

**Harvard Pilgrim Health Care, Inc.**  
**Harvard Pilgrim Health Care Institute**  
**Office of Sponsored Programs**  
**Policy and Procedure**  
**Program Income**

This policy applies to all Harvard Pilgrim Health Care, Inc. (HPHC)/Harvard Pilgrim Health Care Institute (HPHCI) employees who work on HPHC grants.

## **Definitions**

*Program Income* is gross income earned by HPHC as the result of a sponsored program or directly generated under the work under a sponsored program. A complete definition, including exceptions, can be found at 2 CFR 200.80.

## **Policy**

### **I. Program Income under Federal Grants**

Program income received under a research program must be used additively, unless the notice of award (NOA) specifies otherwise. That is, it must be added to the funds awarded by the federal government and used to fund objectives under that project.

If the NOA details a limit on funds that may be used additively, all additional program income over that limit must be used to reduce the federal share of costs under that project.

Unless stated otherwise in the NOA, the federal government has no right to program income earned after the end of the award period or program income earned from “license fees and royalties for copyrighted material, patents, patent applications, trademarks, and inventions produced under [the research program].” Program income of these types may be added to an appropriate unrestricted account at DPM.

If the costs of generating program income have not already been charged to the federal award and the NOA allows it, the costs of generating program income may be covered by the program income.

## II. Program Income under Federal Contracts

The Federal Acquisition Regulations do not cover program income. If no special terms and conditions have been added to the federal contract detailing the disposition of program income, then any program income may be used

- a. Additively, as described under Section I above,
- b. To fund mandatory cost-sharing required by the contract, or
- c. Moved to an appropriate unrestricted account at DPM.

## III. Program Income under Non-federal Awards

Program income received under a non-federal award must be handled in accordance with the terms and conditions of the agreement from the sponsor. If the agreement from the sponsor does not address program income, the program income may be used in the same ways as program income under a federal contract.

[Source: 2 CFR 200.307.]