



# OFFICE OF SPONSORED PROGRAMS

Charles R. Drew University of Medicine and Science

## SUBRECIPIENT VS CONTRACTOR VS CONSULTANT DETERMINATION

What category does your proposed agreement fall into?

Review the statements in each column below to help you determine which category best fits your proposed agreement.

<b>Subrecipient (aka subaward/ subcontract)</b>	<b>Contractor</b>	<b>External Consultant</b>
<p><b>An entity that has agreed to work in collaboration with the CDU PI to perform a substantive portion of the programmatic effort on an award.</b></p>	<p><b>An individual, business, or other entity which supplies products or services to the University.</b></p>	<p><b>An individual or business whose expertise is required to perform the project. Services are temporary and special or highly technical.</b></p>
<ul style="list-style-type: none"> <li>• Works collaboratively with the CDU PI as a co-investigator at another entity to which funds are being passed.</li> <li>• Has authority to make administrative and programmatic decisions and to control the method and results of work</li> <li>• Has responsibility to meet all applicable sponsor requirements</li> <li>• Has performance measured against meeting the program objectives</li> </ul>	<ul style="list-style-type: none"> <li>• Provides similar goods or services to different purchasers</li> <li>• Does not make program decisions or take actions that impact a program's overall success or failure</li> <li>• Is not subject to sponsor compliance regulations</li> <li>• Goods and services are ancillary to the program</li> <li>• Provides goods or services as part of their normal business operations</li> </ul>	<ul style="list-style-type: none"> <li>• An individual or business outside the project who confers with the PI regarding research objectives</li> <li>• Does not develop the objectives of the project</li> <li>• Is not responsible for the overall outcome of the project</li> <li>• Is not responsible in designing or developing the research</li> <li>• Is not responsible for conducting the research</li> <li>• Is not responsible for reporting the research</li> </ul>

<b>Subrecipient (aka subaward/ subcontract)</b>	<b>Contractor</b>	<b>External Consultant</b>
<ul style="list-style-type: none"> <li>• Are designated senior/key personnel in the proposal-may be a Co-PI</li> <li>• Uses sponsor funds to carry out a program rather than provide a good or a service</li> <li>• Has responsibility for the end results of the research effort</li> <li>• Services are complex and require a scope of work and budget, billing requirements, and a deliverable schedule</li> <li>• The entity’s statement of work may represent an intellectually significant portion of the programmatic decision making</li> <li>• The entity’s work results may involve intellectual property and/or may lead to publications</li> <li>• Needs animal and/or human subjects approvals for its <u>independent</u> portion of the work</li> <li>• Requires a separate budget and budget justification in the application</li> </ul>	<ul style="list-style-type: none"> <li>• Competes with comparable entities to provide the same goods and/or services</li> <li>• Is not responsible for research results</li> <li>• There is no scope of work</li> <li>• Goods and services are billed according to the vendor’s established rates</li> <li>• The goods and services are secondary to the central purpose of the project</li> <li>• No potential for patentable or copyrightable technology to be created through project from activities of the entity</li> <li>• Performs services only (no analysis or discretionary judgment)</li> <li>• No one individual providing goods and services is identified</li> </ul>	<ul style="list-style-type: none"> <li>• Is not essential toward the shape, direction, and completion of the project</li> <li>• Receives a fee for their services not a salary</li> <li>• Provides similar services to other organizations</li> <li>• Does not serve as senior personnel – e.g., Co-Investigator, Principal Investigator, etc.</li> <li>• Will not use university resources. Provides its own work area, tools, materials, and supplies</li> <li>• CDU defines the scope of work</li> <li>• Consultant determines how to accomplish the work</li> <li>• Is not considered an employee of the University and therefore is not eligible for workers compensation, liability coverage, or unemployment</li> <li>• Payment is based upon completion of specific work, rather than time worked</li> </ul>

**Note:** The role of the entity is the driving factor for determining payment method. It is not expected that all of the characteristics will be present but a careful review should be made when determining the agreement type.