



# LANE WORKFORCE PARTNERSHIP

## FINANCE POLICY #5

**Rescission:** Finance Policy #5, dated July 1, 2021

**References:** Workforce Innovation and Opportunity Act (Public Law 113-128)  
Uniform Grant Guidance 2 C.F.R. 200 Program Income  
Uniform Grant Guidance 2 C.F.R. Title 29 Labor Part 1470.25  
Program Income  
Higher Education Coordinating Commission Office of Workforce  
Investments Policy: Financial Management and Administrative  
Standards (3/23/2020)

**Effective Date:** July 1, 2022

**Topic:** PROGRAM INCOME

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### **Purpose**

This policy will communicate to staff the federal and state requirements associated with Program Income, including interest earned or activities which generate revenue such as fee-for-service.

### **Policy**

All revenue, including Program Income, must be recorded by Lane Workforce Partnership (LWP) in accordance with local, state, and federal regulatory requirements. Program Income is gross income received by the grantee directly generated by a grant supported activity, or earned only as a result of the grant during the grant period.

### **Procedures**

- A. Master Chart of Accounts – The Chart of Accounts of Lane Workforce Partnership (LWP) includes a holding fund for the recording of all Program Income Revenues. This will be Fund 90. Revenues will be posted to appropriate Revenue Object Codes in Fund 90. No direct expenditures (AP) will be made from this account.
- B. Cash Receipt - All cash (cash or checks) will be transferred within one working business day by the receiving staff person to LWP Finance. A written receipt will be issued upon request for all Cash Receivables. The responsible Finance staff will enter into the electronic books of record the cash entry. Cash will be managed in accordance with LWP Finance Policy #8 – Cash Management.
- C. 'Additions Method' - All program income received by LWP will be managed using the 'Additions Method'. Program Income allocable to any federal or state funds will be added back to the fund. The cost of generating Program Income shall be subtracted



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from the amount earned to establish the net amount of Program Income available for use.

- D. Acceptability Test - All costs charged as Program Income must meet the specifications detailed in LWP Finance Policy #4 Procurement and Purchasing.
- E. Allowable Period - All Program Income earned in a program year shall be expensed within the period of grant funding availability or in accordance with the grant agreement. Any Program Income funds remaining will be used to reduce the reported grant expenditures at closeout.
- F. Reporting – All Program Income will be reported at least quarterly on applicable grant financial documents. LWP Finance will track all program income as it occurs for financial reporting purposes.

### **Responsibilities**

This policy applies to all LWP grant funded activities and staff. For example: An LWP staff person organizes a business seminar for employers to meet and network with other local business leaders as an Employer Service. The staff person spends 4 hours on this task. The staff person is paid \$30.00 an hour. Thirty employers attend and pay \$20.00 a piece for a total of \$600. The LWP staff member worked a total of 4 hours at \$30 or \$120.00. Other costs attributed to the seminar equal \$25.20 for a total cost of \$145.20. The generated revenues will first reimburse the staff wages and other expenses leaving the amount of \$454.20 which is program income.

This policy will be monitored for compliance by LWP Finance Staff with oversight provided by LWP Management.

*Tiffany Cink*

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Chief Operating Officer