Table of Contents

PURPOSE OF GUIDELINES AND DEFINITIONS ................................................................. 2
POLICY ............................................................................................................................. 3
WHO IS RESPONSIBLE ................................................................................................... 3
RESPONSIBILITIES AND PROCEDURES ........................................................................ 3
  A. Budgeting Participant Support Costs ......................................................................... 3
  B. Project Setup in the General Ledger ........................................................................... 4
  C. Monitoring .................................................................................................................. 5
RELATED DOCUMENTS .................................................................................................... 6
HISTORY OF POLICY ....................................................................................................... 6
PURPOSE OF GUIDELINES AND DEFINITIONS

For certain types of awards, sponsors of grants and contracts will include a budget category called ‘participant support costs’. The purpose of this document is to define participant support costs and to provide guidance for accounting for such costs in accordance with sponsor requirements and federal regulations.

Participants

Participants are individuals who are the recipients of services or training provided at a workshop, conference, seminar, symposia, or other short-term instructional or information sharing activity funded by an external grant or award, or the training beneficiaries of the project or program funded by an external grant or award. Participants may include students, national scholars and scientists, private sector representatives, agency personnel, teachers, and others who attend and participate in the conference, workshop, or training activity.

Key factors to note regarding participants:

- Participants perform no work or services for the project or program other than for their own benefit.
- A participant is not involved in providing any deliverable to the university or a third party, or would not be terminated or replaced for failure to perform.
- Anyone classified as a university employees cannot also be a participant. For example, a person classified as an intern would be paid as an employee and not as a program participant, because the intern, while receiving certain training, is also providing services to the university, the grant sponsor, or a third party.

Participant Support Costs

Participant support costs are defined by Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards (Uniform Guidance) – Subpart A (2 CFR §200.75) as well as the National Science Foundation as “direct costs for items 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 conferences or training projects.” For college and universities, participant support costs may include fellowships, scholarships, and other forms of student financial aid. Only costs that can be specifically identified to a participant(s) can be classified as participant support costs.
POLICY

Participant support is allowed by a number of contracts and grants awarded by the U.S. Department of Education, the National Institutes of Health (NIH), the Office of Naval Research (ONR), and the National Science Foundation (NSF). Under OMB Uniform Guidance (2 CFR §200.456) participant support is considered an allowable cost with prior federal awarding agency approval. Specific agency guidelines on participant support vary from sponsor to sponsor and from program to program thus it is important to refer to agency and program-specific guidelines.

The NSF has the most comprehensive policies governing the budgeting, expending, and reporting of these funds. Therefore, the definitions and procedures outlined in this administrative practice letter (APL) are based upon NSF requirements. Applicability of this APL to other sponsors should be determined by that sponsors’ terms and conditions.

WHO IS RESPONSIBLE

Responsibility for following these guidelines lies primarily with Project Managers (including Principal Investigators and Program Directors) and Program Managers, their Department Chairs or other direct supervisors, and unit-level fiscal personnel with general guidance and oversight of the colleges, schools and divisions.

Applicable University of Maine System (UMS) University Services, University Office of Sponsored Programs (OSP) or other designated personnel are responsible for providing general guidance and technical assistance.

RESPONSIBILITIES AND PROCEDURES

A. Budgeting Participant Support Costs

Review agency guidelines carefully to determine whether participant support costs can be included in the project budget as direct costs and whether Facilities and Administrative (F&A) costs can be recovered. Whenever participant support costs are proposed in a budget, a detailed justification will be required that states the number of participants to be supported and describes the purpose for the costs and the way in which they will directly benefit the proposed project’s scope of work.

