Participant Support Costs

Presented at the RAN Meeting on November 14th, 2018
Definition of a Participant:

• Google defines a “participant” as:
  – a person who takes part in something

• However, a “participant” in the terms of **Participant Support Costs** in relation to a sponsored project is defined as*
  – an individual who is the recipient of a service or training session in a workshop, conference, seminar, symposium, or other short-term instructional or information sharing activity
  – funded by an external grant or sponsored award and
  – is not involved in providing deliverables

*Please make note: This is a generally accepted definition of many higher educational institutions. The definition of a “participant” may vary slightly from sponsor to sponsor.
Participant Support Costs Defined:

- **Uniform Guidance** defines Participant Support Costs under **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 or trainees (but NOT employees) in connection with conferences, or training projects.

- In accordance with *NSF’s Proposal & Award Policies & Procedures Guide (PAPPG) Chapter II.C.2g(v)*, which defines Participant Support Costs as defined under Uniform Guidance above:
  - participant support costs must be specified, itemized and justified in the budget justification of the proposal; indirect cost recovery is not permitted.
Federal Regulation of PSC:

• **Uniform Guidance** states under 2 CFR 200.456 that:
  – participant support costs are allowable with the prior approval of the Federal awarding agency

• Specific guidelines on participant support costs vary
  – from sponsor to sponsor
  – from program to program
Participant Support Costs Sponsors:

• Participant support is allowed by a number of grants and contracts awarded by the:
  – U.S. Department of Education
  – National Institutes of Health (NIH)
  – Office of Naval Research (ONR)
  – National Science Foundation (NSF)

• Other Federal and non-Federal sponsors may allow participant support costs under certain circumstances
Who is a Participant?

- Participants **may** be:
  - Students
  - Scholars
  - Scientists
  - Teachers
  - Private sector representatives
  - Community members

- Participants **cannot** be:
  - An employee of the grantee institution
  - Advisory board members
  - Interns who have paid appointments
  - Anyone who has a deliverable or is primarily providing a service to the project

*Note: providing service to a project would be considered “effort” on the project*
Budgeting Participant Support Costs:

• A detailed budget justification is required that states:
  – the number of participants to be supported
  – the purpose for the costs
  – how the costs directly benefit the proposed project’s scope of work

• The Budgeting Basics:
  – Why does the project need participants?
  – What are the participant support costs for?
  – What is the price per participant?
PSC Budget Justification Example:

F. Participant Support Costs: $1,485 for 30 Participants

High School Students Summer Program – The PI plans to recruit up to 30 local high school students to participate in a day-long workshop to demonstrate optical phenomena and train scientific thinking skills.

1. **Subsistence**: $360 for lunch during the workshop
   - 30 participants @ $12 per meal

2. **Travel**: $450 for transportation
   - 30 participants @ $15 per person

3. **Stipends**: N/A

4. **Fees**: $600 for workshop registration
   - 30 participants @ $20 per person

5. **Other**: $75 for materials & supplies
   - 30 participants @ $2.50 per notebook

See slide 36 for an example on how to enter this PSC budget on the budget spreadsheet.
Participant Support Costs Categories:

- Subsistence Allowance
- Travel
- Stipends
- Fees
- Other
PSC Subsistence Allowance Definition:

- The cost of *meal and lodging expenses* necessary for the individual to participate in the project are generally allowed
  - must be reasonable and limited to the days of attendance

- Use PeopleSoft GL account code 60201
PSC Subsistence Allowance Examples:

Allowable:
• 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.

