

TRANSCRIPT FOR PROGRAM INCOME REPORTING WEBINAR HELD 10/28/2020

Please stand by for real-time captions.

Good morning and good afternoon, I am the Branch Chief of the NSF Cash Management Branch and thank you for joining our webinar. I wanted to give a quick announcement, we have already had activity in the question and answer session but if you are an SBIR or an STTR awardee only and you don't have any non-SBIR or non-STTR grants with NSF, you are not required to attend this webinar or submit the program income report. There was a message you may have received in error for which I did send a retraction out, so if you did attend this webinar and that applies to you as a grantee, feel free to log off at this time.

With that, I want to thank everyone for attending and for your attention to this important reporting requirement. We are proud that our payment system, ACM\$, reduces grantee burden and you don't have to submit a FFR but this is an important annual financial requirement for us that we need to abide by so we hope this webinar will be informative and helpful to you in terms of helping us meet this requirement. We have some exciting improvements; the team will talk a little bit more about today and to give you a little idea of the structure of this webinar.

Introducing our speakers, Justin Poll who is a grant accountant with our Grantee Cash Management Section, will provide some background about program income from the policy perspective and then we will stop and answer some question and answers live on the air pertaining to that section of the presentation and next Justin will turn it over to our financial management specialist Diana Phan, who is going to talk about the technical aspects of the submission and we will conclude with Q&A over that part of the presentation. With that said feel free to put anything in the question and answers as we move along. I will turn it over to Justin who will kick things off for us. Thank you.

Thank you. To get started I would like to start with a polling question to get you interacting with us and I'm going to launch that now. Please take a few moments to answer this. We want to get a sense of who we are talking with so please provide us with a response regarding the level of experience you have with submitting program income reports on behalf of your organization and we would like to get an idea if you have already submitted the report for this year. We will give this a few moments longer. All right perfect, I'm going to end and show you the results. Looks like we have the majority of folks that are first-time submitters, so this is perfect, hopefully we will be able to answer many questions you have today. Again, it looks like the large majority of you have not yet submitted the report, which is fine, it is not due yet, but it is good for us to have an idea. We will be returning to the poll at a later point in this presentation as well.

So, to get started with the content. To give you some background, the program income is a component of the standard form 425-Federal Financial Report. As we implemented the Award Cash Management Service, we eliminated the need for your organization to submit quarterly federal financial reports. However, we still have a requirement and obligation to

collect program income information. So, we have devised this annual reporting method, and this was initially addressed in the 2014 Proposal and Award Policies and Procedures Guide known as the PAPPG. The current requirement is documented in the 2020 PAPPG and you can have a link here when we share these slides, this will be a useful link for you.

To answer the question of who is required to submit a report. Any institution of higher education or nonprofit that had an active award during the current reporting year is required to submit a report. The current reporting period is equal to the last federal fiscal year which occurred from October 1, 2019 to September 30, 2020. So, if your award had a project period that went into this reporting period, you will be required to submit a report. That could be for an award that ended in November 2019 and it only went one or two months into that reporting period, you would be required to submit the report still or it also includes awards that may have only started in part of the reporting period. For example, a start date of August 1, 2020 you would still be required to submit a report. The reporting requirement does not include awards made to SBIR or STTR organizations as clarified at the beginning and it does not include awards made to individual fellows. So, if you have received an individual research Fellowship award and you are not part of an overall organization, you do not have to submit a program income report.

The annual program income reporting worksheet is available through our program income reporting site. We require an annual submission, it is not required to be submitted quarterly and the most recent reporting period that ended was for FY 19 and that lasted from October 1, 2019 through November 14, 2019. The current reporting period we are in, the reports are due November 14, 2020. It is important you respond to this reporting requirement whether you had program income earned or not, as failure to complete the program income report may result in the suspension of future NSF award payments because we will restrict your ability to request cash if you do not submit the required financial reports. Here is an example of the reporting timeline. We are currently 28 days into the reporting period, and we expect the FY 2020 income reports to be submitted no later than November 14th of this year.

