Program Income and Match Reporting

Jim André
Melissa Dixon
March 13, 2014
Program Income
Program Income Defined

**Program income** means gross income earned by the recipient that is directly generated by a supported activity or earned as a result of the award. (EDGAR, 34 CFR 80.25 (b))

Fees collected must be necessary and reasonable and may not impose a barrier to participation.
Program Income: Examples

Program income includes, but is not limited to:

• income from fees for services performed
• the use or rental of real or personal property acquired under federally-funded projects
• the sale of commodities or items fabricated under an award
• license fees and royalties on patents and copyrights
• interest on loans made with award funds.

OMB A-110
Program Income: Exclusions

Unless USED regulations or the terms and condition of the award provide otherwise, recipients have no obligation to the Federal Government with respect to program income earned from license fees and royalties for copyrighted material, patents, patent applications, trademarks, and inventions produced under an award.

EDGAR § 74.24
Program Income: Reporting

Program income reports are required of all AEFLA and EL/Civics subrecipients even if they do not intend to collect program income.

Programs who do not intend to collect program income must submit the signed summary statement of the Program Income report by the first quarter due date.

Quarterly reports are due by the 17th of the month following the end of the quarter.
Program Income: Spending

Program income may only be spent on allowable AEFLA activities. (EDGAR 34 CFR 80.25 (g)(2))

Program income may not be used as match, cost sharing, or MOE. (EDGAR 34 CFR 76.534)
Program Income: Spending, cont’d

Program income is reported every quarter and must be spent before requesting reimbursement of federal funds.

Program income may support either instructional or administrative costs as long as they are allowable.
Match and Maintenance of Effort
Match

- Virginia must provide a 25% match to AEFLA and EL/Civics funds received from USED.
- 15% of the requirement is passed to regional programs.
- GAE, SLCA, and items funded by the Code of Virginia make up the difference.
Match Requirements

• Minimum match obligation must be computed on current and reallocated funds.
• Match on reallocation will affect future maintenance of effort
• Computation:
  \[(\text{Award amount} / .85) – \text{award amount} = \text{minimum match}\]
Remember, Match...

- May be cash or in-kind
- In-kind match must reflect fair market value for the area.
- May be met by a single locality or multiple localities in the region
- Must support AEFLA and/or EL/Civics activities
Reporting Match

• Match for current and reallocated AEFLA funds can be reported on the same form.
• C & I and ABE (both AEFLA) can be reported together.
Maintenance of Effort (MOE)

• MOE is based on original and reallocated funds received in previous years of current competition.

• Match for 2013-2014 must be at least 100% of last year’s match or 15% of 2013-2014’s match —whichever is greater.

• To figure out MOE, compare the total match reported for original and reallocated funds in 2012-2013 to the match required for 2013-2014 original and reallocated funds.
If you do not spend all of your funds for 2013-2014, your maintenance of effort requirement will be the greater of:

- Reported match for last year, OR
- The required match on expended funds for this year.

Match for 2012-2013 and 2013-2014 will establish the minimum MOE requirement for 2014-2015 AEFLA grants.
MOE – EL/Civics

• If you do not spend all of your funds for 2013-2014, your maintenance of effort requirement for 2014-2015 will be the greater of:
  – Reported match for 2013-2014, OR
Finally, a few reminders...

The deadline for encumbering technology purchases is March 31 for the April 17 reimbursement.

Any remaining AEFLA reallocations from 2012-2013 should be spent prior to requesting reimbursements from 2013-2014 funds.
Questions?

Send additional questions to:
Jim André at james.andre@doe.virginia.gov
or
Melissa Dixon at melissa.dixon@doe.virginia.gov