Not Allowable:
• Although employees are not considered participants, they may still receive conference meals (this is a non-PSC expense).
• Participants who live in the local area are not entitled to subsistence payments.
  – however, they may receive meals and refreshments provided at the meeting or conference (this is a non-PSC expense).
  – REU supplement students are entitled to subsistence support even if local.
• Entertainment/food for non-participants.
• Event support cost (i.e. facility rentals, media equipment rentals, food/refreshments) not made on behalf of or paid to participants.
Define "local." and add clarifying information to this slide.
Susannah Fisher, 12/3/2018

See FAQ on ORA website
Jenny Rapp, 1/4/2019
PSC Travel Definition:

- The cost of transportation and associated costs
  - must follow sponsor guidelines (most direct route, coach class, etc.)
  - must follow university policies and guidelines
  - the sole purpose of the travel must be to participate in the project activity

- Use PeopleSoft GL account codes:
  - 60202* for in-state travel
  - 60203* for international travel
  - 60204 for out-of-state travel

*When preparing the budget spreadsheet, use of these account codes need to be entered under the “Additional Other Direct Costs” section as they are not included under the PSC section. Remember to manually exclude them under the “F&A Cost Detail” section (Other Adjustments). See example on slide 36.
SF6  PSC travel vs Non-Employee Travel
  Susannah Fisher, 12/3/2018

JR10  See FAQ on ORA website
  Jenny Rapp, 1/4/2019
PSC Travel Examples:

Allowable:
• If a training activity involves additional field trips the cost of transportation of participants may be allowable.
• Meals and incidentals when on travel status
• Travel costs when the sole purpose of the trip is to participate in the project activity

Not Allowable:
• Field trips for recreational purpose are not permitted
• 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
PSC **Stipends** Definition:

- A set amount of money to be paid directly to the participant
  - conditions for receiving a stipend should be in writing and program completion attested to by the project PI
  - granting agencies may have specific guidelines for participant stipends

- Use PeopleSoft GL account code 60206
PSC Stipend Examples:

Allowable:
- Stipends (pre-determined amount regardless of actual costs) for housing and subsistence allowance

Not Allowable:
- Incentive payment to encourage an individual to participate as a research subject
PSC Fees Definition:

• Fees include costs directly associated with attending conferences, symposia, or training projects
  – registration, conference, and similar fees
  – tuition fees if required to participate in the project

• Use PeopleSoft GL account codes:
  – 60205* for fees associated with registration, conference, etc.
  – 60207* for fees associated with tuition

*When preparing the budget spreadsheet, use of these account codes need to be entered under the “Additional Other Direct Costs” section as they are not included under the PSC section. Remember to manually exclude them under the “F&A Cost Detail” section (Other Adjustments). See example on slide 36.
PSC Fees Examples:

Allowable:
- Event registration fees
- Tuition and registration fees if required to participate in the project

Not Allowable:
- Fees or honoraria paid to a guest speaker or lecturer
- Expenses related to meetings of an administrative nature
PSC Other Costs Definition:

- Certain other costs may also be allowable if consistent with university policy of practice, and specified in the proposal *approved by sponsor* upon review.

- Use PeopleSoft GL account code 60200.
PSC Other Costs Examples:

Allowable:
- Training Materials given to the participants
- Consumable Laboratory Supplies

Not Allowable:
- Sub-award to a provider for multiple training events (i.e. an ongoing contract with specific terms and conditions)
- Payments to a participant’s employer to reimburse for the costs related to sending the employee to the project event
- Service or independent contractor agreements
Accounting for Participant Support Costs:

• The PI and his/her administrative support staff **must**:
  – be familiar with the specific requirements as set forth by the sponsor
  – ensure compliance with those specific requirements

• **Uniform Guidance** states under **2 CFR 200.68** that:
  – participant support costs are excluded from the Modified Total Direct Cost (MTDC) base
Accounting for PSC’s – The Basics:

• Must be segregated from the remainder of the award budget (a separate project account in PeopleSoft GL)

• Must be incurred within the project period

• Must be specifically allowed by the sponsoring agency

• 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
Accounting for PSC’s – Re-budgeting:

• Must have specific written prior approval of the sponsor to re-budget from a participant support cost category into other categories of expense

• Any unexpended participant support costs must be forfeited at close-out
  – cannot be used to offset over-expenditures in other categories without prior sponsor approval
Accounting for PSC’s – Records:

• Records must be retained, detailing the following:
  – Criteria by which participants in the program are selected
  – Copies of participant applications
  – Documentation as to how they meet the selection criteria
  – A list of program participants
  – Documentation of participation in the program

