



## **PROGRAM INCOME**

---

**Policy Number:** 1120

**Effective Date:** May 1, 2017

---

### **A. BACKGROUND**

Program income may be generated by Workforce Snohomish and its sub-recipients or contractors during the implementation of a federal grant. This policy clarifies the requirements to collecting and expending program income.

### **B. POLICY**

Workforce Snohomish may earn program income only if such income is used to support activities allowable under the grant to which the income is attributed. Program income will be used prior to the submission of the final report for the funding period of the program year to which the earnings are attributable. Program income must be expended in conformance with the requirements of the Workforce Snohomish Cash Management Policy.

Program income expenditures will be made on a first-in first-out basis; the first dollar of program income spent will be counted against the first dollar of program income earned. Program income earned after the funding period, such as rental income and user fees on property acquired with federal funds, shall be treated as program income in subsequent funding periods. Any property purchased with program income is subject to the requirements of the Workforce Snohomish Property Management Policy.

Program income may not be spent to cover disallowed costs.

Program income that is not used in accordance with the requirements of this policy is subject to recapture by the Employment Security Department. Program income shall be returned to the Employment Security Department if the income cannot be used by the Workforce Snohomish or its sub-recipients or contractors.

Receipt and disbursement of program income will be reported on the appropriate Quarterly Fiscal Report forms. Program income must be traceable through the Workforce Snohomish's financial system.

**C. DEFINITIONS:**

**References:**

- [WorkSource System Policy 5220, Program Income](#)
- [Workforce Snohomish Cash Management Policy](#)
- [Workforce Snohomish Property Management Policy](#)

**Supersedes:**

- Memorandum #05-05: Program Income

-

**Attachments:**

- N/A