

**Policy Name:** Subawards and Subcontracts Under Sponsored Awards

**Policy Owner:** Office of Sponsored Programs

**Policy Contact:** Cynthia Hope, Associate VP Research, Research Administration,  
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**Reviewed By:** Office of Sponsored Programs, Executive Vice President Research Office,  
and Grants and Contracts Accounting.

**Policy Steering Committee Approval:** February 2024

**Policy Purpose:** This policy outlines federal requirements and roles and responsibilities for management of Subrecipients, including appropriate identification of the Institute's Subrecipients.

**Summary of Substantive Policy Changes:**

Throughout, removed procedures and other information that was not policy. No substantive policy changes. This revised policy more clearly addresses federal requirements and clarifies roles and responsibilities. Those roles and responsibilities reflect current practice and do not impose new responsibilities.



# Georgia Institute of Technology

## Subawards and Subcontracts Under Sponsored Awards

Policy No: 5.1

Type of Policy: Administrative

Last Revised: March 2011

Policy Owner: Office of Sponsored Programs

Policy Contact: Cynthia Hope, Associate Vice President for Research Administration, [cindy.hope@osp.gatech.edu](mailto:cindy.hope@osp.gatech.edu)

### 1. Reason for Policy

The Georgia Institute of Technology (the Institute) is responsible for implementing and maintaining internal controls that provide reasonable assurance of Institute compliance with sponsor requirements for management and monitoring of the Subawards and Subcontracts it issues under its Sponsored Awards. Federal regulations require accurate classification between subawards and procurement actions as the federal regulations applicable to management of subawards are different from those applicable to procurement actions. State laws, however, address both as contracts. This policy addresses the federal requirement to distinguish between subawards and procurement actions and supports compliance with state laws applicable to contracts.

### 2. Policy Statement

The Institute must fulfill its Pass-Through Entity responsibilities when including Subawards in proposed Sponsored Awards. PI/PDs and unit administrators must identify Subawards, as defined in this Policy, in proposed budgets and budget revisions, to ensure that costs are calculated correctly, sponsor approval is obtained, and appropriate documentation is included in the Institute's proposal.

When it is the Pass-Through Entity, the Institute is responsible for:

- Assessing the substance of the relationship between the Institute and the entity to which it is flowing through Sponsored Award funding;
- Based on the above assessment, following federal guidelines for accurate classification of Subawards (2 CFR 200.331 Subrecipient and contractor determinations); and
- For identified Subawards, complying with federal and sponsor-specific requirements for Subrecipient management and monitoring, including:
  - 2 CFR 200 Subpart D - Subrecipient Monitoring and Management
  - Terms and conditions of prime awards including applicable sponsor regulations (e.g. Federal Acquisition Regulation (FAR)) and requirements

For purposes of this policy, Subawards include Subcontracts the Institute issues under its sponsored Contracts if they meet the Institute's criteria for accurate

[classification of Subawards](#). Such agreements issued under federal Contracts are subject, also, to the FAR and any applicable funding agency supplemental regulations. The State of Georgia considers all agreements for goods and services to be contracts and, therefore, the Institute must also comply with state procurement requirements in issuing and managing Subawards.

The Institute’s procurement Contracts and other purchases of supplies and service that do not meet the Institute’s criteria for accurate [classification of Subawards](#) are not subject to this policy.

### 3. Scope

This policy applies to all Georgia Tech Faculty and Staff engaged in research or administration of research.

### 4. Definitions

<b>Contract</b>	An instrument to acquire property or services for the direct benefit or use of the funder. The Institute receives Contracts that are Sponsored Awards and issues Contracts to acquire property or services.
<b>Contractor/Vendor</b>	An entity that provides property or services for the direct benefit or use of the Institute. Contractor/Vendor agreements must comply with Institute procurement policies.
<b>Pass-Through Entity</b>	An entity that provides a Subaward to a Subrecipient to carry out part of a Sponsored Award.
<b>Sponsored Award</b>	Grant, Contract or other incoming sponsored agreement.
<b>Subaward</b>	An award provided by the Institute to a Subrecipient for the Subrecipient to carry out part of the Institute’s Sponsored Award. For purposes of this policy, a Subaward includes Subcontracts issued by the Institute under its sponsored Contracts when they meet the criteria for a Subaward. It does not include Institute payments to a Contractor (Vendor).
<b>Subcontract</b>	All agreements issued under FAR-based Contracts are Subcontracts. For purposes of this policy, those meeting the criteria for a Subaward are classified as Subawards and others are classified as procurement Contracts.
<b>Subrecipient</b>	An entity that receives a Subaward from a Pass-Through Entity to carry out part of a Sponsored Award.

## 5. Responsibilities

### The Office of Sponsored Programs (OSP)

OSP is responsible for ensuring the Institute's Subrecipient Monitoring and Management policies are sufficient for the Institute to fulfill its responsibilities for compliance with sponsor requirements, including definitions and guidelines to accurately distinguish between Subawards and procurement agreements.

OSP, Grants and Contracts Accounting, Principal Investigators/Project Directors, unit administrators and other research administrators and personnel are responsible for following this policy and related guidance to accurately classify Subawards and identify them in the Institute's proposal budgets.

## 6. Enforcement

Noncompliance may result in disallowed Subaward costs, suspension or termination of the Sponsored Award, withholding of other Sponsored Awards to the principal investigator or the Institute, and debarment of the PI or the Institute from receiving future Sponsored Awards.

## 7. Related Information

Resource	Link
Subrecipient Determination	<a href="https://osp.gatech.edu/system/files/2024-03/Subrecipient-vs-Contractor-vs_Vendor-vs-Employee_2.pdf">https://osp.gatech.edu/system/files/2024-03/Subrecipient-vs-Contractor-vs_Vendor-vs-Employee_2.pdf</a>
GT Procurement of Goods and Services	<a href="https://policylibrary.gatech.edu/business-finance/procurement-goods-and-services">https://policylibrary.gatech.edu/business-finance/procurement-goods-and-services</a>
Related State of Georgia Requirements	<a href="https://osp.gatech.edu/subawards">https://osp.gatech.edu/subawards</a>

## 8. Policy History

Revision Date	Author	Description
TBD	Office of Sponsored Programs	Policy was updated to remove procedures, clarify roles and responsibilities.