



Overview

This guide assists faculty in making the critical determination between a subaward and a service contract. It provides a comparative table highlighting differences in programmatic responsibility, compliance with requirements, and the nature of services provided.

Important

A subaward should never be issued to an individual. Use the table below to assist with the determination.

Subaward	Service Contract
<p>Research Contract Services Research and Sponsored Programs</p>	<p>Procurement</p>
<p>A subaward is for the purpose of carrying out a portion of an award and creates a legal relationship with the Subrecipient. Characteristics of a subrecipient include the following:</p>	<p>A service contract is for the purpose of obtaining goods and services for the entity’s own use and creates a procurement relationship with the contractor. Characteristics of such relationship include the following:</p>
<p>Subawards are NOT entered into with Individuals.</p>	<p>An individual or firm is retained to provide professional advice or services for a fee.</p>
<ul style="list-style-type: none"> • Performs work as part of an institutional appointment. • Eligibility is based on Sponsor Determination. • Responsible for programmatic decision making. • Manages technical and administrative aspects of a portion of the overall project statement of work. • Performance is measured against whether the sponsored program objectives are met. • Receives sponsored funding and uses institutional facilities, students and staff. • Must Adhere to applicable compliance requirements and approvals (IRB, IACUC, etc.). • May produce publishable results or intellectual property as a result of the project. 	<ul style="list-style-type: none"> • Performs Work as an independent contractor. • Does not participate in programmatic decision making. • Give unique professional advice or service to a project in exchange for compensation. • Provides goods or services which are ancillary to the sponsored program operation. • Provides similar goods or services to many different purchases within its normal business operations. • Operates in a competitive environment