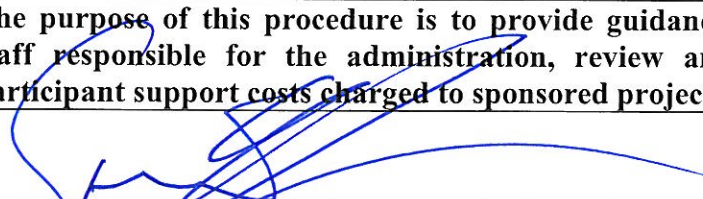




**Florida Agricultural & Mechanical University**  
Division of Research  
Office of Sponsored Programs

**INTERNAL OPERATING MEMORANDUM**

Memorandum No. 16A.001

<b>Subject:</b>	<b>Administration, Review and Approval of Participant Support Costs</b>	
<b>Authority:</b>	<b>Sections 1001.74 and 1001.75, Florida Statutes, FAMU Policy entitled "Administration, Review and Approval of Participant Support Costs"</b>	<b>Date Revised: 7/30/2015</b>
<b>Related References</b>	<b>2 CFR Part 200.75 and 200.456, Uniform Guidance (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards)</b>	
<b>Purpose</b>	<b>The purpose of this procedure is to provide guidance to University staff responsible for the administration, review and approval of participant support costs charged to sponsored projects.</b>	
<b>Signature of Approving Authority</b>		

**1.0 GENERAL INFORMATION**

Office of Management and Budget (OMB) Uniform Guidance, previously in A-21, defines participant support costs 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 meetings, conferences, symposia, or training projects. These costs are allowable with the prior approval of the federal awarding agency. When participant support costs are budgeted and awarded by a sponsor, funds cannot be re-budgeted into other categories except with the prior written approval of the sponsor.

**2.0 DEFINITIONS**

Participant support costs are 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.

**3.0 RESPONSIBILITIES**

**3.1 Principal Investigator (PI)** is responsible for ensuring participant support costs are only used as specified in the approved budget, in accordance with the statement of work, agency/university policies and procedures.

**3.2 Departments Colleges/Schools** are responsible for the reviewing and approving of participant support costs budget.

- 3.3 School of Graduate Studies and Research (SGSR)** is responsible for the reviewing and approving of all Contract and Grants (C&G) graduate assistantships, stipends and Student Award Notification(s) (SAN(s)).
- 3.4 Office of Sponsored Programs (OSP)** is responsible for the review and approval of participant support costs according to the sponsoring agency's guidelines, approved budget and contract terms and conditions. The OSP is responsible for reviewing and approving revisions of budget and program plans and ensuring compliance with university, state, and federal regulations governing the charging of participant support costs to sponsored projects. The OSP is responsible to ensure proper management and retention of documents.
- 3.5 Controller' Office (CO)** Accounts Payable section is responsible for processing all payments on behalf of the University "Payments" as used here includes, but are not limited to, vendor payments, stipends, short term loans, contracts and leases.
- 3.6 Office of Financial Aid (OFA)** is responsible for processing student's tuitions, fellowships and assistantships.
- 3.7 Procurement Services (PS)** is responsible for procuring the goods, services and equipment, processing vendor files, and W-9 forms, and determining that they conform to University policies and procedures.
- 3.8 Contracts and Grants (C&G)** is responsible for the invoicing to the sponsoring agency participant support costs of sponsored projects and the preparation of fiscal and financial reports. C&G is responsible to ensure proper management and retention of fiscal documents.
- 3.9 Organizational Development and Training (ODT)** is responsible for the development and coordination of training on regulatory requirements for all individuals with responsibilities in the review and approval of payroll charged to sponsored projects, including but not limited to PIs, OSP staff, C&G staff and grant administrators.

#### **4.0 GENERAL PROCEDURES**

##### **4.1 PRINCIPAL INVESTIGATOR**

- Must include participants' support costs in the proposal budget at the time of submission.
  - Participant support costs to be directly charged to a sponsored project includes: stipends, subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with meetings, conferences or training must include specific dollar amount, along with periods for disbursement.
  - Clearly identify if costs of scholarships, fellowships, and other programs of student aid will be provided on sponsored agreements to provide training to selected participants.
  - Clearly identify if tuition remission and other forms of compensation will be paid as, or in lieu of, wages to students performing necessary work. Allowable costs must ensure that:
    - The individual is conducting activities necessary to the sponsored agreement;
    - Tuition remission and other support are provided in accordance with established educational, institutional policy and consistently provided in a like manner to students in return for similar activities conducted in non-sponsored as well as sponsored activities;
    - During the academic period, the student is enrolled in an advanced degree program at the institution or affiliated institution and the activities of the student in relation to the Federally-sponsored research project are related to the degree program;

