

## Background

In accordance with 2 CFR § 200.456, participant support costs are allowable on sponsored awards, the classification of items as participant support costs must be documented in the recipient's or subrecipient's written policies and procedures and treated consistently across all Federal awards. Participant support costs are typically incurred for projects that include an education or outreach component.

This category is used for non-Mason individuals who will benefit from a conference, meeting, symposia, workshop, or other training type of event. Participant Support is intended to help defray the costs to participants or trainees participating in conference or training activities. Prior agency approval is not required to include participant support costs in an award budget. However, funds provided for participant support costs may not be used by grantees for other categories of expense without the specific prior written approval of the sponsoring agency ([2 CFR §200.308](#)). Payments issued to participants will be subject to tax reporting.

## Who is a Participant?

Uniform Guidance § 200.1 defines a participant as 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.

In alignment with the Uniform Guidance requirements, a participant at GMU is a non-Mason employee who is a recipient, not the provider, of a service or training opportunity associated with a workshop, conference, seminar, symposium, or other short-term instructional or information sharing activity funded by a sponsored award. Participants are beneficiaries of the event whose primary purpose of attending is learning and/or receiving training and do not perform work or services for the event or for the benefit of the award or the institution.

While students working as graduate assistants and student wages receive W-2s from the University and are considered Mason employees, exceptions can be made for student “participants” of a service or training program as long as the student’s employment is not associated with the sponsored project supporting the participant activity (i.e. students working at the Eagle Bank Arena, the library, or other unrelated university employment separate from the grant project that is funding the conference/workshop may attend as part of their educational experience and be charged as participant support).

Some sponsor agencies offer student training programs that specifically classify students as participants. One example is the NSF REU experience, which is a research training experience paid via participant stipend that involves closely mentored independent research. Students in this program are budgeted as participants and payments may not be made via wages or assessed F&A. NIH, NSF, and other federal sponsors also offer Graduate Training Programs and Research Traineeship Programs that offer support for graduate students to receive training in specific research areas. These programs typically provide trainee support in the form of stipends (paid as participant support) and may also include tuition support or other cost-of-education support.

Examples of cases involving allowed participant support payments to Mason students:

- An NSF project has an REU supplement that will enable undergraduate students to participate in a summer research project. The REU students are considered participants in the training activity and are eligible to receive participant support stipends (REU students cannot be compensated as student wage employees). The goal of the program is to develop student research skills and provide students with high quality mentoring without a work component.
- An externally funded training event on STEM education to be held in Philadelphia is recruiting graduate students in education/science/math fields of study. A Mason graduate student is selected to participate and does not hold any GRA appointments at Mason. This student is eligible to receive participant support benefits.

Examples of cases involving students where participant support benefits are **not** allowed:

- A federally funded project employs an undergraduate student on a research project as a student wage. This project also receives a supplement to host a conference with participant support costs identified. The undergraduate student may attend, but **cannot** receive participant support benefits for attending the conference.
- An externally funded project is hosting a workshop. The PI employs a graduate student in other research projects, but who wishes to also attend this specific workshop. The graduate student may attend, but **cannot** receive participant support benefits.
- An NSF project has undergraduate students (participants) participating in a summer training camp. The PI has hired an undergraduate mentor for the students. The mentor is not a participant of the project.

### What are Participant Support Costs?

Participant support costs means 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 paid to or on behalf of participants or trainees (but not employees) in connection with conferences or training projects, temporary dependent care, and per diem paid directly to or on behalf of participants. Participant support costs can typically be directly attributable to individual participants.

Participant support costs are limited to the following types of expenses **and must be detailed in separate line items of the proposed and awarded budgets**:

- Stipends, per diem, or subsistence allowances for meals and incidental expenses, or travel allowances for participants.
- Participant meals ordered from a local restaurant and brought in for the group during a meeting (not provided as part of a catering contract). A list of participants with supporting documentation and costs must be maintained, and employees must be segregated from participants as only participants can be charged to the participant support budget line. Where meals are furnished without charge or at a nominal cost (e.g., as part of the registration fee), the per diem or subsistence allowance should be correspondingly reduced.
- Lodging paid directly to the event facility, only if the payment is made on behalf of, or reimbursed directly to, the participant. Where lodging is furnished without charge or at a nominal cost (e.g., as part of the registration fee), the allowance or stipend should be correspondingly reduced.
- Event or conference registration fees and other related fees.
- Individual transportation costs to/from the event (Fly America Act applies to international flights).
- Group transportation for training activities that involve field trips.
- For some educational projects conducted at local school districts, the participants being trained are employees. In such cases, the 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) to differentiate between regular salary and stipend payments.
- Temporary dependent care for participants

Participant support costs **DO NOT** include the following types of expenses:

- Event support costs such as facility room rentals, media equipment rentals, general training supplies, translation services, audio visual, webcast, and computer services for recording, transmitting, and transcribing the proceedings.
- **Event catering**- catering provided during an event through a catering or service contract either through a hotel package or catering company is not considered participant support; it is not excluded from F&A and cannot be charged to participant support budget lines. Catering costs should clearly be identified in the budget. Funds budgeted to provide participant subsistence allowances may not be used to provide catering or refreshments at the event without prior sponsor approval as this constitutes a rebudget out of participant support to other non-participant budget categories.
- Research subject payments to individuals participating in research studies (research subject payments are included in a separate budget line item on the main award).