To answer the question of what program income is: I'm going to go through a couple slides to discuss this. Program income is gross income earned by the awardee organization that is directly generated by the supported activity or earned as a result of the activities of the funding including things such as fees for services performed, use or rental of real property acquired under the grant, sale of commodities or items fabricated under the grant or registration fees collected for a conference being supported by NSF. Program income does not include reimbursements received for expenditures you have reported via ACM\$, so any federal expense reported, and you have received a reimbursement for the expense, that reimbursement is not considered program income. Interest earned on advances of federal funds is also not considered program income and the receipt of principal on loans, rebates, credits discounts, etc. is not considered program income. Hopefully, that clarifies some of your questions up front.

The standard treatment for NSF program income is to treat the income as additive. Additive treatment means any income earned is to be retained by the grantee and added to the funds committed to the project by NSF. Thus, extending or furthering the project objectives. Effort should be made to avoid having excess program income at the end of the project. In general, program income should be expended prior to requesting reimbursement against the grant and we recognize that is easier said than done. So from day-to-day or month-to-month, it may be challenging to spend program income first but we expect the folks administering your program funds should be reconciling this on a regular basis and ensuring program income is spent prior to fully spending the federal funds. At a minimum, efforts should be made to ensure program income should be liquidated before the project ends. We should not be running into a scenario where you have fully expended 100% of your federal funds and you have program income leftover. If that is the case, then you may be required to return the excess program income funds even though additive treatment applied. I will get into that a little bit more with one of the case-study examples. In some instances, special treatment may be added to the award notice applying a deductive treatment method. If this method is selected, any program income earned must be remitted to NSF by crediting the cost otherwise owed to the grant. A good example of this is when you have a grant funding or supporting a conference, group travel, or workshop and the special term and condition FL-26 is added to the award notice. That would mean the deductive treatment has been applied to your award.

Let us look at a couple case examples. On June 1st, your institution was awarded a grant of \$500,000 to conduct research, the grant was subject to the standard treatment of program income. A piece of equipment funded by the grant has downtime while not used for the grant's purpose. Since the equipment is highly specialized, non-federal entities express interest in using the equipment when available. You charge and collect usage fees of \$25,000. Your institution draws a total of \$230,000 in ACM\$ reimbursements as of September 30, 2020. What do you report on the program income report? I want you guys to be interactive here before I give the answers so I'm going to launch a poll and give you an opportunity to respond with your answers. Please answer these questions related to this case example. In your FY20 program report you will report either \$255,000, \$230,000, \$0 or \$25,000. And then answer the second question, if no additional program income is earned, what is your maximum reimbursement available for federal expenditures? \$500,000, \$525,000 or \$475,000? I'm going to give you a few moments to answer this question and then I will give you the right answer. I will give you 10 more seconds. Okay I know not everyone has had a chance to respond but I'm going to go ahead and close this so we can move on to the next one.

And the right answers are \$25,000 and \$500,000, respectively. So, the large majority of folks did get the question right. The reason why this is the case is the \$25,000 represents only the program income that had been earned representing the usage fees that were charged and collected for the use of the equipment. The \$230,000 that were project expenses reported through ACM\$, are not considered program income. Those are federal expenditures that you sought reimbursement for. Since the additive treatment applies, you still have access to the full \$500,000 in the awarded grant.

Okay let us go to the next case example. On June 1, 2016, your institution was awarded a grant for \$100,000 subject to conditions found in FL-26 to hold a workshop. You charge admission and collect \$25,000 in registration fees. Your institution draws down a total of \$30,000 in ACM\$ as of September 30, 2020. Again, I will have you respond to these questions through the poll that I have just opened up for you. In your FY20 program income report, what do you report? \$55,000, \$30,000, \$0 or \$25,000. And if no additional program income is earned then what is your maximum reimbursement available from NSF? \$100,000, \$125,000 or \$75,000? Again, I'm going to leave this open for the next 30 to 40 seconds to allow people to respond. I'm going to close this in about 10 seconds. And go over the answers now. So, the answers are \$25,000 and \$75,000.

The \$25,000 again is what represents the actual program income for the registration fees that were collected and charged for admission to the workshop. The \$30,000 represents the federal expenditures that you're charging against the grant and reporting in ACM\$ which are not considered program income. Since the deductive treatment was applied through the addition of FL-26 related to conferences and workshops, that program income earned needs to be deducted or credited against what would be chargeable to NSF, reducing your overall total from \$100,000 down to \$75,000 that you can claim in federal reimbursement. Again, that is because of deductive treatment being added to the award notice.

