



DIRECTIVE

Workforce Investment Board of Tulare County

Date: August 12, 2026

TUL 26-03 Local Policy: WIOA Program Income

EXECUTIVE SUMMARY:

This directive provides guidance on the federal and state requirements regarding Workforce Innovation and Opportunity Act (WIOA) program income. It applies to all WIOA Title I subrecipients and WIB staff involved in the administration of WIOA-funded programs and activities in Tulare County. This directive is effective upon the date of issuance.

This directive contains State-imposed requirements. ***This directive contains no WIB-imposed requirements.***

This directive supersedes WIB directive TULWIBD 10-08, dated October 26, 2010. Retain this directive until further notice.

REFERENCES:

- Workforce Innovation and Opportunity Act (WIOA), Public Law 113-128, Section 181(a)(1), 184 (a)(3), 184 (a)(5), 194(7), and 194(13)
- Title 20 Code of Federal Regulations (CFR) Section [683.275](#) and [683.200](#) (program income)
- Title 2 CFR Part 2900, Department of Labor Exceptions to Uniform Guidance
- Title 2 CFR Part 200 (Uniform Guidance), Sections [200.1](#) and [200.307](#)
- EDD Workforce Services Directive [WSD15-25](#), WIOA Program Income (and any subsequent revisions)
- TEGL [20-14](#) (WIOA Title I Financial Management Technical Assistance Guide)
- WIB Fiscal Policy Manual Revised February 2023

BACKGROUND:

The Workforce Investment Act (WIA) was superseded by WIOA, which took effect July 1, 2015. Simultaneously, the Office of Management and Budget (OMB) replaced Circulars A-102 and A-110 with the Uniform Guidance (2 CFR Part 200), which now governs the administrative and fiscal requirements for all federal awards, including WIOA. Program income requirements are now addressed under the Uniform Guidance at 2 CFR Section 200.1 and 200.307, Title 20 CFR Section 683.275 and 683.200, and EDD Workforce Services Directive WSD15-25. The Uniform Guidance applies to all federal awards made on or after December 26, 2014.

POLICY AND PROCEDURES:

Under the Uniform Guidance (2 CFR Section 200.1), program income is defined as gross income earned by a non-federal entity that is directly generated by a supported activity or earned as a result of a federal award during the period of performance. Program income includes, but is not limited to:

- The sale of commodities or items fabricated under a WIOA award;
- Income from fees for services performed under a WIOA-funded activity;
- The use or rental of real or personal property acquired with WIOA funds;
- License fees and royalties on patents and copyrights developed under WIOA;
- Fees from employers to use services, facilities, or equipment;
- Goods or services (including conferences) provided as a result of WIOA funded activities;
- Interest earned on loans made with WIOA federal award funds; and
- Any excess of revenue over costs incurred for services provided by a governmental or non-profit entity under WIOA Title I.

On a fee-for-service basis, employers may use local area services, facilities, or equipment funded under WIOA Title I to provide employment and training activities to incumbent workers, provided that:

- The services, facilities, or equipment are not being used by eligible participants at the time;
- Their use does not affect the ability of eligible participants to access those services, facilities, or equipment; and
- The income generated is used to carry out programs authorized under WIOA Title I (20 CFR Section 683.275).

Unless specified otherwise, regulations, terms, or conditions of a WIOA program income does not include:

- Interest earned on advances of WIOA funds;
- Rebates, credits, discounts, and any interest earned on them;
- Proceeds from sale of real property, equipment, or supplies;
- Taxes, special assessments, levies, fines, and other revenues raised by a subrecipient;
- Voluntary donations and contributions to a WIOA funded program;

- Profits earned by commercial for-profit organizations;
- Funds provided to satisfy a matching requirement of a WIOA funded program; and
- Income earned after the period of a subaward performance.

