



A guide to determine Subaward vs. Consultant on proposal submissions*

It is often difficult to determine whether certain outside services needed by a grant project should be treated as a consultant or as a subaward. The following list of criteria is provided to assist in distinguishing between the use of a Consulting Agreement or a Subaward:

Consulting Agreement

- Given to independent contractors (individuals) or consulting organizations for professional services;
- Tasks are specific, well-defined and of limited scope;
- Services are primarily advisory in nature and address a clearly delineated problem;
- Generally do not use institutional or organizational facilities;
- Provides similar good and services to many different purchasers, and;
- Are not subject to compliance requirements of the grant program.

Subaward Agreement

- Given to colleges and universities, other institutions and organizations;
- Makes substantial contributions to the project that may not be reduced to a set price per unit;
- Often has more autonomy in the completion of the work, within the parameters of the agreed-upon work plan, timeline, and budget;
- Has responsibility for programmatic decision making;
- Has its performance measured against whether the objectives of the project are met, and ;
- Has responsibility for adherence to applicable program compliance requirements.

** This guidance is informed from A Guide to Managing Federal Grants for Colleges and Universities; the National Council of University Research Administrators and OMB A133_.210*

Instructions for including consultants in a proposal

If you plan to use a consultant in your proposal, please obtain a letter of commitment from the consultant prior to proposal submission which includes:

1. Name of consultant, business or organization (include address, phone, email and other contact information)
2. The nature of the consulting/advisory services to be provided for the particular project;
3. The amount of time committed, and;
4. The fee structure (i.e. X dollars per day or per hour)

Instructions for including subawards in a proposal budget

A subaward is a contractual document that conveys a portion of a project's scope of work to another organization. The other organizations budget must be included as part of the proposal

package. If you plan to include a subaward in your proposal budget, the subrecipient must provide **prior** to proposal submission:

1. A sufficiently detailed scope of work/work schedule;
2. A detailed budget which complies with the funder's budget requirements and restrictions, the budget should accurately reflect the costs of completing the accompanying scope of work;
3. The budget and scope of work must be accompanied by a letter of commitment, countersigned by the subrecipient's **authorized organizational representative**, and;
4. A copy of the subrecipient's negotiated F&A rate agreement is also required.

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