• These records are to be maintained by the principal investigator and his/her administrative support personnel
Participant Support Costs – Account Codes:

<table>
<thead>
<tr>
<th>PeopleSoft (General Ledger)</th>
<th>Concur (Expense Reports)</th>
</tr>
</thead>
<tbody>
<tr>
<td>60200: Participant Costs</td>
<td>Grant Participant Cost</td>
</tr>
<tr>
<td>60201: Food</td>
<td>Grant Participant Food</td>
</tr>
<tr>
<td>60202: In-State Travel</td>
<td>Grant Participant Travel</td>
</tr>
<tr>
<td>60203: International Travel</td>
<td>Grant Participant Travel</td>
</tr>
<tr>
<td>60204: Out-State Travel</td>
<td>Grant Participant Travel</td>
</tr>
<tr>
<td>60205: Registration</td>
<td>Grant Participant Registration</td>
</tr>
<tr>
<td>60206: Stipends</td>
<td>(not available in concur)</td>
</tr>
<tr>
<td>60207: Tuition</td>
<td>(not available in concur)</td>
</tr>
</tbody>
</table>

**Please make note:** As of 1/9/19, ORA is working with procurement on adding an option in Concur for payments to human subjects (independent personnel services) so that participant support cost account codes will no longer need to be used for reimbursement of this type of expense, resulting in cost transfer requests.
Case Scenario Examples

Should it be charged as a PSC or a Non-PSC?

That is the Question…
Case Scenario 1

- A PI has asked collaborators to discuss the deliverables for his/her project
- The collaborators are traveling from in-state and out-of-state for this meeting

Should the travel expenses be charged as PSC or non-PSC?
Case Scenario 1

• A PI has asked collaborators to discuss the deliverables for his/her project

• The collaborators are traveling from in-state and out-of-state for this meeting

Should the travel expenses be charged as PSC or non-PSC?

Non-PSC

Here’s WHY: A participant is not involved in providing deliverables under Participant Support Costs (see “Definition of a Participant” on page 2).
Case Scenario 2

- A PI is providing training to students
- The PI passes out notebooks and handouts to the participants

Should the materials and supplies be charged as PSC or non-PSC?
Case Scenario 2

• A PI is providing training to students

• The PI passes out notebooks and handouts to the participants

Should the materials and supplies be charged as PSC or non-PSC?

PSC

Here’s WHY: The materials and supplies were given to the participants (see “PSC Other Costs Definition/Examples” on page 18/19).
Case Scenario 3

- A PI is providing training to students
- The PI orders posters and other visuals to be put up in the training area

Should the materials and supplies be charged as PSC or non-PSC?
Case Scenario 3

- A PI is providing training to students
- The PI orders posters and other visuals to be put up in the training area

Should the materials and supplies be charged as PSC or non-PSC?

**Non-PSC**

Here’s WHY: These materials and supplies are **NOT** given to the participants (see “PSC Other Costs Definition/Examples” on page 18/19)
Case Scenario 4

- A teacher is attending a conference as part of their professional preparation as a teacher leader in an NSF teaching fellowship program

Should the conference fees be charged as PSC or non-PSC?
Case Scenario 4

• A teacher is attending a conference as part of their professional preparation as a teacher leader in an NSF teaching fellowship program

Should the conference fees be charged as PSC or non-PSC?

PSC

Here’s WHY: Conference fees are an allowable participant support cost (see “PSC Fees Definition/Examples” on page 16/17).
Case Scenario 5

- A PI is setting up his/her budget for a human study experiment in which participants will be compensated for their time and travel costs

Should these compensation costs be charged as PSC or non-PSC?
Case Scenario 5

- A PI is setting up his/her budget for a human study experiment in which participants will be compensated for their time and travel costs

Should these compensation costs be charged as PSC or non-PSC?

Non-PSC

Here’s WHY: Incentive payments to encourage an individual to participate as a research subject is not an allowable participant support cost (see “PSC Stipend Definition/Examples” on page 14/15).
PSC Budget Spreadsheet Example:

The below budget spreadsheet is using the PSC budget example from slide 8.