- Reimbursement for travel, food and beverage, or other support costs of the PI and other Mason faculty and staff involved in the project.
- Honoraria or fees for speakers, consultants, speaker lecturers, or trainers.
- Reimbursement to the participant's employer to defray costs, including substitute teachers, related to sending the participant to the event.
- Participant workshop materials (Note: some exceptions may exist for items such as books, training materials, or laboratory supplies that are attributable directly to specific participants as this differs from general conference supplies).

### Award Set-up Process

If an award includes funding for participant support costs, OSP will establish separate funds for both the primary and participant support portions of the project in Banner. The participant support portion of the award is set up as a separate fund to account for these costs separately, restrict budget changes, and avoid charging F&A. Under Uniform Guidance, all participant support costs are exempt from F&A on federally sponsored projects. Indirect costs are not allowed on participant support costs. **If the department chooses to manage the award under one fund, it is critical that appropriate participant support account codes are used to ensure participant costs are categorized correctly and indirect is not assessed on those costs.** For non-Federal awards, sponsor-specific and/or award specific guidelines should be reviewed at the time of proposal to determine if F&A is allowable.

Example:

PI	Project	Grant	Fund	Grant Start Date	Grant End Date	Funded Amount	Expenses To Date	Commitments	Avail Amount
	NSF/S	20 45	20 45	5/1/2016	9/30/2019	104,471.00	53,990.93	0.00	50,480.07
	NSF/S PartSupp	20 45	20 46	5/1/2016	9/30/2019	108,000.00	82,614.81	0.00	25,385.19

Fund 20xx45 is used for the primary award activities.

Fund **20xx46** is used for **Participant Support costs only**.

### Documenting Participant Support

Participant Support Costs are charged to the fund designated for this purpose. The award record in RAMP will include a budget and fund number for this portion of the award under a separate financial account set up (with the exception of awards that will be managed with a single fund).

The following expenditure categories must be used for processing participant support costs.

Account Code	Definition	How to Process	Comments
<b>73641</b> – Participant Svcs Excl from F&A	Included expenses for participant services such as include TOEFL exam fee, event registration fees, group (field trip) travel.	eVA, PCard	Follow purchasing policies and procedures.
<b>73865</b> – Participant DOM Trav Excl from F&A	Includes expenses for participant travel such as domestic airfare, lodging, transportation to and from event, parking, subsistence allowances.	Mason Finance Gateway (MFG) (for reimbursement to participant), PCard (if airfare only)	A GMU employee must submit travel on behalf of the participant through MFG. Please reference this guide for getting a participant's G# in MFG and submitting their expenses: <a href="#">Mason Finance Gateway – Fiscal Services</a>
<b>73867</b> – Participant FOR Air Excl from F&A	Includes expenses for participant air travel to or from a foreign country.	PCard (if airfare only)	Foreign travel must comply with the Fly America Act (FAA). Use the <a href="#">FAA decision tree</a> for flight compliance.

<b>74784</b> – Participant Suppl Excl from F&A	Includes expenses for books, training materials, or laboratory supplies that are attributable directly to specific participants.	eVA, PCard	This category does not include general conference or meeting supplies.
<b>78583</b> – Participant Allowance Excl from F&A	Payment to help defray personal expenses such as meals, incidentals, dependent care, and transportation costs incurred by a participant	Externally Funded Fellowships/Participant Support Allowance Payments Workflow	Please reference this guide for Participant allowance payments: <a href="#">Externally Funded Fellowship &amp; Participant Support Guide</a>

### **Tax Reporting**

Participant support allowance payments to individuals who are US Citizens or Permanent Residents must be reported to the Internal Revenue Service on IRS Form 1099MISC if total payments during the calendar year equal or exceed \$600.

Federal income tax withholding will be charged for all expenditures when paid to “nonresidents for tax purposes,” unless expressly exempt from the tax withholding by the Internal Revenue Code or by the tax treaty. Payments to “nonresidents for tax purposes” are subject to the International Tax Office review and require additional supporting documents. The applicability of the tax will be reviewed on a case-by-case basis. Most “nonresidents for tax purposes” will receive an IRS form 1042S and a 30% tax may be withheld from all payments unless the individual is eligible to claim a tax treaty exemption or a reduced tax rate. See [Procedures for Travel Reimbursements to Foreign Nationals](#).

**Note: If tax is being withheld and the PI chooses to gross up the reimbursement, it must be charged to a non-sponsored source.**

### **Monitoring the Project**

Verify that all charges and credits are posted to the correct fund and account code. Reconcile sponsored funds per University Policy Number 2114: [Reconciling Departmental and Sponsored Fund Accounting Records](#).

### **Paying Participant Support**

Review Fiscal Services information for Participant Support payments, including directions for payments to nonimmigrant visa holders: [Pay Participant Support](#).

### **Rebudgeting**

Rebudgeting funds out of the participant support category requires prior agency approval. The specific agency terms and conditions should be reviewed to determine how to initiate a request for approval and/or a budget modification.

### **Additional Information**

[NSF Proposal & Award Policies & Procedures Guide](#)

[NSF Grant General Conditions \(GC-1\)](#)

[NSF Proposal and Award Policy Newsletter - May/June 2017: Participant Support Costs Explained \(page 4\)](#)

[Uniform Guidance- 2 CFR Part 200](#)