

Subaward versus Vendor Agreement

A Vendor Agreement:

- ✓ Provides goods/services within normal business operations
- ✓ Provides similar goods/services to many different purchasers
- ✓ Operates in a competitive environment
- ✓ Provides goods or services that are ancillary to sponsored program
- ✓ Is not subject to compliance requirements of the prime sponsor
- ✓ Vendor agreements
- ✓ Provide services as an individual or sole proprietor. Individual or sole proprietors are rarely subrecipients.
- ✓ Include purchase orders or contracts for professional services.
- ✓ Pay particular attention to testing, processing, computer programming, editing, etc., functions that are outsourced. A contract for professional service probably should be used.

Decision Matrix – A subaward is likely appropriate if you can answer “yes” to any of the following questions:

- ✓ Does the entity’s Statement of Work represent an intellectually significant portion of the programmatic effort of the overall project?
- ✓ Does the entity have responsibility for programmatic decision making?
- ✓ Could the entity’s work result in intellectual property developed or publishable results (including co-authorship)?
- ✓ Will the entity need animal and/or human subject’s approvals for its portion of the work?