

**FAMILY PLANNING PROGRAM****SECTION:** Fiscal Administration**POLICY AND PROCEDURE MANUAL****SUBJECT:** Earned Interest

POLICY: Interest earned by delegate agencies from interest bearing checking accounts is considered program related income and must be reported.

GUIDELINES:

1. Delegate agencies are encouraged to place grant and program generated funds in interest bearing accounts. This generates more income for agencies.
2. Earned interest is considered program generated income and must be used for family planning related expenses.
3. The income from earned interest must appear as income on page 2 of the Family Planning Expenditure Report. It should be entered on the line next to "Interest" under "Revenue" on the top half of the page.

References:

1. PHS Grants Policy Statement, DHHS Publication No. (OASH) 94-50, 000 (Rev.) April 1, 1994, 8-10, Interest Earned on Advances of Grant Funds.
2. 45 CFR Part 74 "Uniform Administrative Requirements for Awards and Subawards to Institutions of Higher Education, Hospitals, other Nonprofit Organizations and Commercial Organizations; and certain States, Local Governments and Indian Tribal Governments."

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