



Program Income

Program income is money that is earned or received by a grant or cooperative agreement recipient or subrecipient from the activities supported by NEH funds or from products resulting from funded activities. It includes, but is not limited to, income from fees for services performed and from the sale of items fabricated under a grant or cooperative agreement; usage or rental fees for equipment or property acquired under a grant or cooperative agreement; admission fees; broadcast or distribution rights; and license fees and royalties on patents and copyrights. The federal share of program income is determined by the percentage of total project costs that are supported by NEH.

Income Earned During the Period of Performance

The federal share of program income earned during the period of performance shall be retained by the recipient and, unless the award specifies how such income will be used, the recipient must use it in one or more of the following ways:

- It may be added to the existing project funding to cover increased costs of the project or it may be used to support other projects in the humanities;
- It may be used to finance the non-federal share of the project; or
- It may be used to finance the federal share of the project costs, which would result in an equivalent reduction in the amount of the NEH award.

A report of program income earned during the period of performance must be submitted with the final Federal Financial Report whenever program income is actually earned during the period of performance or when the terms and conditions of the award specifically require such a report. The report shall indicate the total amount of program income that was earned and how it was used.

1. Income Earned After the Period of Performance

When NEH funding of a project amounts to \$50,000 or more and the total program income earned after the period of performance exceeds \$50,000, NEH reserves the right to make a claim to or restrict the use of the federal share of income earned during the seven years following the end date of the period of performance. Due dates for the submission of program income reports may be listed in the Report Schedule in eGMS Reach. However, even if NEH does not specifically require the submission of program income reports after the period of performance, it is the recipient's responsibility to submit a report as soon as the cumulative amount of program income earned during the seven years after the period of performance exceeds \$50,000.

In reporting program income earned after the period of performance, the recipient shall indicate the amount and sources of the gross income it has earned and the percentage of



funding provided to the project by NEH. The federal share of program income will be determined by (1) deducting the first \$50,000 in gross income from total gross income, (2) deducting 5 percent of the balance of gross income to cover possible grantee costs, and (3) multiplying the balance of gross income by half the percentage of funding provided to the project by NEH. For example if NEH's award of \$250,000 covered 60 percent of a project's costs and the project earned \$200,000 in program income during the seven-year reporting period, the federal share of that income would be \$42,750 (\$200,000 minus \$50,000 minus 5% x 30%). Once the federal share of income equals the amount of funding provided by NEH, NEH's claim to additional income will be reduced by half.

If income is to be returned to NEH, a check made payable to the National Endowment for the Humanities and identified as program income must be submitted to the NEH Accounting Office.