



Policy Statement

The Office of Management and Budget (OMB) Uniform Guidance (UG) defines Participant Support Costs (2 CFR 200.75) as direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants (but not employees) in connection with conferences or training projects. These conferences or training projects are short term in nature and may include workshops, conferences, seminars, symposiums or other short-term instructional or information sharing activities funded by a sponsored award.

It is important to note that participant support costs **are not routinely** allowed on research projects. Typically, these expenses are incurred for projects that include an education or outreach component. In most instances participant support costs are **allowable only if specified in the Funding Opportunity Announcement** from the funding agency. Additionally, participant support costs are not to be confused with trainee costs that are otherwise awarded as institutional support to defray costs for those in a specific degree seeking program.

Participant support costs **are allowed if all** the following criteria are met:

- The costs are programmatically justified;
- The costs are explicitly included in the funding announcement and/or proposal budget and the budget is approved or prior written approval is received from the Federal awarding agency;
- The expense does not take indirect costs; and
- All eligible costs are adequately substantiated and documented by the PI in accordance with the award.

Who is a participant?

A participant is defined as a **non-LUC employee** who is **the recipient**, not the provider, of a service or training associated with a workshop, conference, seminar, symposium or other short-term instructional or information sharing activity. Participants do not perform work, services or any other deliverables for a project or program. Participants may include students, scholars, and scientists from other institutions, representatives from the private sector, k-12 teachers, and state or local government agency personnel. Students may also include those participating in National Science Foundation Research Experiences for Undergraduates (REU) program. Additionally, teachers may include those participating in the National Science Foundation Research Experiences for Teachers (RET) program.

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In rare circumstances, students functioning as graduate assistants and student workers that would otherwise be paid through payroll by the University, and receive a Form W-2, could be eligible for participant support. Exceptions can be made for student “participant support” of a service or training program as long as the students’ employment is **not** associated with the sponsored project and also meets the allowable participant support criteria as detailed above.

What costs are considered allowable Participant Support Costs (PSCs)?

Participant Support Costs include expenditures for items such as the following when specified in an approved budget by a sponsor:

- **Stipend**- A stipend is a set amount of money to be paid directly to the participant in connection with a short-term training activity as defined by the appointment period approved by the Sponsor.
- **Travel**- Travel includes the costs of transportation and associated costs and must follow sponsor guidelines (e.g., US flag carrier, coach class, most direct route) as well as LUC’s travel policies. The sole purpose of the trip must be to participate in the project activity. If a training activity involves field trips, the cost of transportation for participants may be allowable.
- **Subsistence allowance**- The cost of a participant’s housing and per diem expenses necessary for the individual to participate in the project are generally allowed, provided these expenses are reasonable and limited to the days of attendance. Although they may participate in meals and snacks provided at the meeting or conference, participants who live in the local area (metropolitan Chicago area) are not entitled to subsistence payments.
- **Fees**- The fees paid by a participant in connection with meetings, conferences, symposia, or training projects are generally allowable costs. These fees may include laboratory fees, passport or visa fees for foreign participants, and registration fees.
- **Other**- Certain other costs paid on behalf of or to the participant as required for their involvement may be allowable, including training materials, laboratory supplies, and insurance.

What costs are considered unallowable Participant Support Costs?

Unallowable Participant Support Costs include but are not limited to the following:

- Trainee expenses associated with training grants or awards that provide institutional support as opposed to research experience for undergraduates – See PSC FAQs for additional detail

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- Prizes and awards (Account Code 6742)
- Honoraria for guest speakers (Account Code 6743)
- Expenses for the Principal Investigator (PI), project staff or collaborators to attend project meetings, conferences, or seminars
- Conference support costs such as facility and audio/visual equipment rental
- Subaward to a provider for multiple training events
- Agreements with employers (e.g., public school system) to reimburse the employer for the costs related to sending an employee to a conference or workshop.
- Service or independent contractor agreements (Account Codes 6252 and 6253)
- Payments made to research subjects or study participants as an incentive for recruitment or participation in a research project (Account Code 6585)

Budgeting & Payment Processing

In efforts to assist in ensuring compliance while maintaining reporting requirements and award management needs, all Participant Support Costs should be charged to **account code 6313- PARTICIPANT SUPPORT**, which is included in the LUC chart of accounts. Since Participant Support Costs are excluded from Modified Total Direct Costs (MTDC), this account code is excluded from indirect cost calculations and should be utilized for all participant costs on both **federal and non-federal grants**, including stipends.

