

RAIN-2018-G05-R2

EPA Guidance on Participant Support Costs

Original Notification Date: September 7, 2018

First Revision Date: November 12, 2020

Second Revision Date: October 1, 2024

Second Revision Purpose The purpose of this Recipient/Applicant Information Notice (RAIN) is to advise applicants for, and recipients of EPA financial assistance about revisions to the EPA's Guidance on Participant Support Costs. The EPA made changes to its guidance to reflect changes from the Uniform Grants Guidance (UGG) at [2 CFR Part 200](#). The changes are effective for awards made on or after October 1, 2024. EPA also revised the Guidance on Participant Support Costs to provide clarity on other matters including benchmarks for determining the reasonableness of the costs for participant support costs.

Background:

The Uniform Grants Guidance defines Participant Support Costs at [2 CFR 200.1](#). On November 12, 2020, EPA 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. OGD developed the Guidance on Participant Support Costs to provide information on the allowability of participant support costs to Project Officers, Grant Specialists as well as EPA applicants, recipients and subrecipients.

Additionally, participant support costs must be excluded from *Modified Total Direct Costs* as defined by [2 CFR 200.1](#). Applicants and recipients should use the EPA's Guidance on Participant Support Costs as a reference when preparing budgets for EPA financial assistance agreements given that estimates for participant support costs are placed in different budget categories depending on whether the payments are made directly to program participants or to third party contractors or supply/equipment vendors on behalf of program participants.

First Revision Purpose: EPA revised the RAIN and the EPA Guidance on Participant Support Costs to incorporate regulatory changes to [2 CFR Part 1500](#) on participant support costs.

Second Revision Policy Summary: The revisions to the EPA's Guidance on Participant Support Costs reflect updates to Uniform Grants Guidance at [2 CFR Part 200](#) effective October 1, 2024. For instance, the requirement in the UGG at [2 CFR 200.407](#) for recipients to obtain prior written EPA approval to charge participant support costs has been removed. The Uniform Grants Guidance includes guidance regarding documenting participant support costs at [2 CFR 200.456](#). It also revised the definition of *Participant support costs* and added a new definition of *Participant* in [2 CFR 200.1](#). The updates to the definition of *Participant support costs* now includes temporary childcare. The EPA has revised the EPA Guidance on Participant Support Costs to reflect the inclusion of temporary dependent care as a participant support costs.

As required by [2 CFR 200.308\(f\)\(5\)](#), a recipient must request prior written approval if they plan to move budgeted participant support costs to another budget category. The EPA has revised the EPA Guidance on Participant Support Costs to include coverage on this requirement. Other revisions include providing benchmarks for determining whether costs for stipend payments and travel assistance for program participants are reasonable as well as including a benchmark for the reasonableness of incentives paid to research participants.

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