

PROGRAM INCOME

Control Objectives

To provide reasonable assurance that program income is correctly earned, recorded and used in accordance with the program requirements.

Monitoring

- Internal audit of program income.
- Management compares program income to budget and investigates significant differences.

Control Environment

- Management recognizes its responsibilities for program income.
- Management's prohibition against intervention or overriding controls over program income.
- Realistic performance targets for the generation of program income.
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Risk Assessment

- Mechanisms in place to identify the risk of unrecorded or miscoded program income.
- Variances between expected and actual income analyzed.

Control Activities

- Pricing and collection policies procedures clearly communicated to personnel responsible for program income.
- Mechanism in place to ensure that program income is properly recorded as earned and deposited in the bank as collected.
- Policies and procedures provide for correct use of program income in accordance with federal program requirements.

Information and Communication

- Information systems identify program income collections and usage.
- A channel of communication for people to report suspected improprieties in the collection or use of program income.