

**RAIN-2018-G05-R1**

**EPA Guidance on Participant Support Costs**

**Notification Date: September 7, 2018**

**Revised Effective/Notification Date: November 12, 2020**

**Purpose of Revision:** EPA has revised the RAIN and issued final EPA Guidance on Participant Support Costs (PSC Guidance) to incorporate regulatory changes to 2 CFR 1500 on participant support costs (PSC).

**Policy Summary:** EPA regulations at 2 CFR 1500.1 that are effective November 12, 2020, codify EPA's policies on characterizing payments made to encourage participation in rebate, subsidy and similar programs that promote environmental stewardship as PSC. The final PSC Guidance provides information on how EPA interprets the definition of participant support costs at 2 CFR 1500.1. The final PSC Guidance also covers types of PSC such as stipends and travel assistance for trainees or research project participants that are common to all Federal agencies and provides information on regulatory requirements applicable to all types of programs that pay PSC. EPA PSC policies apply to direct EPA funding as well as EPA funded pass-through agreements with subrecipients. Applicants and recipients should use the Guidance as a reference when preparing budgets for and managing EPA financial assistance agreements.

**Background:** The Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Grants Guidance or UGG) defines *Participant Support Costs* in 2 CFR 1500.1 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. EPA has expanded the definition of *Participant Support Costs* in 2 CFR 1500.1 to include rebates and subsidies for purchase and installation of pollution control technology under the Diesel Emission Reduction Act grants and other forms of rebates, subsidies and payments to program participants provided by recipients to encourage environmental stewardship. PSC are allowable with prior EPA approval as provided at [2 CFR 200.456](#). The UGG also establishes requirements at 2 CFR 200.332 for subrecipient monitoring and management that do not apply to PSC payments, highlighting the importance of properly differentiating between subawards and PSC. Additionally, PSC must be excluded from *Modified Total Direct Costs* as defined by [2 CFR 200.1](#).

**Related Resources:** [Guidance on Participant Support Costs](#)