Okay, one more case study for you. On May 31, 2020, your institution's grant ended, the award was subject to standard treatment or additive treatment and received \$500,000 in funding, during the life of the grant a piece of equipment funded was rented out. Fees were charged and collected totally \$200,000. As of September 30, 2020, your institution shows a total of \$500,000 in ACM\$ as reported for project expenditures, so that's fully liquidated the grant. In your institution's project ledger, you have only expended \$150,000 of the program income generated leaving a remaining balance of \$50,000 in program income. So, I want you to participate in answering this question as well, the poll should now be live. With \$50,000 a program income remaining, your institution should transfer the funds to help stock your cafeteria vending machines, use the funds to help cover a shortfall in funding received from the NIH grant, provide research administration staff with cash awards for their hard work or remit the remaining funds back to NSF? We are being a little cheeky with these responses so hopefully they should be pretty straightforward. I will leave this open for another 10 seconds. And then go over the answer. I will be ending the poll now.

The large majority of you did answer this right. So why is this? Even though the additive treatment applied, like I had indicated earlier, efforts should be made to liquidate program income before spending the federal funds. At a minimum, we expect you at the end of the project to true that up. In this example if the project has ended and you have zero federal funds remaining. a no-cost extension is not an option anymore because you have to have remaining federal funds available to request a no-cost extension. Remaining program income does not make your institution eligible for a no-cost extension. If this had been done appropriately we would fully expend the \$200,000 in program income leaving a balance of \$50,000 in NSF funding and a no-cost extension would be an option allowing you to extend the grant's end date and potentially

using those funds for remaining activities that need to be completed. However, if it is done the way this use case is described with 500,000 fully liquidated and you only have program income remaining, we will require you to return the left over program income funds basically crediting some of the expenses you had requested reimbursement for in ACM\$. All right. I would like to now open it up for about 5 to 10 minutes for Q&A, answering some questions concerning this content we just went over. So please feel free to ask any questions and we will take some time to answer them.

Thank you, Justin. I will be moderating this portion of the Q&A. The first question states: Reporting period says inception-to-date through September 30, 2020, do we include program income reported in last year's report if the award is a multi-year award? Do you want to take that? Let's take it piece by piece. You want to address the first part?

The FFR is a cumulative report so even though we are not collecting the FFR in its entirety, the program income report was generated to model how the FFR worked. So, it does need to be reported as inception-to-date through the end of the reporting period being collected. This means any program income earned and expended in prior years would be included in the totals for this period. If you're not reporting as cumulative and you have a reduction of expenditures charged against program income, the current reporting period would be a negative figure. Sometimes when we review program income reports and we see negative entries in the program income expended, that is a good indicator the folks submitting the report were not submitting it as cumulative and have submitted an incorrect report to us.

Okay great thank you. I believe that answered all the parts but feel free to send a follow-up if that did not address your question. Next, can you confirm an email is sufficient rather than a zero-dollar report to report that no income was generated?

Yes, that is a feature we will be addressing in the next section of the presentation. We have added this option for this year so I will allow Diana to address that in more detail when she kicks off her part of the presentation.

Great, thank you. We hope many of you who do not have program income to report would be happy for that improvement this year. Next, we have a question, is this for awards that receive any income during the reporting period?

Yes, that is correct. The report only needs to include awards that have earned program income so if your institution has a total of 10 awards received from NSF and only one has earned program income you only need to include that one award in the detail of the report submitted. You do not have to show all 10 of them in the body of the report.

Okay great. One common question I fielded a lot of these. If you only have a small business innovation research grant or small business technology transfer grant you are not required to attend this webinar or submit a report so feel free to log off at this time.

The next question. We are a university and have received an award for college scholarship to students, is income from students and other external scholarships considered program income if they chose the institution primarily because of the federally awarded scholarships?

