



# Participant Support Costs Self-Assessment Checklist

As a part of the National Science Foundation's (NSF) continued efforts to better facilitate award stewardship, this checklist was created to enable applicants and awardees to assess their participant support management practices, verify areas where those practices meet federal requirements, and identify and remedy any deficiencies identified. Specifically, this checklist was designed to enable awardees to verify that:

- ▶ A participant support **policy** that states compliant requirements has been prepared, approved by management, and distributed to staff for official use
- ▶ Participant support costs are **segregated in the accounting system** through the use of separate accounts, sub-accounts, sub-tasks, sub-ledgers, etc.
- ▶ Funds budgeted for participant support have **not been reallocated to other budget categories** without prior written approval from the NSF Program Officer
- ▶ Participant support costs have been **excluded from the allocation base of the indirect cost calculations** unless explicitly provided for in the awardee's Negotiated Indirect Cost Rate Agreement (NICRA) or NSF-issued award agreement
- ▶ Awardees are tracking and documenting **participant attendance** at meetings, conferences, and other events.

## What are Participant Support Costs?

Per the 2 CFR 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), participant support costs are defined 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." (Section 200.1 Definitions)

For additional guidance, please refer to the Uniform Guidance (e.g., [Section 200.1: Definitions](#), [Section 200.308: Revision of Budget and Program Plans](#), and [Section 200.456: Cost Principles](#)) as well as NSF's requirements (e.g., [Proposal & Award Policies & Procedures Guide: Chapter II - Proposal Preparation Instructions](#), [Research Terms & Conditions Agency Specific Requirements: Article 13 - Participant Support Costs](#), [Grant General Conditions: Article 7 - Participant Support Costs](#), and [Cooperative Agreement Financial & Administrative Terms and Conditions](#)).

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# Organizational Participant Support Policies

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## 1. Does your organization have a participant support policy that has been approved by management and distributed to staff for official use?

**Yes** Great! Creating a policy to help personnel understand the federal and organizational requirements is the first step to ensuring compliance. Please ensure this policy 1) provides the definition of participant and eligible participant support costs, 2) communicates that participant support costs are to be segregated in the accounting system and provides details on organizational specific codes/procedures to be used (e.g., separate accounts, sub-accounts, sub-tasks, or sub-ledgers), 3) requires NSF prior written approval to rebudget funds out of the participant support budget category or costs moved within participant support budget that affect the participant support “other” line, 4) states that participant support costs are to be excluded from indirect cost recovery calculations unless specifically allowed in your NICRA or your NSF-issued award agreement, and 5) outlines requirements for supporting documentation to demonstrate that participant support costs charged are allocable, allowable, and reasonable.

**No** We strongly recommend that your organization develop and implement a policy that 1) provides the definition of participant and participant support costs, 2) communicates that participant support costs are to be segregated in the accounting system and provides details on organizational specific codes/procedures to be used (e.g., separate accounts, sub-accounts, sub-tasks, or sub-ledgers), 3) requires NSF prior written approval to rebudget funds out of the participant support budget category or costs moved within the participant support budget that affect the participant support “other” line, 4) states that participant support costs are to be excluded from indirect cost recovery calculations unless specifically allowed in your NICRA or your NSF-issued award agreement, and 5) requires supporting documentation that demonstrates participant support costs charged are allocable, allowable, and reasonable.

## 2. Does your existing participant support policy contain the definition of participant (i.e., individual whose primary purpose of attending an event is learning and/or receiving training and the individual receives a stipend/per diem/subsistence allowance rather than salary/fringe benefits) and participant support costs (i.e., direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees in connection with meetings, conferences, symposia, or training projects)?

**Yes** Great! Providing clear guidance on what constitutes a participant and what are allowable participant support costs can help avoid common errors (e.g., direct charging salaries and fringe benefits for employees who are not considered participants).

**No** We strongly recommend that your organization add language to your existing participant support policy to define both participant and allowable/unallowable participant support costs.

