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## **A Note Concerning Participant Support Costs**

Some extramural sponsors of research projects include a category in their budget forms called participant support costs. The purpose of this *Note* is to define participant support costs and to provide information to principal investigators (PIs) on the processes used at UMass Boston for the payment of participant support costs.

### ***What are participant support costs?***

If a grant supports a conference, meeting, workshop, seminar, symposium, or training program, then the direct costs associated with an individual's participation in these activities may be allowed under the sponsoring agency's program guidelines as participant support costs. A number of grants awarded by the National Science Foundation (NSF) and the U.S. Department of Education allow budgeting for these costs.

This budget category is not used to request funds to pay for the costs of the project staff to travel to a conference, the costs of bringing collaborators together in one location to work on a project, or the costs of the PI to attend a seminar. These payments are not to be confused with payments made to research subjects as an incentive for recruitment and participation in a research project. Students and project staff members who are participating in a grant-funded training program and who are receiving compensation directly or indirectly from the grant typically cannot also be reimbursed for participant support costs. Moreover, in the case of federal grants, individuals may not be reimbursed for participant support costs if they are receiving compensation from any other federal government source while participating in the project.

### ***Who is a participant?***

A participant is defined as a non-UMass Boston employee who is the recipient, not the provider, of a service or training associated with a workshop, conference, seminar, symposium, or other short-term instructional or information sharing activity. Participants are not required to provide any deliverable to the university and they are not subject to UMass Boston HR policies (e.g., they cannot be terminated for failure to perform). Participants may include students, scholars, and scientists from other institutions, representatives of private sector companies, teachers, and state or local government agency personnel. A person classified as an intern would be paid as an employee and not as a participant, because the intern, while receiving certain training, is also providing services to the university, to the grant sponsor, or to a third party (e.g., counseling students at a local public schools).

### ***What costs can be included in participant support costs?***

Participant support costs include the direct costs for items such as the following:

- *Stipend.* A stipend is a set amount of money to be paid directly to the participant. Certain agencies of the federal government specifically restrict participant stipends. The professional staff in the Office of Research and Sponsored Programs (ORSP) will assist the PI to determine if the sponsoring agency for a particular project restricts the stipend to be paid to a participant.
- *Travel.* Travel includes the costs of transportation and associated costs and must follow sponsor guidelines (e.g., U.S. flag carrier, coach class, most direct route) as well as UMass Boston policies and guidelines. The sole purpose of the trip must be to participate in the project activity. If a training activity involves field trips, the costs of transportation of participants may be allowable.
- *Subsistence allowance.* The cost of a participant's housing and per diem board expenses necessary for the individual to participate in the project are generally allowed, provided these costs are reasonable and limited to the days of attendance. Although they may participate in meals and snacks provided at the meeting or conference, participants who live in the local area are not entitled to subsistence payments.
- *Fees.* The fees paid by a participant in connection with meetings, conferences, symposia, or training projects are generally allowable costs. These fees may include laboratory fees, passport or visa fees for foreign participants, and registration fees. A sponsor may also allow the costs of any UMass Boston tuition and fee charges that are required to be paid for the individual to participate in the training project.
- *Other.* Certain other costs borne by the participant may be allowable, including training materials, laboratory supplies, and insurance.

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. Participant support costs are budgeted in a separate line and must be accounted for separately. Funds provided for participant support costs that are not spent cannot be rebudgeted for use in other categories except with the prior written approval of the sponsor. In most cases, unspent participant support costs must be returned to the sponsor.

Participant support costs *do not* include the following types of payments:

- Honoraria paid to a guest speaker or lecturer.
- Conference support costs such as facility rentals, media equipment rentals, or conference food.
- Subaward to a provider for multiple training events (i.e. an ongoing contract with specific terms and conditions).

- Agreements with employers (e.g., public school system) to reimburse the employer for the costs related to sending its employee to a conference or workshop.

It is recommended that the PI inform participants prior to the initiation of the project about any costs associated with their participation in the project that are not covered.

***Are incentive payments to research subjects considered participant support costs?***

An incentive payment to encourage an individual to participate as a human subject in a research study is not a participant cost and must be budgeted differently in the project proposal. Please refer to the *Note Concerning Paying Research Subjects* for specific information on incentive payments to research subjects.

***Can participant support costs be included in a subcontract with another institution?***

If a PI will collaborate with colleagues at another institution to have UMass Boston serve as a subcontractor to provide training services to participants, then participant support costs can be included in the subcontract with the collaborating institution. A subcontract proposal must be prepared and routed with appropriate approvals to ORSP for submission to the prime contractor. In all cases, the guidelines concerning participant support costs from the original funding agency (i.e., the sponsor of the project, not the collaborating institution) must be followed.

***Can participant support costs be included as direct costs for the calculation of F&A cost recovery?***

Most federal agencies do not allow participant support costs to be included as direct costs for the calculation of F&A cost recovery for a sponsored program. This is an agency-specific rule, however, and not a general rule for all participant support costs. For example, NSF guidelines state that F&A costs cannot be recovered on any participant support costs but does allow administrative cost recovery of 25% of participant support costs for its Research Experience for Undergraduates (REU) program. The National Institutes of Health (NIH) allows F&A recovery at 8% of modified total direct costs of a training project including trainee stipends, but excluding tuition and fees, health insurance, and equipment. NIH policy does not permit any F&A in conjunction with conference grants. The National Aeronautics and Space Agency (NASA) does not allow F&A cost recovery whereas the Office of Naval Research (ONR) does allow F&A cost recovery on all participant support costs. Because practices vary from sponsor to sponsor and from program to program, the professional staff of ORSP will check sponsor guidelines carefully to determine whether participant support costs can be included in the project budget as direct costs for which F&A costs are recovered.

***How are participant support costs paid and accounted for at UMass Boston?***

When the proposal is developed for a sponsored program that includes the payment of participant support costs, the ORSP staff will segregate those costs in a separate budget line. A grant award that includes participant support costs will be established by the ORSP staff and the determination of F&A cost recovery on these costs will be made at that time. All

expenditures made against this budget category will be identified as participant support costs in the financial reports provided to the sponsor.

To make participant support payments to an individual, the PI should prepare and submit disbursement vouchers to ORSP for review and approval. Checks will be made payable to the participant and mailed directly to the participant's mailing address (P.O. boxes are not acceptable).

If the participant support payments are made as a reimbursement of allowable participant expenses, the PI should submit a disbursement voucher that itemizes expenses together with copies of receipts to ORSP for review and approval. In such cases, no 1099 reporting is required.

If the participant support payments are made as a stipend or allowance (e.g. without receipts), the university will report participant support cost payments to the individual on IRS Form 1099-Misc at the end of each year according to university policy.

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*October 6, 2006*