Rebudgeting of Participant Supports Costs to another budget category **requires the prior written approval** of the funding agency (federal or non-federal), unless the agency's published policies or grant specific terms and conditions waive such requirement. Award specific guidelines should be consulted before rebudgeting Participant Support Costs for all sponsor types.

Additional Resources

- [Tax Information for Student Financial Assistance / Awards](#)
- [Unallowable Cost Policy](#)
- [Grant Expenditure Review Policy](#)
- [Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)
- [IRS Topic 421 – Scholarships, Fellowships, and Other Grants](#)
- [National Science Foundation \(NSF\) Research Experiences for Undergraduates \(REU\)](#)
- [National Science Foundation \(NSF\) Research Experiences for Teachers \(RET\)](#)
- [Accounts Payable](#)
- [Chart of Accounts](#)

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Questions

Please direct any questions pertaining to this policy to the Sponsored Program Accounting Department at 312- 915-8730 or email at GRNTCON@luc.edu. Additionally, if you would like to receive targeted training relating to this topic, you may submit a formal training request at the following link: <https://www.luc.edu/spa/forms/trainingrequest.shtml>.

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Participant Support FAQs

1. What types of sponsored projects and sponsors may include Participant Support Costs?

Participant Support Costs (PSCs) are typically incurred for projects that include an educational or outreach component. Participant support costs are allowable as long as they are requested with the original Funding Opportunity Announcement (FOA) and, in general, are allowable with prior sponsor approval, in accordance with Uniform Guidance. These types of costs are most commonly included in National Science Foundation (NSF) grants, such as the Research Experiences for Undergraduates (REU) and Research Experiences for Teachers (RET).

Generally, the NSF is one of the few agencies that specifically allows for PSCs. In some circumstances the NIH will allow for PSCs only if they are explicitly identified in the FOA. Other Federal or non-federal agencies that may allow PSCs under some circumstances. It is imperative that you consult the original funding solicitation for any information or specific instructions as well as contact your respective Office of Research Services representative early and prior to proposal submission.

Other sponsors that may allow for participant support costs include, but are not limited to the following:

- Environmental Protection Agency (EPA)
- United States Department of Agriculture (USDA)
 - National Institute of Food and Agriculture (NIFA)
 - National Resource Conservation Service (NRCS)
- National Oceanic and Atmospheric Administration (NOAA)

2. What is the difference between a Participant Support Cost and a Trainee Cost?

Trainee costs are funds provided to defray costs such as staff salaries, consultant costs, equipment, research supplies, staff travel, trainee health insurance (self-only or family as applicable), and other expenses directly related to the training program. These funds are provided as institutional support directly supporting those in a specific degree seeking program.

PSCs are direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants (but not employees) in connection with conferences or training projects. These conferences or training projects are short term in nature and may include workshops, conferences, seminars, symposiums or other short-term instructional or information sharing activities funded by a sponsored award. PSCs are similar to professional development costs in that they are not directly tied to a specific program. Professional development costs are generally unallowable (see Unallowable Cost Policy) which is why it is imperative to ensure that the sponsor specifically allows for PSC under the respective FAO.

3. Should participant support costs be identified in the budget/budget justification?

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Yes, PSCs must be explicitly identified in the preparation and submission of the budget and budget justification. PSCs are excluded from the Modified Total Direct Cost (MTDC) base when calculating F&A costs. Identifying PSCs will help ensure that you have the requisite prior sponsor/agency approval that is required and, if awarded, that ORS and SPA will have the necessary information to set up the separate PSCs Account Code that will ensure accurate F&A allocations.

