

Subaward vs. Procurement*

SUBAWARD: Basic Characteristics

- Subject to A-133 Audit Monitoring (if international or for-profit, the equivalent of A-133)
- Prime funding received from Grant mechanism
- Typically issued to an organization, such as a University, or other non-profit institution
- Requires a Statement of Work
- Budget is detailed and effort is specified
- F&A recovery allowed only on first \$25K (for federal awards)

SUBAWARD: Distinctive Characteristics

- Intellectual Property ownership is shared when jointly created
- Publication is encouraged
- Subrecipient performs substantive programmatic work
- Subrecipient bears responsibility for programmatic decision making and measurable performance requirements
- Flow down of terms and conditions from prime award
- Subrecipient has responsibility for adherence to applicable program compliance requirements (i.e. IACUC, IRB and COI)
- Services are not commercially available on the open market
- Funds originate from a single prime award

PROCUREMENT: Basic Characteristics

- Not subject to A-133 Audit Monitoring
- May or may not be identified on proposal
- Issued to individual or organization
- Requires a Statement of Work
- Payment to vendor includes only fee and reimbursable costs
- No indirect costs are reimbursed
- Fee contractually obligated
- F&A recovery allowed on full amount of agreement

PROCUREMENT: Distinctive Characteristics

- University of Alaska Fairbanks owns Intellectual Property
- Vendor provides the goods and services to many different purchasers as part of its normal business operations
- Vendor operates in a competitive environment
- No oversight or management over activities performed by University of Alaska Fairbanks
- No flow down of terms and conditions from prime award
- Vendor is not subject to compliance requirement of the program (i.e. IACUC, IRB and COI)
- Services are commercially available on the open market
- Funds can originate from various sources

*Use of judgment in making determination whether Subaward or Procurement. There may be unusual circumstances or exceptions to the listed characteristics. It is not expected that all of the characteristics will be present and judgment should be used in determining whether entity is a Subrecipient or Vendor/Contractor.