



# Smithsonian Astrophysical Observatory

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## MEMORANDUM

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To: Proposal Coordinators and Division and Department Administrators  
From: FMD  
Cc: Director's Office  
Date: June 20, 2017

Subject: **Updated procedures for budgeting and accounting for participant support costs**

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This memo highlights the updated process and provides guidance to proposal coordinators and administrators on how to budget anticipated expenses and to record actual expenditures for participant support costs.

The Uniform Guidance (UG) in §200.75 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 conferences or training projects."

### **Proposal Budgets and Budget Revisions:**

All government sponsors accept participant support costs; however, §200.456 the UG states that "Participant support costs as defined in §200.75 ... are allowable ***with the prior approval of the Federal awarding agency.***" This means **such costs must be included in the proposal budget and described in the budget justification, or requested and approved in writing, subsequent to the award.**

**Indirect Costs:** Please refer to the Announcement of Opportunity (AO) or other solicitation to determine whether the sponsor will support indirect cost on participant support. NSF does not allow indirect costs on participant support costs; other sponsors may or may not allow indirect costs.

If the proposal is unsolicited, please refer to the agency's guidance for unsolicited proposals. (For NASA, the information is available in the Guidance for the Preparation and Submission of Unsolicited Proposals at [https://prod.nais.nasa.gov/pub/pub\\_library/unSol-Prop.html](https://prod.nais.nasa.gov/pub/pub_library/unSol-Prop.html). For NSF, go to Proposal & Award Policies & Procedures Guide at [https://www.nsf.gov/publications/pub\\_summ.jsp?ods\\_key=papp](https://www.nsf.gov/publications/pub_summ.jsp?ods_key=papp) for instructions.

**Direct costs:** NSF requires separate accounting for participant support costs if an award is made. This will also be required for any award from a sponsor that, like NSF, does not allow indirect costs on participant support costs.

## **Budgeting & Accounting:**

### **I. WITHOUT INDIRECT COST**

For all participant support costs **for which the sponsor will not allow indirect costs**, such as: stipend, travel, subsistence and other approved participant expenses, **account 6150 (participant support cost)** should be used instead of 6100 (operating expenses). Account 6150 is excluded from all indirect cost calculation.

When **budgeting proposals** that include participant support costs for which the sponsor **will NOT allow** indirect costs (for example NSF REU grants), please use **SAO\_STD (SAO Standard)** overhead type and **PARTICIPNT\_COST (Participant Support Costs)** as a budget item. Budget item PARTICIPNT\_COST translates to account 6150 with no object class. Please **DO NOT** use SAO\_PSC as an org type and SERVICES\_PSC as budget item for these types of proposals.

BUDGET			AWARD EXPENSES		
Overhead Type	Budget Item	Description	Overhead Type	Account	Classes
SAO_STD	PARTICIPNT_COST	Participant Support Costs	SAO_STD	6150	2520 - stipends / or 2526 - other professional services 2100 - travel 2600 - supplies & materials

### **II. WITH INDIRECT COST**

For participant support costs for which the sponsor **will allow** indirect costs, use account 6100.

BUDGET			AWARD EXPENSES		
Overhead Type	Budget Item	Description	Overhead Type	Account	Classes
SAO_STD	SERV_OTH_PROF or SERVICES_STIP	Other Professional Services or Stipends	SAO_STD	6100	2520 - stipends / or 2526 - other professional services 2100 - travel 2600 - supplies & materials

**Please remember** that when requesting a setup of a stipend payment on a contract or a grant (funds 802 and 803), ***it is required*** that a copy of the cover sheet and budget pages from the *funded proposal* that include stipends and other participant costs (e.g., travel, materials, etc.) are attached. If these costs were not in the original budget, please forward all written correspondence with the sponsor requesting approval of the funds, as well as the sponsor's approval (which must come from the Grants Administrator, not the Program Officer). Please contact SPS before initiating prior approval requests to sponsors.