Participant support costs may include the following expenses:

- Tuition and registration fees if required to participate in the project
- Event registration fees
- Stipend (predetermined amount regardless of actual costs) for housing and subsistence allowance
• Travel costs when the sole purpose of the trip is to participate in the project activity
• Event support costs for lodging and meal expenses paid directly to the event facility, only if the payment is made on behalf of, or reimbursed directly to, the participant
• Meals and incidentals when on travel status
• Training materials
• Lab supplies

The following expenses should not be budgeted as participant support costs:

• Reimbursement of travel or other support cost of the Principal Investigator (PI) and/or other UMS faculty and staff (including research assistants)
• Multi-purpose travel (i.e., to perform research in addition to attending a project related meeting)
• Travel for a consultant who is providing service to the university
• Event support cost (e.g., facility rentals, media equipment rentals, food/refreshments) not made on behalf of or paid to participants
• Entertainment/food for non-participants
• Honoraria paid to a guest speaker or lecturer
• Incentive payment to encourage an individual to participate as a research subject
• Subaward to a provider for multiple training events (i.e., an ongoing contract with specific terms and conditions)
• Payments to a participant’s employer for reimburse for the costs related to sending the employee to the project event
• Expenses related to meetings of an administrative nature

Note on F&A Costs: Under OMB Uniform Guidance, participant support costs are specifically excluded from the calculation of the modified total direct cost (MTDC) and thus cannot be included as direct costs for the calculation of F&A cost recovery for any federally funded sponsored programs. Prior to the adoption of OMB Uniform Guidance (effective 12/26/2014), most federal agencies did not allow participant support costs to be included as MTDC however, this was an agency-specific rule and not a general rule for all participant support costs.

B. Project Setup in the General Ledger

1. Separate Projects

Awards that include funding for both participant support costs and other costs must have separate projects established in the UMS’ general ledger system as follows:

• one project for the budgeted and actual costs of the participant support portion of the award and
• a separate project for the budget and actual costs of the remaining award.
We utilize a separate participant support project to help ensure compliance with the special restrictions generally associated with these types of awards including the following:

- Participant support costs must be accounted for separately from the remainder of the award budget.
- Re-budgeting from a participant support category into other categories must have prior sponsor approval.
- Any unexpended participant support costs must be forfeited at close-out – they cannot be used to offset over-expenditures in other categories.

**Note:** In cases where the award is solely for participant support costs, only one project may be required.

2. Roll-Up Function

To facilitate reporting and certain financial system processes, projects are grouped in the UMS’ general ledger system by awarding agency using agency specific “tree nodes”. Generally, projects are not further grouped below the agency tree node level. However, to facilitate monitoring and reporting of aggregate financial data for an award with multiple general ledger projects (such as an award with separate primary and participant support projects), it is possible to create a special grouping below the agency tree node level to capture all projects for a given award. To accomplish this, campuses should request a new project tree node and identify the related projects on the Project Create Form (PCF) prior to submission.

C. Monitoring

The principal investigator and his/her administrative support personnel are required to be familiar with the specific requirements as set forth by the sponsor, and to ensure compliance with those requirements. In addition to the financial restrictions noted under the section of this APL titled, “A. Budgeting Participant Support Costs”, the principal investigator should be aware of the following additional requirements:

1. All costs that are reimbursed to or paid on behalf of participants must be incurred within the project period and specifically allowed by the sponsoring agency.

2. Funding provided for participant support costs may not be used for other categories of expense without the specific written prior approval of the sponsor.

3. Participant support allowances may not be paid to participants or trainees who are receiving compensation, either directly or indirectly, from other federal sources while participating in the project.
4. Records must be retained, detailing the following:

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

RELATED DOCUMENTS

-National Science Foundation – Award and Administration Guide (AAG) – Chapter V.B.8

Accounting for Grants and Contracts – business process document

APL Section VIII-B  Restricted Expendable Funds Guidelines
APL Section VIII-I  Revision of Budget and Program Plans
APL Section VIII-J  Financial Reporting

HISTORY OF POLICY

Issue 1:  Effective 12/26/2014

It should be noted that while this policy is now being formally published as an Administrative Practice Letter, the underlying provisions for the Policy have been in effect for many years.

APPROVED:

Signature on file in the Office of Finance and Administration

Vice Chancellor for Finance and Administration