1.0 Purpose
This policy will define program income within all programs of the Division of Laboratory and Infectious Disease Services (LIDS), and the requirements of associated entities that receive funding, or in-kind services from the Texas Department of State Health Services (DSHS).

2.0 Policy
Program income generated must be reported to DSHS via the Financial Status Report (FSR).

Program income reported on the FSR must be separated by the funding stream that generated the income.

Program income is all income that results from either in-kind services or funded activities.

Program income is income generated as a result of funds awarded by DSHS through a contract to an entity.

Program income must be spent to further the program in which it was earned.

3.0 Definitions
Program: The specific DSHS program that awarded a contract to an entity such as Tuberculosis (TB), Sexually Transmitted Diseases (STD), Human Immunodeficiency Virus (HIV), or Immunization
Program income: Income earned by an organization that is generated by a support activity or earned as a result of an award during the period of performance of the award\(^1\). Examples\(^2\):

- The difference between the third-party reimbursement and the 340B drug purchase price;
- Funds received by billing public or private health insurance for services provided to Ryan White HIV AIDS Program patients;
- Fees, payments, or reimbursement for the provision of a specific service, such as patient care reimbursements received under Medicare, Medicaid, or Children’s Health Insurance Program;
- Tuition or participant fees developed and/or presented under the award; and
- Copays, or payments collected from patients.

340B: Federal discount program that allows the purchase of medications at a discounted rate.

Funding Stream: The source of funds used by a DSHS program to support service activities.

### 4.0 Persons Affected

All DSHS personnel, and entities that receive in-kind services or direct funding from LIDS programs.

### 5.0 Responsibilities

Supervisors:

- Ensure the implementation of this policy.
- Ensure that Commissioner’s Directives and all applicable policies and procedures are communicated to employees.
- Ensure employee compliance with DSHS/HHS policies and procedures and take corrective or disciplinary action in accordance with HHS Human Resources policies when an employee fails to comply with DSHS and HHS System policies and procedures.
- Ensure that training or special instructions are provided to employees as necessary to support their ability to comply with DSHS/HHS policies and procedures.

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\(^1\) See 2 CFR § 200.80; 45 CFR § 75.2; UGMS Part III. State Uniform Administrative Requirements for Grants and Cooperative Agreements, Subpart C, sec. .25. Program Income; UGMS Subpart C- Post-Award Requirements, Section 25 – Program Income Link: https://comptroller.texas.gov/purchasing/docs/ugms.pdf

\(^2\) Not an inclusive list
• Ensure that LIDS operating procedures are documented and in alignment with DSHS/HHS policies and procedures.
• Report perceived discrepancies through management chain to the appropriate Policy Authority for resolution.
• Forward requests through management chain for exceptions to the appropriate Policy Authority.
• Ensure employees have access to a copy of the policy.

All DSHS employees:
• Understand and comply with all DSHS policies and procedures as applicable.
• Ask supervisor to clarify responsibilities for complying with policies and procedures as necessary.
• Report perceived conflicts or discrepancies between different DSHS policies and procedures to supervisor.

6.0 History

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7.0 Associated Policies

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