



# Illinois Community College Board Guidance for Student Support Subsidies

## Implementation

Beginning with fiscal year 2027 (FY27) grants, all recipients of ICCB-administered grant awards shall **categorize student support subsidies in the Grant Exclusive Line-Item category** of the Uniform Budget template.

This change is mandatory for grants with a term start date of July 1, 2026, or later. For pre-FY27 awards, grantees may utilize the Grant Exclusive Line-Item category beginning July 1, 2026, but it is not required.

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## What are Student Support Subsidies?

**Student support subsidies, also referred to as participant support costs, refers to all aid and assistance expenses, paid directly to or on behalf of participants, to help offset the costs of their education, training, or persistence, including wraparound or other supportive services.** Student support subsidies are used to help students cover basic costs while they are involved in activities supported by grant funds. Student support subsidies include direct student stipends, as well as indirect payments, including tuition credits, bookstore credits, food service credits, and any other institutional subsidies to students.

**Stipends:** Stipends are monetary awards or any cash or cash-like (gift cards) distributions to students to offset expenses. Within grant funded programs, stipends are used to help students cover basic costs while they are involved in activities supported by grant funds, such as education and training. Basic costs could include income replacement, transportation, and other activities. See below under “*What type of costs/services might stipends support?*” for a more comprehensive list. Depending on the grant funding, student stipends may be allowed to support persistence in education and achievement of educational goals.

**NOTE:** ICCB does not provide guidance on the impact of stipends on student financial aid or filings with the Internal Revenue Service.



Costs related to support programs in which ownership of materials/supplies is maintained by the institution- for example, a laptop or book loan program- are not to be categorized in the Grant Exclusive Line Item and should instead be categorized as Supplies or another appropriate category, depending on the item being purchased.

## When are Student Support Subsidies Allowable?

For all grant awards where student support subsidies are an allowable use of funds, the money must be expended within the grant project period and to support the grant activities. This will help assure that the expenditure of the funds is allowable and allocable to the grant program. Students and other participants may not be provided with funds to use for other purposes. Student Supports provided for achieving specific milestones or completing the program should align with grant goals.

### Federal Grants

With federal pass-through grants and grants subject to the Uniform Guidance (2 CFR 200), participant (student) support costs are allowable with prior approval of the federal awarding agency (§ 200.456 Participant support costs).

### State Grants

For state funded grants, the awarding entity may structure student support costs as a funded activity for certain purposes. With respect to state funded grants, the definition of “grant funds” in the Grant Funds Recovery Act (30 ILCS 705/2) specifies that the monies remain grant funds when disbursed and the monies need to be used for the grant purpose. Therefore, student support funds need to be accompanied by direction on the intended use of the awarded funds.

## When are Student Support Subsidies Generally Reasonable?

The Notice of Funding Opportunity will indicate whether student support subsidies are an eligible expense for that funding opportunity and may limit the amount of student support subsidies. The applicant will be asked to provide details on how the student support subsidies will be structured: what the subsidy supports, any eligibility criteria, the form of the subsidy (cash, gift card, other) and how those funds will be distributed and tracked. Justification for the amount of the subsidy may also be necessary and may be requested by ICCB. The justification needs to explain how the subsidy benefits the grant program or advances its purpose and how the subsidies are appropriate based on the allowable uses of grant funds.



## What Types of Costs/Services Are Considered Student Support Subsidies?

Allowability is determined by the funding source. Support subsidies could include but are not limited to the following:

- Income replacement
- Transportation subsidies (gas cards, public transit passes, etc.)
- Childcare subsidies
- Housing costs
- Utility support
- Food benefits (vouchers, gift cards, institutional food bank, etc.)
- Tuition and Fees
- Books
- Student supplies (field specific supplies/uniforms, laptops, tablets, etc.)
- End-of-program employment assistance
- Legal barrier assistance (criminal record sealing, expungement fees, etc.)
- Driver's license reinstatement fees
- Liability insurance fees

The above list is inclusive of both direct student stipends and indirect or third-party payments on behalf of the student.

## For approved stipends, what suitable documentation will be necessary for proper administration?

For each stipend awarded, there must be an acknowledgement by the student and a verification by the grantee staff that includes, at a minimum, the following. Note that each disbursement must have this mandatory documentation.

- **Acknowledgement:** The acknowledgement must explain to the student the conditions of using the stipend (or the purposes of the stipend) and how it supports/fosters grant activities.
- **Student Signature on the Acknowledgement:** The student must sign the acknowledgement.



- **Verification:** The verification must include the name of the student provided the stipend, indicate that the grantee staff presented to the student the conditions of the stipend (support grant activities), and the amount of the stipend.
- **Institutional Signature on the Verification:** Institutional staff must sign the verification.

The documentation would not need to be submitted but rather retained for the records and available upon request, similar to any purchase with grant funds. These documents would support the expense for any state or federal review or audit.

## Where Should Student Support Subsidies be Categorized in Grant Budgets?

Starting with all FY27 ICCB grants, grantees are instructed to place all student support funds in the Grant Exclusive category in their grant budget. Grantees should utilize this category both in their GATA/GATA-exempt budget and their Euna built-in budget.

**NOTE:** Student support costs are excluded from the indirect base. (2 CFR 200.1)

**NOTE:** Cash-equivalent supports should be categorized according to their intended purpose rather than the form in which they are provided. For example, a gas gift card should be budgeted and reported as a “transportation stipend”, while a bookstore gift card should be budgeted and reported as a “textbook stipend”. This guidance is intended to ensure that expenditures are accurately categorized, tracked, and reported. Institutions should clearly identify the purpose of each expense in budget narratives and expenditure documentation. For example, a budget line item may be listed as: “Transportation stipends: 20 participants × \$50 gas cards.”