## 3. Does your existing participant support policy state that funds budgeted for participant support cannot be used for employee participation in meetings, conferences, symposia, training projects, etc.?

**Yes** Great! Employee participation should not be included in the participant support line, but more appropriately charged to other award budget categories. Prior NSF monitoring efforts have occasionally resulted in identification of costs or expenses associated with employees participating in events. However, students employed by a university/organization in jobs unrelated to and uncompensated by the award (cafeteria/bookstore jobs) are eligible as participants.

**No** Prior NSF monitoring efforts have occasionally resulted in identification of costs or expenses associated with employees participating in events. We recommend your organization add language to your existing participant support policy to document that participant support costs must NOT be used for employees. However, students employed by the University in jobs unrelated to and uncompensated by the award (e.g., cafeteria/bookstore jobs) are eligible as participants.

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## Organizational Participant Support Policies

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**4. Does your existing participant support policy state that these costs must be segregated in the accounting system and provide guidance on which accounting codes (e.g., object/account codes that are clearly defined as only applicable to participant support) must be used to record these costs?**

Yes

Great! Tracking participant helps to support costs in segregated accounts helps ensure that amounts budgeted for participant support costs are on track for spending and used for participant costs in line with scope or objective of the award. This practice can also ensure that participant support costs are excluded from indirect cost rate calculations and allow the organization to determine whether a request to the sponsor for rebudgeting participant support or a change in scope may be necessary.

No

Tracking participant help to support costs in segregated accounts helps ensure that amounts budgeted for participant support costs are on track and in line with scope/objective of the award. This practice can also ensure that participant support costs are excluded from indirect cost rate calculations. NSF recommends your organization add language to existing participant support policy, and implement new accounting codes, if necessary, to consistently segregate participant support costs from other award-related costs.

**5. Does your existing policy require detailed documentation to support the allowability, reasonableness, and allocability of participant support costs? Typically, this documentation might include the following: evidence of eligibility to participate in the event (e.g., proof of U.S. citizenship or enrollment in a STEM-related accredited degree program), attendance at the event (i.e., participant sign-in sheets), and detailed receipts or expense reports clearly marked with the event and NSF award.**

Yes

Great! Good supporting documentation is key to demonstrating the allowability, allocability, and reasonableness of grant charges.

No

Lack of adequate supporting documentation is one of the most common causes of questioned or disallowed participant support costs. NSF recommends existing policies and procedures be updated to require compliance with documentation requirements set forth in 2 CFR 200.302(b)(3) which states, entities must maintain "Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to the federal awards, authorizations, financial obligations, unobligated balances, assets, expenditures, income, and interest and be supported by source documentation." NSF also recommends awards be reviewed periodically to ensure that these requirements are met.

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## Award Specific Questions

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**6. Have any budgeted funds been transferred from the participant support cost category to other budget categories?**

Yes

Ensure prior approval is documented via Research.gov; otherwise, this would be a violation of the award terms and conditions and costs could be disallowed.

No

Ok, good. Always ensure prior written NSF approval is obtained before rebudgeting participant support costs for **any** costs that fall outside of the 2 CFR 200.75 definition.

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## Award Specific Questions

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### 7. When your organization calculates indirect cost recovery charges, do you exclude participant support costs from the allocation base (i.e., are participant support costs subtracted from the total amount of direct costs)?

Yes

Great! There are very few instances where participant support costs should have indirect costs allocated to them. See NSF PAPPG Chapter II.C. (g)(v).

No

The Uniform Guidance and NSF award terms and conditions require that participant support costs must be excluded from the allocation base for indirect cost recovery charges to federal awards. The only exception is if your organization's current, federally approved indirect cost rate agreement or the NSF award notification provides for the allocation of indirect costs to participant support costs. NSF recommends existing policies and procedures be reviewed carefully to avoid audit findings and disallowed costs. See NSF PAPPG Chapter II.C.(g)(v).