- The tuition or other payments are reasonable compensation for the work performed, and are conditioned explicitly upon the performance of necessary work; and
  - It is the institution's practice to similarly compensate students in non-sponsored, as well as sponsored activities.
- Provide criteria or guidelines for all proposed stipends/scholarships/fellowships. In the event the PI has not established criteria, OSP staff should include the following statement in the budget narrative: “All students, who are in good standing (a cumulative GPA of 3.0 or better) with the University are eligible to receive the stipends/ scholarships. However, the PI has the authority to amend this criterion as needed.”
- Ensure students are clearly identified as undergraduate or graduate participants or trainee.
- If participants will be employed as an undergraduate or graduate assistant, the following must be included in the proposal budget at the time of submission: the number of hours per week, the total number of work weeks, the number of students and the rate of pay and associated fringe benefits for undergraduate or graduate student.
- Use current tuition rates, as provided by Student Affairs, Financial Aid Office.
- PI is responsible for ensuring that participants have an active vendor file in the system through the Procurement Services (PS); are enrolled and in good standing with the University; and adheres to the sponsored agreement.
- Prepare SAN(s) for tuition and fees, and requisitions for stipend payments using assigned project number.
- Ensure clear distinction between hiring a student and providing a stipend.
- Verify the use of approved salary range for student assistants through Human Resources (HR) and the School of Graduate Studies and Research (SGSR).

#### **4.2 DEPARTMENTS COLLEGES/SCHOOLS**

- Departmental representative should review sponsored project proposal budget to determine if participant costs are allowable;
- PI and departmental staff are responsible for ensuring: participants have an active vendor file in the system through PS; active student ID; enrolled and is in good standing with the University; and adhere to sponsored agreement;
- Coordinate with PI and the SGSR to ensure participant support allowances may not be paid to trainees, who are receiving compensation, either directly or indirectly, from other Federal government sources while participating in the project;
- Ensure participants’ stipends and Student Award Notification (SAN) adheres to SGSR procedures; and
- Route stipend requisitions and SAN to SGSR for review and approval.

#### **4.3 SCHOOL OF GRADUATE STUDIES AND RESEARCH (SGSR)**

- Ensure students are clearly identified as graduate participants or trainee;
- If participants will be employed as a graduate assistant, the following must be included in the proposal budget at the time of submission: the number of hours per week, the total number of work weeks, the number of students and the rate of pay and associated fringe benefits for graduate student with health insurance inclusion;
- Review stipend requisitions for graduate student eligibility;

- Review SAN for graduate student eligibility; and
- Approve and route to OSP or return to the department for further action.

#### **4.4. PROCUREMENT SERVICES (PS)**

- The PS is the only department authorized to commit funds for the acquisition of commodities and contractual services.
- Procure the goods, services and equipment, to include issuing purchase orders from approved purchase requisitions, updating and maintaining the vendor files, and reviewing the permissibility of purchase requests.

#### **4.5. OFFICE OF SPONSORED PROGRAMS (OSP)**

- Reviews and approves participant support costs budget and justification during the pre-award stage.
- In those instances where the budget includes participant costs, the coordinator establishes two projects in iRattler. A primary project and its corresponding budget costs, except participant support costs; and a separate project and budget costs for participant support. The separation of budgets into two projects makes possible for the monitoring of participant support expenditures.
- The Associate Director or coordinator reviews and coordinates the execution of new awards. In the review process, it is determined whether there are funds awarded for participant support costs as approved by the funding agency.
- The new award is electronically submitted to C&G, the PI and the Dean of the college/school.
- OSP staff follows the applicable procedures for the review and approval of payroll and non-payroll expenditure requests, as well as for any other related activity.
- Expenditures for grants are governed by the federal cost principles and must conform to sponsoring agency policies, grant special provisions and the University internal policies. FAMU must ensure that costs claimed under grants are allowable, allocable, and reasonable. In the event FAMU anticipates charging an item of direct cost that might subsequently be disputed, an authorized FAMU official should discuss the matter with the sponsoring agency grants officer and document the conditions or factors surrounding the item in order to avoid possible subsequent disallowance.
- The review and approval of sponsored program's expenditure requests are crucial processes in the administration of sponsored programs. Costs must be in accordance with the approved budget, and they must meet the allowability tests. Four general tests for allowability of costs are:
  - Cost must be reasonable;
  - Cost must be allocable to sponsored agreements under the principles and methods provided in the circular;
  - Costs must be given consistent treatment through the application of generally accepted accounting principles appropriate to the circumstance; and
  - Cost must conform to any limitations or exclusions set forth in the Uniform Guidance or in the sponsored agreement as to types or amounts of cost items.
- Funds provided for participant support may not be used by FAMU for other categories of expense without the specific prior written approval of the sponsoring agency program officer/grants officer.



