



I. TITLE:
PARTICIPANT SUPPORT COSTS POLICY

II. POLICY STATEMENT:

The Participant Support Costs policy is in accordance with federal agencies consenting that participant support costs must be specified, itemized, and justified in the budget justification section of the proposal. This policy provides information, insight, and guidance on managing participant support costs charged to sponsored projects. Regulations issued by the National Science Foundation (NSF) Proposal & Award Policies & Procedures Guide (PAPPG), the National Institute of Health (NIH), the Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards ('Uniform Guidance'), and other agencies establish standards that must be followed for consistency as a recipient of federal funding. ASU is required to follow Federal and sponsor regulations regarding participant support costs.

III. SCOPE OF POLICY:

This policy applies to the monitoring of grant-funded awards, the Office of Grants and Contracts Accounting role, and the allowable cost of participant support costs. Participant support costs are allowable for non-ASU employees who are program participants.

IV. EFFECTIVE DATE:

Effective immediately upon approval by the Alabama State University (ASU) Board of Trustees.

V. AUDIENCE:

All faculty and staff are required to have knowledge of research administration and understand the Participant Support Costs policy before engaging in grant-funded activities.

VI. DESIGNATED RESPONSIBILITIES AND APPLICABILITY OF PARTICIPANT SUPPORT COST POLICY:

The Office of Research and Sponsored Programs, Office of Grants and Contracts Accounting, the Office of Academic Affairs, the awarded Department, and the Principal Investigator (PI) will share responsibilities in participant support costs. The following responsibilities are included:

1. Review award documents at set up, looking for wording similar to "participant support" or "participant costs awarded" to determine if this issue applies to your grant.

2. Check the sponsor's regulations to determine rules ~~applicable to~~ regarding the application of F&A costs and other prohibited costs.
3. If a separate sub budget has not been set up and the sponsor does not allow the University to apply F&A costs to these charges or requires separate accountability for these costs, notify the Office of Grants and Contracts Accounting and a separate sub-account will be established.
4. Monitor expenditures for appropriateness throughout the life of the grant.
5. Ensure the segregation of accounts and continual monitoring to include reviewing allowable charges.
6. Prior sponsor approval is only required if re-budgeting out of participant support costs or into/out of the participant support "other" category.
7. Work with the Office of Research and Sponsored Programs (ORSP) Compliance and Post Award Manager and Director of Grants and Contracts Accounting at closeout to ensure timely reporting.

Budgeting participant support costs

Participant support costs require prior agency approval and are not allowable for research projects without an education or outreach component.

Participant support costs can be included in competitive proposal budgets for agency approval. When participant support costs are proposed, a detailed justification is required that describes the purpose of the requested costs and how the participant support will directly benefit the proposed award's scope of work. Note: Participant support costs are always direct costs to a specific project. However, they just cannot be included in the base for indirect cost calculation unless the Negotiated Indirect Cost Rate Agreement [NICRA] does not exclude them.

Participant support costs cannot be re-budgeted for use in other categories without the prior written approval of the sponsor. However, sponsor approval is not required for the re-budgeting of costs between the participant support categories. For example, participant support subsistence allowance can be re-budgeted to participant support stipends. Please follow the agency regulations. An exception exists for participants to support the "other" category, which are items not explicitly identified in the Uniform Guidance as participant support costs. Any funds moved into/out of participant support "other" must be sponsor approved.

Management of participant support costs

When a sponsored award includes participant support costs, the Principal Investigator (PI) and the ORSP and Grants and Contracts Accounting are required to be familiar with specific

requirements as set forth by the sponsor and are responsible for ensuring compliance with those requirements.

The PI/department is also required to retain records detailing:

- Criteria by which the participants were selected
- Copies of applications of selected participants, with documentation as to how they meet the selection criteria
- A list of program participants and documentation of their participation in the program

Central Post-Award encompasses establishing separate accounts to house participant support costs. The award description is entered as "Participant Support" to allow for identifying and isolating these expenses.

If participant support is approved by the sponsor and indicated in the award documents:

- Upon receipt of an award including Participant Support Costs, The Office of Grants and Contracts Accounting (GCA) establishes a budget utilizing account codes specifically designated for Participant Support Costs. Each account code for Participant Support Costs is labeled with PSC.
- Re-budgeting: Generally, participant support may **not** be formally or informally re-budgeted without written approval from the sponsor. GCA monitors to ensure funds are not re-budgeted into other categories without sponsor approval.
- Indirect Cost: Indirect costs (F&A) are not provided for Participant Support Costs. GCA ensures expenses charged under Participant Support Costs are excluded when calculating Modified Total Direct Cost (MTDC) base on a federal sponsored project.
- Grant Closeout: At the time of closeout, GCA staff will review all Participant Support Costs expenditures to ensure the University complies with federal regulations and the terms of the agreement. GCA will work with departments to adjust for any discrepancies.