This is a great question which gets into a gray area. In general, general operations of an organization are not considered activities that would be generating program income for a particular grant. Scholarships get a little fuzzy. The reason why you're asking is probably because the income earning from the student is considered tuition but tuition, in general, that the University collects is not program income even if the grant that you receive is funding scholarships for the students. So, to kind of keep the question not overly complicated, the answer is no. The tuition collected from a student, even if they receive a scholarship from a grant is not considered program income. If you would like to dig more into that or have some additional nuance you would like clarification on, that would be better to take off-line and maybe you can reach out via email and we can get into the details.

Great, next question. Is the report the sole responsibility of the institution or PIs and campus coordinators?

That's a great question, in general we require one report for the entire institution so that would typically be handled by a central administrative staff member. Because it is a responsibility of the organization to submit the report for all grants that are earning program income not for the individual PI because the individual PI would not be aware of other awards the institution might have that generate program income.

Is this for only nonprofit organizations or institutions of higher education organizations?

The exclusions are if you're a small business that has received a small business innovation research grant you are not required to participate in submitting the program income report and if you are an individual receiving a fellowship award you are also not required to submit a program income report. In general, most of the other entities that are receiving research grants will be in those classifications of higher education organizations or nonprofits.

Next, we have a three-part question. The first question is: does NSF require a separate account to be created under the same NSF grant to capture all the program income generated by the grant support activities? Project spending will be posted to this account against program income earned.

So, NSF does not get into the business of telling you how to account for this. We set the guidelines and policies that require, that sets the stage for what is required. But we don't get into dictating how to do it. It is, I am aware that several institutions will set up a project spending account that is related to the original grant account they have set up so they can identify and track the purpose of the program income

that is being tracked and earned. They can also then track the expenditures but we are not going to say there is only one right way or if one way is the right way to track those expenses, that is something we are aware of that institutions are using.

The second part of the question is: does NSF allow overhead charges when crediting project spending against program income?

The short answer is whatever is allowable to be charged against the grant is also allowable and eligible to be charged against program income and the flipside is anything not allowable to be charged on the grant should also not be considered allowable to be charged on program income. So, the program income shall not be used to pay for certain things that would not be allowable such as some kind of refreshment party. If that's not allowable like the food is not allowed to be charged to the grant you should not use the program income to pay for that. Hopefully, that answers the question because basically if indirect cost or overhead is permissible on the grant than it would be permissible on the program income.

The last piece of the question. If program income is earned during the grant period but payments are received after the grant end date does NSF allow the recipient to retain the residual program income to support other federally funded research projects or use the remaining income to support publications resulting from NSF awards?

That is a great question. To get to the point, institutions are only obligated to track, and report program income earned on a project in the project period. In some cases, let us use a hypothetical example of a piece of equipment that may have a life span of 10 years, the project period may only last for three years. Any program income, usage fees, that would've been charged for using that piece of equipment after the period of performance and date for the grant you are not obligated to track and report that and report that back because it's outside the project period. Hopefully, that answers your question.

Great. We have a few related questions about program income including non-NSF grants or is it all institutional awards? I would encourage you to reach out to your awarding agency to determine what requirements they would have for non-NSF grants, but the scope of this webinar is only for awards that NSF issued to your organization.

And next, Riva's question: is support activities to produce a magazine and advertise a place in the magazine does that qualify as program income?

I am hesitant to answer that question. Maybe we can take that off-line. My gut reaction is, this kind of gets into the line of general operations versus activities specifically related to the grant. The reason why this may not be simply yes or no is, is this magazine only being produced because of the grant and it will not continue to be produced after the grant ends, so specifically it is in existence because of the grant. If that is the case the answer might be yes, that could be considered program income but where it gets fuzzy, is this a magazine that has been

around for a while and NSF is only partially supporting it for a specific period of time and the advertisement would be considered part of the general operations funds to keep the magazine alive and running and as part of the annual budget that the magazine has and operates off of and if that is the case the answer is not as cut and dry. In general, I would lean toward the answer being no that would not be program income. So that's not an easy question to answer without the context. Hopefully, I have given you an idea on how to judge that question but if you need additional clarification let's take the question off-line so we can have more context about the situation.

Great, thank you. The project ended May 2019 and the transaction is funded January 2020 do I need to include it in the current reporting?