- Participant support allowances may not be paid to trainees, who are receiving compensation, either directly or indirectly, from other Federal government sources while participating in the project. Graduate student participants' stipends, scholarships and fellowships must adhere to SGSR procedures.
- All expenditure requests on sponsored research projects must be reviewed and approved by OSP, prior to their referral to the processing area.
- A non-sponsoring agency Federal employee may receive participant support allowances from grant funds provided there is no duplication of funding of items and provided no single item of participant cost is divided between his/her parent agency and the sponsoring agency grant funds.
- All expenditure requests must have all required signatures and approvals according to the applicable OSP procedures.
- Coordinators must review supplier/vendor file in iRattler for active ID number.
- Stipend and SAN(s) request received with all proper documentation and meet all institutional and agency requirements will be processed within two working business days.
- Stipend and SAN(s) request will be reviewed for approval/denial and referral. PIs will be notified of any issues via phone, email or routing back to the department through ImageNow. PI will have an average of three-five business days to correct identified issue and return to OSP before document will be deleted from ImageNow and returned to the PI or appropriate area.
- OSP coordinators review and approve stipend documents and route them to the Associate Director for final approval and routing through ImageNow to the Assistant Controller.
- SAN(s) document must have an assigned Item Type Number. SAN(s) document received without an assigned item type number is routed to Controller's Office for assignment prior to routing to OFA.
- OSP coordinators review, approve SAN(s) document and route to OFA through ImageNow or via email.

#### **4.6. CONTROLLER'S OFFICE (CO)**

- The CO is responsible for processing stipend payments.
- Request for stipend payments on sponsored projects must be reviewed and approved by the OSP prior to routing through ImageNow to the Assistant Controller.
- Stipend requisitions are reviewed to ensure that they have not already been entered into ImageNow for payment.
- Stipend requisitions must clearly reflect a description of the items, the number of units and the cost per unit.
- All stipend checks are to be picked up by the department that submitted the stipend payment request.
- Review and reconcile all open payments.
- Staff assigned Item Type Number for each corresponding project for Scholarships and Tuition Remission.
- The University Controller's Office will either direct deposit the FA refund in an account selected by the student or mail the check to the address that is on file in the Office of the Registrar.

- Maintain voucher files in the CO for two years, and then forward to the official records' retention area.

#### **4.7. OFFICE OF FINANCIAL AID (OFA)**

- The OFA staff is responsible for processing SAN(s).
- Request for SAN(s) payment on sponsored projects must be reviewed and approved by the OSP prior to emailing or routing through ImageNow to designated OFA staff for processing.
- SAN(s) document are reviewed to ensure compliance with OFA procedures.
- SAN(s) document must have an active number each semester which clearly reflect a description of the sponsored or institutional program.
- SAN(s) notices are sent electronically to the students' FAMU e-mail accounts.
- Updated financial aid information is posted in iRattler and can be accessed through students' sign-in.
- OFA is paid in two disbursements, if the award is for the academic year, half in the fall semester and the other half in the spring semester. Other aid is disbursed in one payment.
- Student accounts will be credited to pay for: tuition and fees and board and room, if applicable. The remaining aid balance will be disbursed to the student through a refund.
- Maintain financial aid reporting information for proper management and retention.

#### **4.8 CONTRACTS AND GRANTS (C&G)**

- Invoice sponsoring agency for payroll and non-payroll charges on sponsored projects;
- Prepare fiscal and financial reports; and
- Maintain financial reporting information for proper management and retention.

#### **4.9 ORGANIZATIONAL DEVELOPMENT AND TRAINING (ODT)**

Development and coordination of training on regulatory requirements for all individuals with responsibilities in the review and approval of participant costs charged to sponsored projects, including but not limited to PIs, OSP staff, C&G staff and grant administrators.

### **5 DISTRIBUTION OF DOCUMENTS**

**5.1** The OSP staff will return documents via email, route back to the department via ImageNow or place documents in the OSP pick-up tray at the front desk to mail them back to the PI. The Coordinator will prepare a routing slip to accompany documents that are returned through campus mail or pick-up.

### **6 RECORDS**

**6.1** The appropriate record retention guidelines should be followed for the retention and disposition of documents. Generally, documentation should be maintained for three years following the submission of the final financial report unless sponsoring agency requires it to be maintained for a longer time period.