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MEMORANDUM

TO: Business Managers, and 21 C Grant Administrators
FROM: Cassandra Ryan, Fiscal and Regulatory Compliance Coordinator, Agency of Education
SUBJECT: Fiscal Treatment of Program Income in 21C Federal Grant Programs
DATE: June 11, 2019

The purpose of this memo is to clarify the correct treatment of program income earned as a result of the Federal 21st Century Community Center Grants (21CCLC grant).

2 CFR §200.80 defines program income as: Program income means gross income earned by the non-Federal entity that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance. Program income includes but is not limited to income from fees for services performed, the use or rental or real or personal property acquired under Federal awards, the sale of commodities or items fabricated under a Federal award, license fees and royalties on patents and copyrights, and principal and interest on loans made with Federal award funds.

The United States Department of Education has granted approval to the VT Agency of Education (VTAOE) to allow its subrecipients to earn program income on the 21st CCLC grant awards and account for the program income under the addition method detailed in 2 CFR §200.307(e)(2). Common examples of program income earned as a result of the 21st CCLC grant award include but are not limited to: parental fees, VT subsidy payments, and the sale of items.

Per a [memo](#) sent by AOE 21st CCLC State Coordinator Emanuel Betz on January 9, 2019, program income must be used for the purposes and under the conditions of the Federal award. AOE requires subrecipients to follow the below four steps as evidence the subrecipient has met this requirement:

1. Program income must be accounted for in the subrecipients accounting system as a separate revenue source. Per the UCOA, please use the below codes:
 - a. Program code 13 for 21st CCLC
 - b. Revenue Source code 4 for Federal
 - c. LEA Project code: assign your own 1 - 8 digit code to identify this as 21C program income
 - d. Revenue codes:
 - i. 1911 for parent fees
 - ii. 3790 for state subsidy payments
 - iii. 1985 for other program income

2. Program income may be spent only on allowable activities of the 21st CCLC program regulations and the Uniform Guidance Subpart E (Cost Principles)

3. Program income must be expended prior to requesting federal 21 CCLC grant reimbursement through the AOE 3.0 process. Please note the earning of program income must be reported on the AOE 3.0 request as of FY19.
4. Program income earned must be spent on current grant year expenses.

If you have any questions regarding the treatment and accounting for program income earned as the result of the federal 21st CCLC grant award please contact the AOE's Fiscal and Regulatory Compliance Team:
[Cassandra Ryan](#), Fiscal and Regulatory Compliance Coordinator, or (802) 479-8545