

# Billing for Sponsored Program Income

---

## **Program Income Definition:**

Gross income earned by the recipient that is directly generated by a sponsored activity or earned as a result of the award.

Examples of program income include:

- Income from the collection of industry membership fees.
- Income generated from the use or rental of equipment purchased or fabricated with project funds during the project period.
- Proceeds from the sale of software, CDs, or publications during the project period.
- Income from the sale of research materials such as animal models during the project period.
- Fees from participants at conferences or symposia during the project period.
- Sales of products with an accompanying material transfer agreement during the project period.
- Royalties from patents and copyrights [see special situations].
- Income from fees for services performed or use of resources such as laboratory tests during the project period.

Program income does not include:

- Patient care credits (third party reimbursements)
- Interest earned on advances of federal funds (this is temporary investment pool or TIP income)
- Credits, discounts, rebates, etc.

## **Procedures to enter bills for Sponsored Program Income:**

Overall procedure: When program income is generated, the department administrator documents the activity that generated the income and instructs the buyer where to send the revenue. The preferred method is to create a bill in the financial system using the steps outlined below.

The billing information must be forwarded to the billing specialist in the respective cluster. The billing specialist will enter the Program Income bill into the financial system to create a receivable. The revenue distribution is the Sponsored Program Income Unapplied Cash account. Once the information is entered in the system, a bill is printed and sent. Payments are directed to the bank lockbox and processed centrally.

Sponsored Financial Reporting accountants monitor the Sponsored Program Income Unapplied Cash Account via an oversight report. When the program income invoices are paid, SFR reviews the award's terms and conditions to determine whether the program income is reportable or non-reportable and moves the reportable program income to the appropriate chart string.

## Step-by-step procedure to create EFS invoice containing Sponsored Program Income:

1. Navigate to: Billing > Maintain Bills > Standard Billing > Add a New Value
2. On the Add a New Value tab, enter the following:
  - a. Business Unit = **UMN01**
  - b. Bill Type Identifier = **003 – Sponsored Program Income**
  - c. Bill Source = **your college/cluster code**
  - d. Customer = **customer ID**
  - e. Click **Add**
3. Header – Info 1 page
  - a. Double check the **Bill Inquiry Phone** and **Biller** fields.
  - b. Click **Next**
4. Address Info page
  - a. Check for correct **Attention To** (contact) and Bill-To **Location**.  
If not correct, select correct values.
  - b. Click **Next**
5. Header – Order Info page – enter the following:
  - a. Ship To = enter ship-to **customer ID**
  - b. Ship Loc = enter ship-to **location**
  - c. Click **Next**
6. Header – Note page
  - a. Enter header notes as needed
  - b. Click **Next**
7. Line - Info 1 page – enter the following:
  - a. Select identifier (charge code)
  - b. Enter description
  - c. Enter Qty
  - d. Enter Unit Price
  - e. Check tax codes
  - f. Click **Next**
8. Line – Note page
  - a. Enter line notes as needed
  - b. Click **Next**
9. Acctg – Rev Distribution page – enter the following:
  - a. Fund = **fund associated with sponsored project**
  - b. DeptID = **college dept ID associated with sponsored project**
  - c. Program = leave blank
  - d. Project = **Project ID**
  - e. Account = **220205**
  - f. FinEmplID = leave blank
  - g. Chartfield 1 = leave blank
  - h. Chartfield 2 = leave blank
  - i. Amount = **fills in automatically**
  - j. Disregard all other fields. Click **Next**
10. Repeat steps 7-9 for each additional bill line
11. From the Navigation drop-down list in the lower right portion of the page, select **Header – Project Info**.

- a. PC Bus Unit = **UMSPR**
- b. Project = **Project ID**
- c. Activity = **1**
- d. Click **Next** or Click **Header – Info 1** tab

The screenshot displays an invoice system interface with the following elements:

- Navigation Tabs:** Header - Info 1 (selected), Header - Proj Info, Line - Info 1.
- Invoice Header:** Unit UMN01, Invoice 2090087224, Bill To 5006200 COLUMBIA UNIVERSITY, Invoice Amt 91.00 USD.
- System Source:** Start Date, End Date, Activity Type, Contracts Business Unit, Contract, Contract Line Num, Contract Date, Contract Type, PO Ref Emily Bayer, Reimbursable Agreement.
- Project Chartfields:** Project Info, PC Bus Unit UMSPR, Project 00057116, Activity 1, Analysis Type BIL.
- Go to:** Header Info 2, Address, Copy Address, Notes.
- Summary:** Commit Cntrl.
- Bill Search:** Line Search.
- Page Series:** Prev, Next.
- Buttons:** Return to Search, Previous in List, Next in List, Notify, Refresh.
- Footer:** Header - Info 1 | Header - Proj Info | Line - Info 1

12. Header – Info 1 page – enter the following:
- a. Status = change to **RDY** (Ready)
  - b. Click **Save**.

The invoice will process and post to the ledger during the nightly batch process. Invoices will be emailed or printed and mailed centrally. When the payment is received from the customer it will be applied to the invoice.