- The full budget spreadsheet template can be found on the ORA website under the Resources section (see Proposals).
- Line 39 was updated from out of state travel (60204) to in-state travel (60202) per instruction provided on budget spreadsheet.
- PSC Registration (60205) has to be entered separately on line 117 in the “Add’l Other Direct Costs” section as it is not available in the primary Participant Support Costs section.
- Registration of $600 has to therefore be manually entered in the “F&A Cost Detail” section (as negative number) on line 86 (less other adjustments) to exclude it from the Base for F&A Costs.

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>37</td>
<td>PARTICIPANT SUPPORT COSTS</td>
<td></td>
</tr>
<tr>
<td>38</td>
<td>60206 Stipends</td>
<td>-</td>
</tr>
<tr>
<td>39</td>
<td>60202 Travel (in-state)*</td>
<td>450</td>
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<tr>
<td>40</td>
<td>60201 Subsistence</td>
<td>360</td>
</tr>
<tr>
<td>41</td>
<td>60200 Other</td>
<td>75</td>
</tr>
<tr>
<td>42</td>
<td>TOTAL PARTICIPANT SUPPORT</td>
<td>885</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>113</td>
<td>OTHER DIRECT COSTS NOT SHOWN</td>
<td></td>
</tr>
<tr>
<td>114</td>
<td>Please refer to the ACCOUNT CODES</td>
<td></td>
</tr>
<tr>
<td>115</td>
<td>60900 Publications</td>
<td></td>
</tr>
<tr>
<td>116</td>
<td>60119 Analytical Services</td>
<td></td>
</tr>
<tr>
<td>117</td>
<td>60205 Participant Costs - Registration</td>
<td>600</td>
</tr>
<tr>
<td>118</td>
<td></td>
<td></td>
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<td>119</td>
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<tr>
<td>124</td>
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<tr>
<td>79</td>
<td>F&amp;A COST DETAIL</td>
<td></td>
</tr>
<tr>
<td>80</td>
<td>Total Direct Costs</td>
<td>1,485</td>
</tr>
<tr>
<td>81</td>
<td>Less Capital Equipment</td>
<td>-</td>
</tr>
<tr>
<td>82</td>
<td>Less Participant Support Costs</td>
<td>(885)</td>
</tr>
<tr>
<td>83</td>
<td>Less Tuition</td>
<td>-</td>
</tr>
<tr>
<td>84</td>
<td>Less Subs in Excess $25,000</td>
<td>-</td>
</tr>
<tr>
<td>85</td>
<td></td>
<td></td>
</tr>
<tr>
<td>86</td>
<td>Less Other Adjustments, if any</td>
<td>(600)</td>
</tr>
<tr>
<td>87</td>
<td>Base for F&amp;A Costs</td>
<td>-</td>
</tr>
</tbody>
</table>
Participant Support Cost Resources:

- UMaine APL on Participant Support Costs
- 2 CFR 200.75 - Participant Support Costs
- 2 CFR 200.456 - Participant Support Costs
- 2 CFR 200.68 - Modified Total Direct Costs (MTDC)
- NSF’s Proposal & Award Policies & Procedures Guide (PAPPG)
- UMaine ORA Website – Participant Support Costs
- UMaine ORA Website - FAQ
Coming up in the near Future:

- ORA will continue to work with the System’s Office and Procurement to include an option in Concur for human subject payments (cash advances) – anticipated to be complete by March 2019
- ORA will be reaching out to heavy PSC users to work on establishing PSC guidelines for our website – anticipated to be complete by end of May 2019
- ORA has developed an in-house query to distinguish general (non-PSC) project accounts charged with PSC expenses, and PSC project accounts charged with general (non-PSC) expenses, and will be working with financial admins to make the necessary adjustments to comply with Federal regulations – anticipated to start in April 2019
Questions?

You can find the Questions and Answers from this Presentation on the ORA Website under FAQ for Participant Support Costs!