VII. POLICY MANAGEMENT:

- **Responsible Office(s):** Office of Research and Sponsored Programs (ORSP) and Office of Grants and Contracts Accounting
- **Responsible Executive:** Vice President for Business and Finance and Provost and Vice President for Academic Affairs
- **Responsible Officer(s):** Director of Research and Sponsored Programs, Director of Grants and Contracts Accounting

VIII. DEFINITION(S):

Facilities and Administrative Rates and Costs (F&A) – are overhead costs, also referred to as indirect costs.

Modified Total Direct Costs (MTDC) – direct costs/expenditures excluded to F&A that are charged to the federally sponsored agreement

Participant – A non-Alabama State University employee receiving service or training associated with a program, workshop, conference, or activity funded by a sponsored award.

Participant Support Costs – direct expenditures including stipends or sustenance allowances, travel costs, and registration fees a participant incurs while participating in conferences or training projects (excludes ASU employees).

IX. PROCEDURES:

Approved procedures are located in the Office of Research and Sponsored Programs Procedural Manual published in accordance with this approved policy.

X. Agency Specific Requirements for Budgets:

Principal Investigators (PIs) are responsible for the interpretation of participant support costs for their approved grants. Should the agency awarding the grant approve unallowable items inadvertently, the PI will be responsible for rectifying the budget. **PIs awarded through NSF should refer to the Participant Support Costs attachment.**

XI. ANNUAL AUDIT OF GRANT ACTIVITIES:

An audit of grant activities will be conducted annually by the University's external auditing firm. PIs are responsible for ensuring all grant deliverables are met and in compliance with participant support costs; ORSP will provide oversight. The funding agency (NSF, NIH, etc.) may conduct an audit without prior notice to the University.

XII. RESEARCH ADMINISTRATION TRAINING:

ORSP and Grants and Contracts Accounting will conduct and document requisite training throughout the year to ensure grant personnel is aware of allowable and unallowable costs.

XIII. EXCLUSIONS:

The budget category for participant support costs is excluded under 2 CFR 200's definition of Modified Total Direct Costs (MTDC) for Facilities and Administrative Rates and Costs (F&A).

A federal agency will only allow participant support costs to be included in the base for indirect cost allocation if the negotiated indirect rate agreement (NICRA) does not list it as an exclusion.

Any questions regarding exclusions shall be directed to ORSP or the Director of Grants and Contracts Accounting.

Document History

Approved by BOT: September 18, 2020

Policy Amendment Approved by BOT: February 3, 2022

SEE ATTACHMENT

PARTICIPANT SUPPORT COSTS EXPLAINED

The Policy Office receives questions related to many aspects of proposal and award policy. The most common questions as of late, however, revolve around the topic of participant support costs. The policy as stated in Proposal & Award Policies & Procedures Guide (PAPPG) Chapter II.C.2g(v) defines the participant support budget category as direct costs “such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with NSF-sponsored conferences or training projects.” This definition is straight from the Uniform Guidance (2 CFR § 200.75). In accordance with the PAPPG, participant support costs must be specified, itemized and justified in the budget justification of the proposal; indirect cost recovery is not permitted.

The questions we receive cover a wide range of issues related to participant support, so we have included a representative sampling below. Of course, you can always send your specific questions to policy@nsf.gov.

Q: May I include conference speaker fees in the participant support costs section of the budget?

A: No, the participant support category is for the support of participants or trainees only. Speakers and trainers are not considered participants and should not be included in this section of the budget.

Q: We would like to rebudget our NSF award to move funds out of the participant support category. Do we need NSF approval to do this?

A: Yes. While NSF does provide rebudgeting authority for many categories, you must receive the approval of the cognizant NSF program officer to reallocate funds out of the participant support category. You may, however, rebudget funds into this category without prior NSF approval.

Q: How should student employees be budgeted?

A: A student cannot be compensated partially as an employee and as a participant on the same grant. It is up to the proposing organization to determine whether they should be a student employee or a participant based on the role of the student in the project. Student employees are compensated for services rendered and their level of compensation is tied to the number of hours worked. Participant support costs should be used to defray the costs of students participating in a conference or training activity related to the project.

Q: Are costs such as room rental fees, catering, supplies, etc. related to an NSF-sponsored conference considered participant support costs?

A: No, the participant support cost line in the NSF budget should not be used for such costs.

Q: Do participant support costs apply for all participants, or do they only apply for non-awardee organization participants?

A: Participants from the submitting institution and other institution(s) could be considered participants.

Q: May human subjects that are being paid as survey takers be considered participants?

A: No, the participant support section of the budget may not be used to provide incentive payments to research subjects. Human subject payments should be included on line G6 of the NSF budget under “Other Direct Costs,” and indirect costs should be calculated on the payments in accordance with the organization’s federally negotiated indirect cost rate.

Q: We are preparing a Research Experiences for Undergraduate Research (REU) proposal. Is it acceptable to categorize students as both employees and participants if we have made the appropriate determination?

A: No, the REU program is different in that the goal of the program is to provide a practical educational experience for undergraduate students, rather than simply a job. The role of an REU student differs from the role of a student employee because the REU program is aimed at developing the students’ research skills and providing a high-quality mentoring experience. Based on this role, an REU student is considered a participant in a training activity and funds for their support should be included as a stipend in the participant support cost section of the budget.

Adopted from the National Science Foundation (NSF)