

PROGRAM INCOME VS. ISP REVENUE

Overview:

It is important to correctly identify Program Income and Internal Service Provider Revenue as it must be recorded differently. Program Income treatment is governed by [Policy 1308](#) and Internal Service Provider Revenue is governed by [Policy 1410](#). Both, if treated incorrectly may open the University up to substantial compliance risk.

The following is general information to assist in the identification of the revenue generated. Specific questions regarding Program Income identification should be directed to Grant and Contract Administration. Specific questions regarding ISP revenue should be directed to isp@yale.edu.

Program Income:

Program income includes revenue generated from the following sources when the goods or services for which a user is charged are funded by a sponsored award. It may be necessary to review the specific award proposal to make this determination.

- income from fees for services performed such as laboratory tests;
- money generated from the use, sale, or rental of real or personal property purchased with project funds;
- proceeds from the sale of supplies or equipment purchased or fabricated with project funds;
- proceeds from the sale of software, tapes, or publications;
- income from the sale of research materials such as animal models;
- fees from participants at conferences or symposia;
- sales of products with an accompanying material transfer agreement.

Unless the awarding agency regulations or the terms and conditions of the award provide otherwise, there is no obligation to report program income earned from license fees and royalties for copyrighted material, patents, patent applications, trademarks and inventions to the federal government.

If revenue is determined to be Program Income (from sources other than those stated in previous paragraph), **it is University Policy to record it on a sponsored award using ET 911601 - G&C Program Income** and it is not subject to ISP policy and procedures. Instead it will be governed by the award document. Please refer to [Policy 1308](#) for further information.

Internal Service Provider (ISP) Revenue:

Internal Service Provider Revenue is generated by a unit that regularly provides goods and/or services to internal University Organizational Units or Departments, and charges for those goods or services. The goods and/or services may also be sold to organizations external to Yale. **The costs of providing these services cannot be funded in whole, or in part, by a sponsored award.** However, a unit/department requesting the service may use sponsored funds to pay for the good/service if there is a benefit to the award.

If revenue is determined to be ISP revenue, it must be recorded in ET 51XXXX and is subject to billing, rate and other ISP Policy standards. Please refer to [Policy 1410](#) for proper treatment.