In general, if the project ended May 2019 that award would not be in the current reporting period but if the transaction got posted and it was against program income that had been earned for that particular award and again it was earned during the project period and your posting some expenses or the expenses reported against the program income earned, then it might be a good idea to include a program income report to update with the final level of what the program income expenditures were for that project. But again to reiterate, if the transaction you are referring to that posted late is a federal expenditure and you do not have separate program income activities that were generating income, the federal expenditures you are reporting via ACM\$ are not considered program income. I want to reiterate that point.

So, let us take one more question and I want to make sure we cover the reporting worksheet portion and then we will have another Q&A. We will cover any questions about the reporting worksheet. The zero-dollar email was one that I felt was good to answer because I see a lot of those coming and a lot of people will be excited about the change. Time permitting, we can circle back to other program income background questions with time permitting. Okay so the last question is what if program income was earned after the grant ended? Does that change anything?

You are only obligated to track and report program income earned during the project period of the grant. If the activity that generated income during the period continues to go on after the project ended, you're no longer obligated to track and report that as program income to NSF if the grant is no longer active. And with that, I will turn the time over to Diana to continue with the second part of the presentation.

Thank you. I will now discuss how to download, complete and submit the FY 2020 program income worksheet and I will point out some tips and things to watch out for in order to complete the worksheet. This year if you have no program income to report you can verify that with an email certification statement or you can fill out and submit a program income worksheet. You do not have to do both however if you do have program income to report you must complete a program income worksheet. The next slide.

Statements you must provide in order to validate you do not have program income to report for fiscal year 2020 all you need to do is respond to the email you received a few weeks ago with the statement on the screen. Next. For those that need or want to complete a program income worksheet there are three ways to access the page. On the main page of Research.gov you can find a link to program income reporting at the bottom or if you are logged into research.gov you can find a link below ACM\$ in the manage financials drop down or you can go directly to the page using the URL www.research.gov/programincome.

Once you are on the program income page you will be able to find a link to download the program income worksheet. Please do not use the worksheet from the previous year, a new worksheet is usually uploaded before the fiscal year. Please do not adjust the format of the template. The template format is protected so we can properly process the worksheet so if you adjust it, it may fail during processing. If you have problems filling at the worksheet do not hesitate to contact us.

The next slide shows the first thing you will need to do when you download the worksheet. Complete the report header. You must include organization name, 10-digit NSF organization ID and your character state code. The reporting period is prepopulated and updated each year; the header is very important in helping identify who you are when we process your worksheet so do not leave it blank. Your ID is contained in the notification email you received a few weeks ago or when you login to start an ACM\$ transaction. Do not enter your NSF user ID in place of your NSF organization ID and make sure you enter all 10 digits. Do not drop leading or trailing zeros. A trick is if you add an apostrophe in front of your organization ID it will make the field a text field and you will not lose the leading zeros in your ID.

On slide 21, if you do not have program income to report you can skip to the certification statement section and then select the first radio button to indicate you do not have program income to report. On slide 22, if you do have program income to report you must complete the report starting off with listing active awards that have earned program income in column B. An award without program income should not be listed here and do not list the award if it is no longer active in FY 2020. On the next slide you will need to enter the cumulative amount of program income earned with the corresponding award and policy. This amount is not the amount for fiscal year 2020 alone but from the inception of the particular award to the reporting cutoff date of September 30, 2020. Inception-to-date means the start of the award for example if starting in fiscal year 2019 with \$100 and program income on the same award earning another \$100 a program income for 2020 you would need to report \$200 on the worksheet. The amount entered in the worksheet must be a positive value and negative credits can be an indicator you're only entering program activity for 2020. ACM\$ transactions are not considered program income so do not report those amounts. If you have questions on what qualifies as program income, ask. The next columns are columns D and E where you report program income based on award terms and conditions. All NSF awards at your institution may not have the same treatment so please double check terms and conditions and award notices to determine the correct treatment. Remember that standard treatment is additive and

additive treatment should be entered in column D, deductive treatment should be entered in column C. Next. After the amounts have been entered in column D and E, cumulative unexpended program income will automatically be calculated and if you need to add remarks of a particular award you can do so in column G, by the end of the award program income should have been liquidated or it may need to be returned to NSF, even if the additive treatment applies.