### 8. Have any participant support costs been budgeted for employees?

Yes

Participant support costs may not be used for costs related to employees of the grant they are working on, except in cases for educational projects conducted at local school districts where the participants being trained are employees (e.g., teachers) of the organization. In such exceptional cases, costs must be classified as participant support if payment is made through a stipend or training allowance method. The school district must have an accounting mechanism in place (i.e., sub-account code) that can differentiate between regular salary and grant stipend payments. If employees have been incorrectly budgeted under participant support, NSF recommends that the charges be removed or a request to the NSF program officer to reallocate the funds out of participant support into the correct budget category be submitted immediately. This request should be made through research.gov.

No

Great! There are very few exceptions allowing participant support costs to be used to support employees. However, students who are employed by the organization unrelated to or not compensated by the award may be a participant. In addition, for educational projects conducted at local school districts where the participants being training are employees (e.g., teachers) of the organization, the participant support payment must be differentiated between regular salary and a grant stipend payment.

### 9. Does your organization offer gifts, gift cards, prizes, t-shirts, or other incentives to participants?

Yes

Be careful! Please review the NSF PAPPG Chapter II (C) (v): "Any additional categories of participant support costs, other than those described in 2 CFR § 200.1 (such as incentives, gifts, souvenirs, t-shirts and memorabilia), must be justified in the budget justification, and such costs will be closely scrutinized by NSF. (See also Chapter II.E.7)." These items are typically unallowable. However, when necessary to accomplish program objectives, and if reasonable in amount, these costs may be allowable if properly described and justified in the proposed budget description. If these costs are not included in the original award budget, but later determined to be necessary for the success of the project after an award has been issued, the grantee should follow the guidance in the NSF PAPPG, Chapter X.A.3 "When a change requires NSF approval as specified in RTC Appendix A, the request must be submitted via the Notification and Request Module in Research.gov. If no specific option is available for the request, the "Other Request" option must be used. The request should clearly state which budget items, if any, are to be changed and by what amounts, and should justify the reasons for any changes." Acceptable incentives may include certificates, plaques, ribbons, or inexpensive instruction-related material such as pens, pencils, and other materials and supplies that are nominal in cost.

No

Great! These items are typically unallowable. However, when necessary to accomplish program objectives, and if reasonable in amount, these costs may be allowable if properly described and justified in the proposed budget description See NSF PAPPG Chapter II (C)(v). Post award, prior approval is required and the guidance in the NSF PAPPG Chapter X.A.3 should be followed. Acceptable incentives may include certificates, plaques, ribbons, or inexpensive instruction-related material such as pens, pencils, and other materials and supplies that are nominal in cost.

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## Award Specific Questions

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10. (Answer this question only if your answer to 9 above was “Yes”) Does your participant support cost policy require that your organization obtain explicit prior approval if costs that differ from the Uniform Guidance definition of participant support costs are necessary post-award?

Yes

Great! Participant support costs can be tricky; the rules surrounding them can be easily misunderstood and they often receive additional scrutiny by auditors/reviewers. Obtaining prior approval for costs that are not part of the 2 CFR 200.1 definition for participant support type costs (e.g. t-shirts, tote bags, field trips, awards/gifts, incentives, etc) and explicitly approved in the grant award or amendment is a great way to ensure that all parties, i.e., the federal agency, the awardee, and future reviewers, are all on the same page and that those costs are reasonable, allowable, and allocable.

No

We strongly recommend that you implement and document this as part of your policy. Participant support costs can be tricky; the rules surrounding them can be easily misunderstood and they often receive additional scrutiny by auditors/reviewers. Obtaining prior approval for costs that are not part of the general definition of participant support type costs in 2 CFR 200.1 (e.g. t-shirts, tote bags, field trips, awards/gifts, incentives, etc.) and explicitly approved in the grant award or by amendment is a great way to ensure that all parties, i.e., the federal agency, the awardee, and future reviewers, are all on the same page and that those costs are reasonable, allowable, and allocable.

