

**National Institute of Justice**  
**Program Income Policy**  
**DNA Capacity Enhancement and Backlog Reduction and**  
**Forensic DNA Laboratory Efficiency Improvement and Capacity Enhancement Programs**

- 1. PURPOSE.** This policy sets forth requirements for identifying and, if applicable, managing program income under the DNA Capacity Enhancement and Backlog Reduction (DNA CEBR) and Forensic DNA Laboratory Efficiency Improvement and Capacity Enhancement (DNA EICE) Programs or future, specified NIJ forensic capacity enhancements programs as applicable.
- 2. SCOPE.** This policy applies to all applicants and grant award recipients under the referenced Programs, regardless of whether the applicant/grant award recipient or any subrecipient uses a fee-for-service model or otherwise accepts any compensation for testing DNA samples from other governmental jurisdictions or organizations.
- 3. EFFECTIVE DATE:** This policy is effective beginning December 2018 and is applicable to all applications submitted and all grant awards active on or after this date.
- 4. AUTHORITY:** 2 C.F.R. Part 2800 (adopting 2 C.F.R. Part 200, with some modifications)
- 5. BACKGROUND:** This policy is in compliance with 2 C.F.R. Part 200 and the Department of Justice Grants Financial Guide.
- 6. DEFINITION:** Program income means gross income earned by the non-Federal entity (e.g., a DNA CEBR or DNA EICE Program recipient or subrecipient) that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance. See 2 C.F.R. § 200.80.
- 7. POLICY:**
  - a. All applicants must submit a Program Income Declaration with their grant application. The Program Income Declaration should indicate one of the following statuses for the grant award recipient in light of any proposed activities to be funded by the grant award:
    1. Does not employ a fee for service model or otherwise accept compensation from external organizations or jurisdictions to conduct DNA sample testing; or
    2. Employs a fee for service model or otherwise accepts compensation from external organizations or jurisdictions to conduct DNA sample testing, but does not plan to use grant funds for any fee for service-related activity; or
    3. Employs a fee for service model or otherwise accepts compensation from external organizations or jurisdictions to conduct DNA sample testing, and does plan to accept fees for activities and/or services performed using grant funds, in whole or part, from the Programs referenced in this policy; or
    4. Employs a fee for service model or otherwise accepts compensation from external organizations or jurisdictions to conduct DNA sample testing, but can claim the exclusion in Section 8 of this policy, and can produce the required documentation in support of this exclusion.
  - b. Changes to the Program Income Declaration following grant award, either for the grant award recipient or for any subrecipient, must be submitted by the grant award recipient to the NIJ Grant Manager at least ten (10) business days prior to implementing any organizational or operational change that would deviate from plans specified in the original, or most recently-submitted, Program Income Declaration. Program Income Declarations must be submitted for each grant and reflect the actual activity conducted.

- c. All program income generated during the grant period of performance must be calculated, applied, documented, and reported in accordance with the provisions of 2 C.F.R. § 200.307, the Department of Justice Grants Financial Guide, and the grant award terms and conditions.
- d. Program income should be reported by the grant award recipient on a grant-by-grant basis and only for gross income generated as a direct result of funds obligated or expended under the grant for which the recipient is reporting. Program income earned through equipment purchased (from the point the equipment is placed into service and any time a fee is directly derived from use of the equipment during the grant period of performance) should be reported for the grant through which the equipment was purchased and only for the duration of that grant performance period. Further questions regarding whether gross income earned is "directly generated" by a supported activity should be directed to the grant award recipient's assigned NIJ Grant Manager.
- e. Grant award recipients that generate program income must be able to produce, upon request, the following information and documentation:
  - Fee schedule(s) for gross income from sample testing;
  - Any agreement(s) or contract instrument(s) that pertains to these gross revenues;
  - Invoice(s) supporting program income related transactions;
  - Method for calculating the service unit cost used as the basis for determining cost-reimbursable fees, and documents demonstrating that costs comprising the total unit cost are allowable;
  - Document(s) that demonstrate how program income was calculated; and
  - Document(s) that support how program income earned from fees for services is expended.

**8. EXCLUSION:** DNA sample testing conducted for a fee or monetary compensation under certain intergovernmental agreements may not have to be reported as program income. The intent to claim this exclusion must be documented in the Program Income Declaration submitted to NIJ.

- a. To qualify for this exclusion under the programs referenced in this policy, the grant award recipient must be able to provide upon request:
  - An executed agreement in the form of an up-to-date intergovernmental agreement or memorandum of understanding that clearly indicates the fee for service or compensation structure between the award recipient and the state or local governmental organization for which DNA sample testing will be done. The award recipient may provide enacted legislation that mandates the arrangement in lieu of an executed agreement.
  - A cost breakdown for how the fee or monetary compensation is derived that demonstrates the fee or compensation agreed to supports only the cost of testing the sample.
- b. This exclusion cannot be claimed for any agreement where a party to the agreement is a non-governmental organization.

**9. RESOURCES:**

- a. Award recipients generating program income under the referenced grant programs are *strongly encouraged* to use the program income calculator available at <https://nij.gov/documents/dna-program-income-calculator.xls>. Recipients that do not use this calculator *must* be able to demonstrate a consistent methodology for calculating program income that is transparent, justifiable, ensures costs are reasonable and allocable, and is consistent with this policy and all applicable guidance referenced herein.
- b. Recipients should contact their assigned grant manager for any technical assistance required to comply with this policy in full.

- c. A recipient should use the following decision matrix to help determine whether it must report program income under this policy (and must manage any reported income according to this policy and all applicable guidance referenced herein).

**Program Income Reporting – Decision Matrix**

| <b>Program Income Declaration Status from Section 7 a.</b> | <b>Grant Recipient Receives Compensation for Services Provided?</b>                                 | <b>Grantee Required to Report Program Income</b> |
|--|---|--|
| 1  | No  | No   |
| 2  | Yes, but grant funds will not be used for any fee for service-related activity                      | No   |
| 3  | Yes, for services supported directly with grant funds from the specified programs                   | Yes  |
| 4  | Yes; however, the inter-governmental agreement exclusion in section 8 of this policy can be applied | No   |