


CTE Program
Income

Perkins Requirements & Federal
Guidance

The slide features a large orange background. On the left, a white circle contains a blue icon of a stack of money. To the right, the title 'CTE Program Income' is written in white, with a yellow dashed arc above it. Below the title, the subtitle 'Perkins Requirements & Federal Guidance' is also in white.

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Agenda



DEFINITIONS WAYS TO GENERATE PROGRAM INCOME TRACKING AND USE REQUIREMENTS

The slide has an orange background with the word 'Agenda' centered at the top. Below it, a white rounded rectangle contains three items. Each item consists of a circular icon above a text label. The first item has an orange circle with a white document icon and the label 'DEFINITIONS'. The second has a grey circle with a white money icon and the label 'WAYS TO GENERATE PROGRAM INCOME'. The third has a yellow circle with a white checklist icon and the label 'TRACKING AND USE REQUIREMENTS'.

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What is Program Income?

2 CFR §200.1

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* except as provided in §200.307(f). Program income includes, but is not limited to

- income from fees for service performed,
- the use or rental of real or personal property acquired under Federal awards,
- the sale of commodities or items fabricated....

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What is Gross Income? (www.investopedia.com)

Gross profit is the profit a company makes after deducting the costs associated with producing and selling its products or the costs associated with its services. Gross profit may also be referred to as sales profit or [gross income](#).

Gross profit=Net sales-CoGS

CoGS – Cost of goods sold. Direct costs associated with producing goods. Includes both direct labor costs and costs of materials used in producing or manufacturing the products.

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What is Period of Performance?

2 CFR §200.1

Period of performance is the total estimated time between the start of an initial Federal award and the planned end date, which **may include one or more funded portions, or budget periods....**

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Ways to Generate CTE Program Income

	Income from fees for service performed	Oil changes, engine diagnostics Marketing consulting Website design Haircuts, massages, facials, teeth cleanings
	Use or rental of real or personal property acquired under Federal awards	Renting CTE classrooms for professional development Catering supply rental (i.e. tablecloths, chafing dishes, etc.)
	Sale of commodities or items fabricated	Screen printed items, printing services, coffee carts or food trucks, school stores, concession stands, egg or flower sales, produce sales, sheds, cars, etc.

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Use of Program Income (2 CFR §200.307)

Federal awarding agency or grant will specify:

- Deduction: Program Income must be deducted from total allowable costs to determine the net allowable costs (basically reduces how much of the grant award the entity can be reimbursed).
- Addition: Program Income may be added to the Federal award. **“The program income must be used for the purposes and under the conditions of the Federal award.”** (2 CFR § 200.307(e)(3))
- Cost sharing or matching: Federal award stays the same, but program income can be used to meet cost sharing requirements

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What Does This Mean? Breaking It Down...

1. Must know what program income looks like for your CTE program(s)
2. Must have a way to track your program income
3. Must have a way to show that it was used “for the purposes and under the conditions of the Federal award”

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Tracking CTE Program Income

Do

Work with finance/business office (at school AND district) to identify the appropriate way to account for program income

Consider district/college documentation to standardize procedures and processes around program income

- Include considerations of paying learners, scholarships, CTSO costs, etc.

Don't

Confuse program income with fundraising. IF the CTE program generated what is being sold, it is program income, NOT fundraising.

- Candy bars, car washes, auctions for student services = fundraising
- Produce, plant, or similar sales = fundraising

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