

3.12 PROGRAM RELATED INCOME

Policy: Title X clinics must use program related income earned by sub-recipients must be used in accordance with the terms and conditions of the Title X grant and in accordance with *CFR 45 74.24*.

Definition of Title X Program Related Income

Program related income is the revenue earned by the sub-recipient that is directly generated by a supported activity or earned as a result of being a Title X clinic. For example, this may include revenue from insurance, client fees or donations (*see exclusions in CFR 74.24 (e) and (h)*) earned through Title X services. This does not include any funds awarded through the DPHHS Title X contract (e.g. Title X, or State General Funds).

Procedure:

1. Program income earned during the project period shall be retained by the sub-recipient and, in accordance with the terms and conditions of the Title X requirements, shall be used in one of the following ways:
 - a. Added to funds committed to the project or program, and used to further eligible project or program objectives
 - b. Used to finance the non-Federal share of the project or program
2. Sub-recipients and satellite clinics must only use program income for costs and purchases that are allowable for the Title X project as a whole (see MT TX Administrative Manual Policy 3.2, *Reasonableness, Allocability and Allowability of Costs*). Note that pre-approval from the funding agency is required for any capital improvement.
3. Unexpended program related income must be carried over into subsequent budget periods as cash reserves. Clinics must be able to demonstrate the availability of carryover for use in the Title X program to FPP.
4. At the beginning of each project period along with the budget, documentation must be submitted to verify the ending cash balance reported on the FAS.
5. All adjustments to the cash balance reported on the FAS must be approved in advance by FPP. A formal written request must be submitted along with documentation to verify why the adjustment is necessary. Adjustments requested to lower the ending cash balance will only be allowed if supporting documentation is sufficient to verify Title X funds have been used only for allowable Title X expenses.