

## **SECTION XI--FEDERAL GRANTS**

### **PROGRAM INCOME:**

Program income is defined as "...gross income received that is directly generated by the federally funded project during the grant period." It includes fees for services performed, the use or rental of real or personal property acquired with grant funds, the sale of commodities or items fabricated under a grant agreement, and payments of principal and interest on loans made with grant funds. You must have controls in place to ensure that program income is used in one of the three approved methods:

- a. deducting it from outlays;
- b. adding it to the project budget; or
- c. using it to meet the matching requirements.