



**SAN JOAQUIN COUNTY WORKNET
 EMPLOYMENT AND ECONOMIC DEVELOPMENT DEPARTMENT
 POLICIES AND PROCEDURES DIRECTIVE**

DIRECTIVE NO.	EFFECTIVE DATE	APPLICABILITY	PAGE
D-39 Rev. 2	November 4, 2022	EMD, FMD, GMD	1 of 3
SUBJECT: PROGRAM INCOME POLICY			

I. PURPOSE

The purpose of this Directive is to establish the Workforce Development Board of San Joaquin County's policy on the federal requirements regarding Workforce Innovation and Opportunity Act program income.

This policy requires that all subrecipients expending WIOA funds shall comply with federal laws and regulations regarding program income.

II. GENERAL INFORMATION

The WIOA and its regulations, provide specific guidance regarding what constitutes program income. Non-Federal entities are encouraged to earn income to defray program costs where appropriate.

Program income is defined as gross income earned by a subrecipient that is directly generated by a supported activity or earned as a result of the WIOA award during the period of performance (Uniform Guidance Section 200.80).

Program income does not increase the amount of funds that were authorized for the subaward. It is considered additional revenue available for use in support of allowable subaward activity. Program income includes, but is not limited to, income from the following:

- The use or rental of property acquired with WIOA funds.
- The sale of commodities or items fabricated under a WIOA award.
- License fees and royalties on patents or copyrights.
- Goods or services (including conferences) provided as a result of WIOA funded activities.
- Any excess of revenue over costs incurred for services provided.
- Interest earned on funds received under WIOA.
- Fees from employers to use services, facilities, or equipment.

References:

- Workforce Services Directive WSD15-25, Subject: WIOA Program Income (May 24, 2016)
- WIOA (Public Law 113-128) Sections 184(a)(3), 184(a)(5), 194(7)(B) and 194(13)(A-C)
- Title 2 Code of Federal Regulations (CFR) Part 200: "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (Uniform Guidance), Sections 200.80, 200.307, 200.327, and 200.333
- Title 2 CFR Part 2900: "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (Department of Labor [DOL] Exceptions)
- Title 20 CFR: "WIOA; Notice of Proposed Rulemaking" (NPRM), Section 683.20
- Training and Employment Guidance Letter (TEGL) 15-14, Subject: Implementation of the New Uniform Guidance Regulations (December 19, 2014)
- Workforce Services Directive WSD19-05, Quarterly and Monthly Financial Reporting Requirements
- Workforce Services Directive WSD15-25, WIOA Program Income

III. POLICY

Cost of generating program income: If authorized by Federal regulations or the Federal award, costs incidental to the generation of program income may be deducted from gross income to determine program income, provided these costs have not been charged to the Federal award.

Governmental revenues: Taxes, special assessments, levies, fines, and other such revenues raised by a non-Federal entity are not program income unless the revenues are specifically identified in the Federal award or Federal awarding agency regulations as program income.

Property: Proceeds from the sale of real property, equipment, or supplies are not program income; such proceeds will be handled in accordance with the requirements of Subpart D— Post Federal Award Requirements of this part, Property Standards §§200.311 Real property, 200.313 Equipment, and 200.314 Supplies, or as specifically identified in Federal statutes, regulations, or the terms and conditions of the Federal award.

The addition method, described at 2 CFR 200.307, must be used for all program income earned under title I of WIOA and Wagner-Peyser grants. When the cost of generating program income has been charged to the program, the gross amount earned must be added to the WIOA program. However, the cost of generating program income must be subtracted from the amount earned to establish the net amount of program income available for use under the grants when these costs have not been charged to the WIOA program.

There are no Federal requirements governing the disposition of income earned after the end of the period of performance for the Federal award, unless the Federal awarding agency regulations or the terms and conditions of the Federal award provide otherwise. The Federal awarding agency may negotiate agreements with recipients regarding appropriate uses of income earned after the period of performance as part of the grant closeout process. See also §200.343 Closeout.

Unless the Federal statute, regulations, or terms and conditions for the Federal award provide otherwise, the non-Federal entity has no obligation to the Federal awarding agency with respect to program income earned from license fees and royalties for copyrighted material, patents, patent applications, trademarks, and inventions made under a Federal award to which 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Awards, Contracts and Cooperative Agreements" is applicable.

IV. PROCEDURE

EEDD will follow the policy stated above. Any program income that may be received will be recognized as a reduction in expenditures in the period in which it is received and will only be used for activities that would be allowable under the grant award that generated the income.

Program income will be used for reasonable, allowable, and allocable expenditures and reported as disbursed prior to requesting additional cash.

V. QUESTIONS REGARDING THIS DIRECTIVE

May be referred to the Executive Director of EEDD via Managers or designee.

VI. UPDATE RESPONSIBILITY

The Executive Director of EEDD and/or designee shall be responsible for updating this directive, as appropriate.

VII. APPROVED



PATRICIA VIRGEN
EXECUTIVE DIRECTOR

PV:am