11. For conference venues, should speakers be charged to participant support?

Yes

Speakers **are not** participants being trained. See NSF PAPPG Chapter II.C.(g)(v). Rather, speakers are the trainers, are typically not eligible as participants, and should not be budgeted under participant support. Speaker costs should instead be budgeted as G.6, Other Direct Costs. However, if the primary purpose of the individual’s attendance at the conference is learning and receiving training as a participant, then the costs may be included under participant support. If the primary purpose is to speak or assist with management of the conference, then the costs should be budgeted as other direct costs.

No

Great! You are correct! Speakers and trainers are **not** typically participants and should be budgeted as G.6, Other Direct Costs. However, if the primary purpose of the speaker’s attendance at the conference is learning and receiving training as a participant, then the costs may be included under participant support. See NSF PAPPG Chapter II.C.(g)(v).

12. If a student is employed to work on campus (and not on the grant), but wishes to participate in a workshop or conference, can they be charged to participant support?

Yes

Be careful! Students working in the bookstore, school cafeteria, or other unrelated area (separate from the actual grant project) may still participate in workshops/conferences as part of their educational experience and be charged as participant support costs.

No

Maybe, it depends on the circumstances. Students working in the bookstore, cafeteria, or other unrelated area (separate from the grant project funding the conference/workshop may still attend workshops/conferences as part of their educational experience and be charged as participant support).

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## Award Specific Questions

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### 13. Should incentive payments to research subjects be budgeted under participant support?

Yes

Actually, incentive payments to research subjects should be budgeted on line G.6 of the NSF budget for "Other Direct Costs" and applicable indirect costs should be allocated to the costs in accordance with the organization's federally negotiated indirect cost rate. See NSF PAPPG Chapter II.C.(g)(v).

No

Correct. Incentive payments to research subjects should be budgeted and accounted for under the G.6, Other direct costs section of the NSF budget. Any applicable indirect costs may be allocated and charged in accordance with the federally negotiated indirect cost rate agreement of the organization. See NSF PAPPG Chapter II.C.(g)(v).

### 14. Can meals provided at NSF supported conferences/workshops be charged to participant support?

Yes

Be careful, it depends on whether if meals are ordered in from a local restaurant or are catered as part of a service contract. All proposed costs for **working meals** at conferences/workshops must be reasonable and otherwise allowable to the extent such costs do not exceed charges normally allowed by the grantee organization in its regular operations as the result of the grantee organizations' written policies. In the absence of an acceptable, written grantee organizational policy regarding meal costs, 2 CFR §200.474(d) will apply. If a meal is brought in for the group from a local restaurant while in a conference/workshop/working meeting, a list of participants along with the supporting documentation of the meal provided with associated costs should be maintained. In this case, employees must be segregated from participants and only participants are charged to the participant support budget line. Employees on travel must be charged under employee travel and per diem reimbursement for that meal reduced accordingly. Employees from the local area must provide for their own meal costs. If the meal costs will be secured through a service agreement/contract (such as part of a hotel package), the costs should be budgeted under Line G.6, Other Direct Costs, to ensure the proper allocation of indirect costs. See NSF PAPPG Chapter II.C. (g)(v).

No

It depends. If a meal is brought in for the group from a local restaurant while in a conference/workshop/working meeting, a list of participants along with the supporting documentation of the meal provided with associated costs should be provided. In this case, employees must be segregated from participants and only participants are charged to the participant support budget line. Employees on travel must be charged under employee travel and per diem reimbursement for that meal reduced accordingly. Employees from the local area must provide for their own meal costs. If the meal costs are secured through a service agreement/contract (such as part of a hotel package), the costs should be budgeted under Line G.6, Other Direct Costs, to ensure the proper allocation of indirect costs. See NSF PAPPG Chapter II.C.(g)(v).