Slide 26 shows once you're done recording program income for your award you must select the second statement to certify all the information provided in the report You are stating this report is true to the best of your knowledge. And then to finalize the report you will need to fill in the certifying official name, title, phone number and email address. This serves as an electronic signature when you submit the report so please do not print and sign the PDF worksheet. Submit your report to the email address shown on the next slide. Please attach your complete Excel worksheet and email to programincomecertification@nsf.gov, do not submit a PDF version of the worksheet because the method of processing reports only accepts the Excel format and submitting the PDF will not count.

Slide 29, includes some tips to help you make sure your submission gets accepted. Again, do not submit a PDF copy of the report by filling out the certifying official section it serves as electronic signature. Do not adjust the format to the Excel template as this can cause errors when we process the worksheet. Use your 10-digit NSF organization ID, do not use the NSF user ID. Do not report your ACM\$ transaction amounts, that's not program income. Do not submit a report more than once unless it is for a correction and lastly double check you have used the correct treatment when reporting program income, most awards have additive treatment, but some do not.

Lastly before we open up for questions, some reminders. If your institution does not have program income to report for any award you must validate with program income worksheet or respond with an email that includes the certification statement. This year 1,747 institutions were notified about submitting program income for FY 2020 so we would expect to receive 1,747 reports back. According to the PAPPG, failure to report income or to validate no program income was earned or expended could result in suspension of future grant payments. As of today, we have received 20% of the expected reports. The due date for this report is 45 days after the reporting period begins so a little over two weeks are left to submit your report. Lastly please note this report is an annual requirement. If you have an active award during the reporting period, you must submit a report. Are there any questions? If so, submit them in the Q&A.

OK, great, we have a lot of questions come in. 55 have been answered either via the chat or live. So, we will focus on the submission questions first and then we will circle back to any questions in Justin's section, time permitting. First, I wanted to address some commonly submitted questions for everyone. First of all, in the chat I put the certification statement that you are required to submit if you have zero-dollar program income. I have also provided several written responses to questions in the Q&A. Please refer to that chat for that statement which

I will enter for your reference. The organization ID is the same as the institution ID that you see when you login so please use that when completing the worksheet and a few asked about tips for entering that. If you entered the apostrophe prior to the organization ID that will maintain the leading zeros. With that we will move to some of the live questions. The first one is: does the AO of the organization have to submit the report or email certification?

I will take that one. This is not a report that needs to be certified by an AOR, a financial representative or someone responsible for signing financial reports or invoices would be eligible for validating this program income report.

Okay next we have a submission question from Beverly. Can adjustment be made to a report already submitted for this year?

Yes, you can. Just submit the new worksheet to the same mailbox.

Okay, next we have a question for no program income worksheet, just want to make sure both are not required? Yes, if you have no program income to report, please reply to the NSF program income certification mailbox with that certification statement listed in the chat.

To be clear, we do expect a response even if you don't have program income to report. If you do not send an email or submit the worksheet it will be considered a missing report.

Next question, can the PI respond via email or does the SRO have to respond?

We would consider the SRO to be the responsible entity. The institution responsible for the report. A PI is often only reporting on their individual grant. So, if your organization only has one grant and the PI takes on some of those administrative functions, then under that administrative hat, the PI might be wearing, it would be appropriate to submit it. Again, this is typically an administrative function for the organization.

Okay, next is who qualifies as a certifying individual? We have been awarded our first ever grant and our attorney wants to determine who is responsible for submitting this each year.

Typically, whoever you have identified as an individual who could certify transactions in the Award Cash Management Service which is the payment request and reporting method for the federal expenditures. Whoever has been identified as an ACM\$ certifier would be an appropriate person to certify this program income report.

Okay we have a number of questions from grantees who did not receive a notification email so what would be the best course of action for them to get that information? Should we have them email the certification inbox with their organization information and we can follow up individually?

Are they an organization who thinks they should have received a notification, but they didn't?

Yes, that is correct.

Yeah, either the institution was not identified as having an active award and that's why it was left off or the notice was sent to another individual and not yourself so basically an email can help us identify which scenario applies.

So that looks like all our submission questions. We have about nine minutes left. I want to make sure we take some time to cover the commonly asked questions such as who we can contact for more information, what's the email address for submission. We will get through as many of the questions as we can given the time allotted.

