Overview of Subawards, Hybrids, and Purchase Orders

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.

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.

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!
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/UCd1UpyGemh RH1nxZLBC2xfA

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**