conducts outreach to promote education on award administration issues, such as those addressed in this pamphlet. Close working relationships with NSF and its awardees help to facilitate our proactive educational efforts.

Where can you find guidance about program income and conference awards?

- (1) National Science Foundation Grant General Conditions, Sections 3 and 4
nsf.gov/home/grants/grants_gac.htm
- (2) National Science Foundation Administration of NSF Conference or Group Travel Award Grant Special Conditions (FL 26), Sections 7 and 19
nsf.gov/home/grants/grants_gac.htm
- (3) Federal Demonstration Partnership, Section 24.
nsf.gov/home/grants/grants_gac.htm
- (4) National Science Foundation Grant Policy Manual (GPM), Sections 444, 618 and 750
nsf.gov/home/grants/grants_admin.htm

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Report any instances of possible misconduct in science, engineering or education; fraud, waste, or abuse; or mismanagement associated with NSF programs and operations to our office. Our investigations are confidential. However, if you wish to remain anonymous, you may contact us by telephone at the number below.

OIG Confidential Hotline
1-800-428-2189

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Office of Investigations



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