So, I have a question: What happens if the conference grant only supports a small part of the conference expenses and the meeting has income from registration and corporate contributions? Can the total amount of the grant be reimbursed?

That is a great question and I'm hesitant to answer on their specific grant without all the context, but we should probably engage with you on the specifics. If you want to submit an email, you're welcome to submit that to either myself or your grant accountant for your organization. That can be found at this link on the slide with our website listed. It is hard to answer that question in hypothetical because there are many pieces of context that will go into answering the question appropriately. So, in general, I do want to make this point. If it is known at the time you are preparing the proposal that your workshop or conference will only be partially supported then it is important for you to identify the total amount of the budget required to put on the conference. And include those amounts that are anticipated to be received from either program income like the collection of registration fees or from other third-party entities that are contributing. If that is the case and you have identified the total budget required to put on the conference and we do apply the deductive treatment, the deductive treatment would not trigger until you have exceeded the total amount of the budget that you have identified as being required. So, let me give you a hypothetical example. If NSF only supports 25% of the conference in the amount of \$25,000 and you have identified you need \$100,000 total to put on the conference and you identify the other \$75,000 is going to be collected through registration fees, even if we apply the deductive treatment, if it has been identified at the time a proposal and the grant official approves the full \$100,000 as the total operating budget of the conference, deductive treatment would not apply unless your total budget exceeds \$100,000, which enables you to utilize the full \$25,000 that NSF is contributing toward the total project. So, if you then earned \$80,000 in registration fees instead of \$75,000, the additional \$5,000 would go to the benefit of NSF by reducing our obligation to the conference from \$25,000 down to \$20,000. That's how the deductive treatment would be applied. Where it gets tricky is if you did not identify the full cost of what is anticipated for the conference and the way the grant is issued, it appears NSF is funding 100% of the conference with the \$25,000

contribution and you do report program income exceeding \$25,000. That is when we would look to recoup our contribution toward the conference by the offset of any program income earned. Where it has gotten fuzzy and we have had to work it out with the grant officer is when we seek to recoup those funds and it comes out that the program income was always intended from the beginning and had not been prepared and submitted in the proposal that way. That's where it gets really gray so I hesitate to offer a detailed response specific to the grant you were questioning but would be happy to engage with that, off-line.

Okay next we had a good question. As a prime recipient, do we report on behalf of sub awardees?

Maybe we can follow up on that and get a confirmed answer. My gut reaction is no but I'm not 100% positive.

Okay. Next, we have a question. Can you provide details on how the program income should be calculated? For example, should direct cost be deducted from income received to obtain program income?

So, the definition of program income, if we get very technical in the uniform guidance and again, I'm speaking from memory and I do not have the quote up so bear with me if I do misquote. There is an allowance for the cost of generating the program income to be deducted from what is captured and reported. So, the program income that you are responsible for tracking and reporting and utilizing would be the net program income, net of the cost of generating that. I believe that answers your question and that is addressed in the uniform guidance, in the specific technical definition.

Next, we have a question: we collected workshop registration fees from 9/24 through 10/3, should we report all of these in FY 21.

The cut-off of that report is September 30, 2020 so any income earned and expended after September 30, 2020 would fall into the next reporting period and you would be obligated to submit next year's report. So, I would only include what is appropriate through the September 30, 2020 report cut-off.

Okay we have received a number of questions on how to get a hold of us, so I wanted to note I put the program income certification email address as well as our team mailbox in the chat. And then I will be adding our website link in the chat so if you look at your state you will see your assigned grant account.

So for any questions we cannot get to here or that we ask to take off-line because we need more specific information, feel free to use either avenue, either the team mailbox in the chat or your assigned grant accountant on the CMB website.

And then, one last clarification to a lot of questions and for folks who joined late. We will be posting the slides and the video staggered within the next 1 to 2 weeks so we will be providing an email to all attendees and people eligible to report program income with that information once

available. In the meantime if there's questions you have that were not answered on the webinar or in the written Q&A, please feel free to either contact our team in the email box, or via your assigned grant accountant in the link to the cash management branch website in the chat. So, with that, thank you all for attending and for your attention to this important reporting requirement. We look forward to hearing your responses and feel free to reach out to any of us if you have additional questions that were not addressed. Thank you and enjoy the rest of your week.

[Event concluded]