4. What are some examples of what might or might not be considered participant support costs?

Some examples that would be considered participant support costs:

- An NSF project has been awarded an REU supplement that has specifically included PSCs in the FOA. The REU award will allow 5 undergraduate students from around the area to participate in a specific research study with the University. The students will be paid a stipend and provided coverage for housing and meals during the program period. The stipends, housing and meals will be considered participant support costs.
- The University is awarded a grant from the NIH to host an educational workshop in Chicago, Illinois. Individuals will apply for financial support to attend the conference. The financial support could cover the costs to travel to and attend the workshop. Travel and housing (per diems) and other related fees would be classified as PSCs.
- A sponsoring agency provides a grant to the University to train teams of classroom educators and community members from around the state. The teams of educators and community members will then engage local youth in community-based science and service-learning projects. The workshops to train classroom educators and community members take place over the summer. The costs associated with the workshops that enable the individuals to attend, including stipends, transportation, and lodging, are considered PSCs.

Some examples that would not be considered participant support costs:

- The University is part of a scientific collaboration involving PIs from five different institutions. The University PI hosts a meeting with her Co-PIs and other scientists to discuss project progress. Collaborators must travel to Madison to attend the meeting. The costs for this meeting of scientific collaborators to discuss the project would not be considered participant support costs.
- As part of a conference grant, the University PI invites an expert in the field to talk about recent discoveries that were featured in a prominent scientific journal. In order to support the expert's attendance, the grant provides an honorarium of \$2,000. The honorarium for the speaker would not be considered a participant support cost.

5. Is rebudgeting of participant support costs allowed during the life of the award? How would i go about rebudgeting?

Rebudgeting may be allowed, however in almost all cases will require prior written approval from the sponsor or agency. Rebudgeting requests should only be processed during the life of the award.

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6. Can I rebudget funds from the PSC account code to a non-PSC account code within the award after an award has been received?

Generally, it is not allowable to rebudget from the PSC account code into other budget categories unless prior written approval has been obtained from the sponsor or agency. If approval is obtained from the sponsor or agency and the funds are moved from the PSC account code into another budget category. It is important to consider the overall impact on the F&A allocations. PSCs are not included in the MTDC base and any other account code may be included in the F&A MTDC base.

7. Can I rebudget funds from the non-PSC project into a PSC project?

If a participant support project were approved as part of the original award, then funds could be rebudgeted from the non-PSC project in accordance with the terms and conditions of the award. If the award did not already include a participant support project, then adding a participant support component to the award would need the sponsor's prior approval.

8. If participant support costs were not included in the original award, can I add a participant support component to my project?

It depends. Adding a PSC to the project would require prior written approval from the sponsor or awarding agency. With the sponsor's or agencies approval, one may choose to rebudget unused funds into the PSCs account code. Alternatively, the PI may also be able to request a supplement for PSCs from the awarding sponsor or agency. PI's should contact their program officer to entertain this option.

9. How do I initiate a prior written approval request?

It is recommended that if you would like to initiate a prior written approval request from the sponsor or agency that you work closely with your respective Office of Research Services representative. Additionally, it is important to note that prior approval requests for the NSF must be initiated by the PI in Research.gov.

10. What kind of documentation should a department keep on file for participant support costs?

In accordance with normal documentation protocols, it is recommended that each department maintain adequate supporting documentation for all PSC related activities. This documentation should include at a minimum, a list of program participants and any substantiation or evidence of attendance for each of the program participants (e.g., program roster or attendance confirmation).

11. Are payments to human subject research or other program study participants also considered PSCs?

No. A payment to an individual who participates as a human subject or other study participant in a research project is not considered a PSC. Therefore, these human subject research or other study participants should be appropriately budgeted for under Study Participant Costs under the 6585

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account code. Other information regarding Study Participant Costs can be found [HERE](#).

12. Are costs to support pre- or post-doc trainees in a training grant considered to be participant support costs?

This will depend upon the sponsor. Generally, costs for training grant programs are not considered PSCs. Training grant programs are generally not short-term programs and are not consistent with the overall experience and involvement as would be required under general participant support activities. Trainees under a training grant are often actively engaged in the activities and required deliverables of a training award, where participants do not perform work or service for the project or program.

13. How are PSCs processed for payment?

PSCs are processed through a check requisition form and submitted to Accounts Payable for review and processing. In most cases, Accounts Payable will also forward these requests to Sponsored Program Accounting to ensure that the request is complete and meets the requirements for reasonableness, allowability and allocability. All PSC charges expenses should be charged to the PSC account code 6313. Upon approval, Accounts Payable will process the payment through normal means as either an ACH or physical check to the recipient.