

Guidance for Including Participant Support Costs in Proposal Budgets

Uniform Guidance Updates:

October 1, 2024 updates to the Uniform Guidance [2 CFR 200](#) require Participant support costs to be documented in a recipient's or subrecipient's policies and to be treated consistently across grants. Additionally, the definition of Participant support costs was amended to include costs of temporary dependent care and a definition of Participant was added. Further, the transfer of funds budgeted for Participant support costs to other budget categories requires prior written approval.

Note that MSU will not allow temporary dependent care costs to be included in Participant support costs due to the excessively burdensome requirements surrounding these expenses and the risk of noncompliance.

What are Participant Support Costs?

Participant support costs are "...direct costs that support Participants (see definition for Participant in § 200.1) and their involvement in a Federal award, such as stipends, subsistence allowances, travel allowances, registration fees, temporary dependent care, and per diem paid directly to or on behalf of participants."

These costs are allowable under federal awards, provided they are included in the approved budget or have received prior written approval from the federal awarding agency.

Examples of allowable Participant support costs:

1. Stipends: Payments made to participants to cover their living expenses during the period of training or participation in a project.
2. Subsistence Allowances: Costs for housing and meals for participants during the project.
3. Travel Allowances: Expenses for transportation to and from the project location, including airfare, mileage, and other travel-related costs. Foreign travel must comply with the Fly America Act.
4. Event Registration Fees: Fees for participants to attend conferences, workshops, or training sessions.
5. Training Materials: Costs for books, manuals, and other materials necessary for participants to engage in the training or project activities.

These costs must be directly related to the participation of individuals in the project and should be clearly justified in the proposal budget.

Expenses that are not considered participant support costs:

1. Honoraria for Guest Speakers: Payments made to guest speakers or lecturers.
2. Expenses for PI or Project Staff: Costs for the Principal Investigator (PI), project staff, or collaborators to attend project meetings, conferences, or seminars.
3. Payments to Graduate Research Assistants (GRAs): Salaries or stipends for GRAs involved in the project.
4. Incentives for Research Subjects: Payments made to research subjects as an incentive for recruitment or participation in a research project.
5. General Office Supplies: Costs for office supplies, equipment, or other general administrative expenses

These costs are not classified as Participant support costs because they do not directly support the participation of individuals in training or educational activities related to the project.

Definition of Participant:

Participant (as defined in 2 CFR 200.1): generally means an individual participating in or attending program activities under a Federal award, such as trainings or conferences, but who is not responsible for implementation of the Federal award. Individuals committing effort to the development or delivery of program activities under a Federal award (such as consultants, project personnel, or staff members of a recipient or subrecipient) are not participants. Examples of Participants may include community members participating in a community outreach program, members of the public whose perspectives or input are sought as part of a program, students, or conference attendees.

Budgets and Participant Support Costs:

Participant support costs are listed as a separate category on the budget at proposal stage and award stage.

When deemed necessary, a separate fund specifically for Participant support cost will be established by Sponsored Programs Accounting upon receipt of an award including Participant support costs. The administering department is responsible for reviewing these funds for accuracy and completeness and is strongly encouraged to use the following account codes for all Participant support costs when applicable.

- Reportable Participating Cost 405796

- Non-Reportable Participating Cost 405797

F&A and Participant Support Costs:

Indirect costs (Facilities & Administrative, or F&A costs) cannot be charged on Participant support costs. According to the Uniform Guidance, participant support costs are excluded from the Modified Total Direct Cost (MTDC) base when calculating F&A costs

- **Federally-funded Projects with Full F&A:** F&A is not assessed on participant support costs expensed on federal projects.
- **Non-Federal Awards with an MTDC F&A Rate Base:** F&A on participant support costs is not normally charged to nonfederal sponsors employing a Modified Total Direct Costs (MTDC) base.
- **Sponsor Limited F&A Rate:** F&A on participant support expenses is charged to prime sponsors and nonfederal sponsors (e.g., non-profit, for profit, industry, foreign entities) that stipulate a limited F&A rate based on Total Direct Costs (TDC) or Total Costs (TC).

Rebudgeting Participant Support Costs:

Any rebudgeting of Participant supports costs to another budget category requires the approval of the Federal agency. For non-Federal sponsors, award specific guidelines should be consulted before rebudgeting Participant support costs.