(Uniform Guidance Sections 200.1 and 200.307, and WIOA Section 194[7] and [13])

Accounting for Program Income

Subrecipients are required to account for program income using the “Addition Method” (2 CFR Section 200.307(b); 20 CFR Section 683.275). Under the addition method, program income is added to the WIOA award and must be used to provide the same types of services as those provided under the original award. The program income available to the subrecipient for program activities is not formally incorporated into the subgrant amount.

Subrecipients can calculate earned program income using either the “Net Income” or “Gross Income” methods. Using the net income method, the cost of generating program income is deducted from gross program income receipts. The revenues and expenditures should be tracked separately in accounting records, netted, and then recorded in the appropriate income account.

Under the gross income method, all gross revenues derived from program income activities are accounted for as program income, and the costs associated with generating the revenue are charged to the subaward. The entire amount of gross revenues and corresponding expenditures should be recorded in the program income account for the funding period.

Subrecipients must establish accounting procedures to properly track the receipt and expenditure of program income. Once the amount of program income has been determined, subrecipients may account for the expenditure of program income using either the **Separate Accounting Method** or the **Transfer of Expenditures Method**.

Under the separate accounting method, program income is treated as additional funds committed to the subaward for which separate services are provided. Program income and expenditures are accounted for separately from the original subaward agreement and maintained in distinct accounting records. For accounting purposes, program income is treated as though it were a separate funding source.

Under the transfer of expenditures method, expenses are initially recorded under the original subaward agreement and then transferred to the program income account to offset the amount of program income earned. The result is program income being accounted for as fully expended, while expenditures charged to the original subaward are reduced by the amount transferred and applied to program income.

Program Income Expenditure Requirements:

Program income must be expended on allowable subaward activities and is subject to all WIOA requirements, with the exception of administrative cost limitations. These requirements are the following:

- Allowable cost guidelines;
- Cost classification guidelines;
- Inclusion of program income earnings and expenditures in the audit;
- Rules on procurement and selection of service providers;
- Participant records and other record-keeping requirements, and;
- Sanctions for misuse.

Although program income can be accounted for as available until the income is expended, any cash-on-hand from program income must be fully utilized prior to subrecipients requesting additional WIOA cash for any purpose. Program income generated during the contract program year must be expended before the end or termination of the contract, or before the completion of the closeout process, whichever is last. Any unexpended program income must be treated as a deduction in federal expenditures, and the excess funds will be de-obligated.

Reporting and Documentation:

Subrecipients are required to include program income in their quarterly and monthly financial reports. Program income earnings and expenditures must be reported separately in the designated program income lines on the applicable ETA-9130 financial reporting form on lines 10m, 10n, and 10o.

Subrecipients must maintain accounting records that accurately identify and classify program income revenues and expenditures and allow such transactions to be traced from financial reports to supporting documentation. Supporting documentation must clearly demonstrate the amount of program income received and the purpose for which the funds were expended, in accordance with WIOA Section 194(7).

Record Retention:

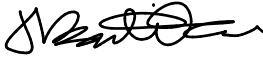
Subrecipients must retain records pertaining to program income in accordance with applicable WIOA record retention requirements. Program income records must be maintained for a period of three years from the date of submission of the final expenditure report for the applicable award. If any litigation, claim, audit, negotiation, or other action involving the records is initiated before the expiration of the retention period, the records must be retained until all related issues have been resolved and final action has been taken.

ACTION:

Bring this directive to the attention of all affected WIB subrecipients and WIB staff.

INQUIRIES:

Please direct inquiries about this directive to the WIB at (559) 713-5200.



[Jennie C. Bautista \(Aug 17, 2026 06:27:27 PDT\)](#)

Jennie C. Bautista
Executive Director

APPROVED BY
WORKFORCE INVESTMENT BOARD
MINUTES OF 08-12-2026

The Workforce Investment Board of Tulare County is an equal opportunity employer/program.
Auxiliary aids and services are available upon request to individuals with disabilities.

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Final Audit Report

2026-08-17

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