Subcontracting on Sponsored Agreements:
Distinguishing Characteristics of Subawards, Contracts, and Consulting Agreements

**SUBAWARD**

**Subaward**
The agreement to an eligible non-Federal organization to carry out part of a Federal award received by the pass-through entity. (§200.92)

**Indicative characteristics:**
- Subrecipient performance is measured against whether the objectives of the Federal program are met; i.e., if the subrecipient scope is not completed, the prime grant scope is judged to be incomplete;
- Subrecipient has responsibility and authority for programmatic decision making on their section of the research;
- Subrecipient organization uses the funds to carry out a program within the organization as compared to providing goods or services for a program.

**Result of subaward classification:**
- Subrecipient is responsible for adhering to applicable program compliance requirements (i.e., Uniform Guidance, agency regulations, terms of the Federal award, etc.); and
- Intellectual property (IP) and copyright are retained by the subawardee organization.
- Subrecipient PI may author or be a co-author on publications relating to the scope of work.
- On project budgets calculated on an MTDC basis, only the first $25,000 of each subaward is subject to F&A.

**CONTRACT/ PURCHASE ORDER**

**Contract**
A legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award. (§200.23)

**Indicative characteristics:**
- Provides the goods or services within normal business operations;
- Provides similar goods or services to many different purchasers;
- Operates in a competitive environment;
- Provides goods or services that are ancillary to the operation of the research project

**Result of contractor classification:**
- Are not subject to monitoring or reporting requirements of the prime award.
- Are subject to the monitoring and reporting requirements in the contract or purchase order issued by the University;
- Effort is considered “work for hire” and therefore IP is owned by the funding organization, not necessarily the individual or entity who created it.

**CONSULTANT**

**Consultant**
Categorized as a contractor relationship. An individual or company retained to provide professional advice or services on a project for a fee.

**Indicative characteristics:**
- A company or an individual who is a bona fide consultant (expert advisor) who pursues this line of business for themselves;
- Are paid for their time at a daily or hourly fixed rate.

**Result of contractor classification:**
- A contract is issued; see result of contractor classification above. This applies for consulting firms and individual consultants.