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Characteristics of a Subrecipient/Subaward

Organization: Subrecipient
Possible characteristics of Collaborator/Key Personnel:

- Co-principal investigator at the subrecipient institution;
- Share or be responsible for programmatic decision making;
- Co-authors or writes the study protocol;
- Independently responsible for ensuring a portion of the SOW is completed;
- May determine who is eligible to participate in the federal program;
- Has performance measured against objectives of a Federal program.

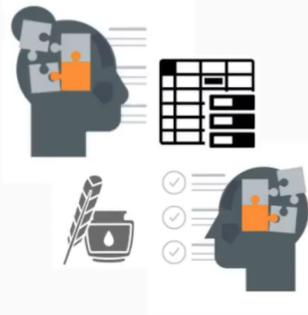
Instrument/Form of Agreement used: A **Subaward** is used to carry out a program for a portion of a Federal award and for the public purpose.

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Characteristics of Contractor/Hybrid Contract

Organization: Contractor

- Provides **research services** that are **non-commercial** and **necessary** to the study;
- **Not** responsible for **programmatic decision making**;
- **Retains intellectual property (IP)** rights for their own discoveries made;
- May provide input regarding protocol;
- Has access to study data;
- May be a co-author in subsequent publications.



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Characteristics of a Contractor/Procurement Services Contract

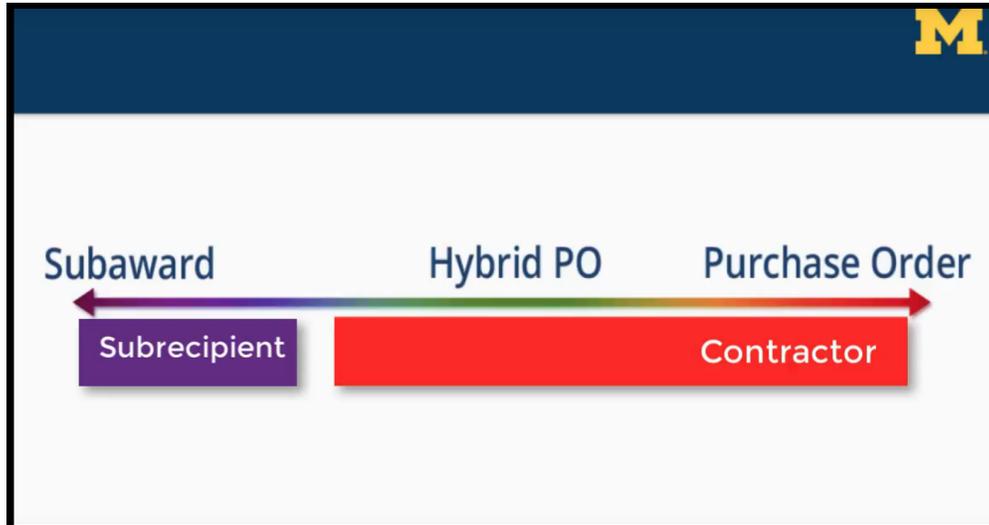
Organization: Contractor (formerly called Vendor prior to the Uniform Guidance and called a Supplier in M-Pathways)
Characteristics: U-M works with Contractors* in a Vendor/Supplier relationship.

- **"Work for Hire"**
- **Intellectual property belongs to purchaser**
- **Warranties** on deliverables
- Offers products or services **commercially** to all
- Provides goods and services within **normal business operations**
- Operate in a **competitive** environment

Instrument/Form of Agreement Used: A **Contract** for this procurement relationship.

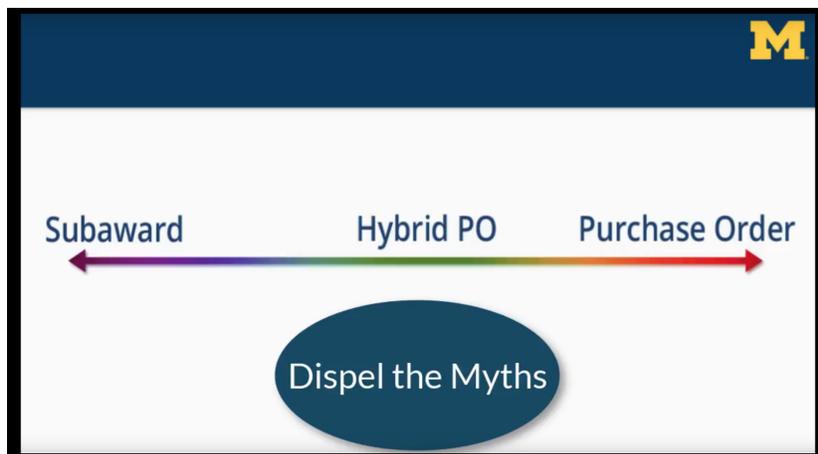
Characteristics of Contractor/Hybrid Contract

The hybrid contract can be confusing because it can fall anywhere on the spectrum between subaward and purchase order.



Myths on Campus

- **Myth:** “If a contract is cost reimbursable, it has to be a subaward.” **False!**
- **Myth:** “If the individual at the other organization provides input during the protocol development, participates on steering committees, or co-authors papers, they are a subrecipient.” **Not necessarily true! In some cases, a hybrid contract is most appropriate.**



We can help!



Overview of Subawards, Hybrids, and Purchase Orders

If you would like to schedule a time for OCA staff to attend a meeting at your department to talk about subrecipients vs contractors, please contact OCA at subcontracts@umich.edu or 764-8204.

Location of the full YouTube video:

<https://www.youtube.com/channel/UCd1UpyGemhRH1nxZLBC2xfA>

What is a...

Subrecipient? The **entity** that receives payment for performing a portion of the statement of work under the sponsor award, including programmatic decision-making.

Subaward? The **form of agreement** written, negotiated, and managed by the Office of Contract Administration (OCA). A subaward is used to carry out a program for a portion of a Federal award and for the public purpose. U-M is a pass-through entity, providing funds to the subrecipient for the purpose of implementing a portion of the Federal program.

Contractor? The **entity** that receives payment for a purchase order (PO) or a hybrid PO for providing a set of commercial goods and services, including purchase orders (POs), general service agreements, and consulting agreements. These agreements are written, negotiated, and managed by Procurement Services.

PO? The **form of agreement** Standard purchase order used for a Contractor, Supplier, or Vendor.

Hybrid PO? The **form of agreement** used for purchase agreements for non-commercial services necessary for the study but could be done by others. These are written, negotiated, and managed by onsite procurement specialists within OCA.

Summary Chart

	Subawards	Hybrid PO	Purchase Orders
Primary Purpose: Provide funds to an outside entity	to perform part of project as equal collaborator/Co-PI	to perform part of project as less than an equal collaborator	to procure goods and services
Subcontractor Names	Subrecipient/Subawardee	Contractor/Subcontractor/ Study Site	Supplier/Vendor/ Contractor
U-M Reviewing Office	OCA	Procurement (within OCA)	Procurement Services
Processing Notes	Process in eRPM	Process in eRPM	Process through PO Req
Indirect Cost Recovery	Recovered on the first \$25,000 of Subcontract only	100% on total amount of Hybrid PO	100% on total amount of PO