

## **Subrecipient vs. Contractor: How Do They Differ?**

<b>Subrecipient</b>	<b>Contractor</b>
<ul style="list-style-type: none"> <li>• A defined portion of the project’s intellectually significant activity is assigned to a separate entity to fulfill</li> <li>• Work is generally performed by the subrecipient’s personnel using resources, usually at their site</li> <li>• The subrecipient takes full responsibility, including intellectual leadership, for their portion of the work</li> <li>• Is subject to the compliance requirements of the sponsor and pass-through entity</li> </ul>	<ul style="list-style-type: none"> <li>• Provides the goods and/or services within its normal business operations</li> <li>• Provides similar goods or services to many different purchasers</li> <li>• Operates in a competitive environment</li> <li>• Provides goods or services that are ancillary to the operation of the project</li> <li>• Is not subject to compliance requirements of the sponsor</li> </ul>
<b>Budgeting Differences</b>	
F&A rate (indirect cost) is only applied to the first \$25,000 of each subaward.	Considered operational expense (line 30) F&A rate (indirect cost) is applied to the full amount of each contractor expense.
<b>Items Required for Proposal</b>	
<ul style="list-style-type: none"> <li>• OSP-Sub-1 form (signed)</li> <li>• Scope of Work</li> <li>• Detailed Budget and Justification</li> <li>• Any additional items required by sponsor as identified in proposal instructions</li> </ul>	<ul style="list-style-type: none"> <li>• Document (letter, email, etc.) outlining work to be done and total cost estimate.</li> </ul>