I. Purpose

This policy aims to ensure that the use of subawardees, consultants, and vendors on externally funded projects is consistent with applicable regulations and sound business practices.

II. Policy Statement

From time to time, a sponsored project requires the services of an external source or sources. The Principal Investigator (PI) and the Office of Research Services and Sponsored Programs are responsible for ensuring that proposed arrangements comply with applicable federal, state, and university laws, regulations, and statutes. As a steward of sponsored funds, the university must ensure that the sponsor receives required services from a qualified source at a fair and reasonable price.

Working with the PI, ORSSP must be involved in all formal negotiations with subawardees and consultants to establish contractual relationships under sponsored projects. The university’s Procurement and Contract Services department handles relationships with vendors.

As much as possible, all subawardee/consultant/vendor contracts must assure that the procurement:

1. provides open and free competition or a justifiable sole-source selection;
2. presents no conflict of interest;
3. complies with all federal, state, and university statutes, regulations, and policies;
4. provides the best value to the sponsor; and
5. is properly documented.

III. Exclusions - none
IV. Procedures

Differentiating between a subawardee, consultant, and vendor

Subawardee (subrecipient or subcontractor)
An entity receiving funds from a sponsored award is considered a subawardee, subrecipient, or subcontractor if it:

- works collaboratively with the prime award recipient to carry out the scope of work. A subawardee has programmatic involvement in, and responsibility for, the project as identified by a separate scope of work, a separate budget, and separate organizational approval;
- has a director of the subaward, who is considered the PI for the subaward, and may be considered a co-PI on the sponsored project with the PI at the lead institution;
- has its performance measured against the objectives set for it;
- has responsibility for programmatic decision-making;
- has responsibility for adhering to applicable program compliance requirements, including deliverables and reports;
- uses the sponsored funds to carry out the project at another institution, not providing goods or services for a fee at GSU;
- has the right to publish project results or serve as a co-author; and
- may develop patentable technology and share in IP resulting from the project.

Consultant
Individuals or companies receiving funds from a sponsored award are considered consultants if they:

- act as an expert advisor;
- are (generally) paid for time spent on a fixed hourly / daily basis. The rate may include travel expenses, supplies, or overhead or such costs may be reimbursed separately;
- are using their own equipment and materials, not equipment or materials from their institutions, for work on the project;
- are (generally) hired on a short-term or periodic basis;
- are paid a fee for service on work and IP that belong to the university;
- pay their own taxes on earnings from the project;
- are not employed by the university in any other capacity; and
- are not involved in programmatic work on the project, including such project deliverables as reports.

Vendor
Individuals or companies receiving funds from a sponsored award are considered vendors if they:

- provide goods and/or services ancillary to the project;
- are paid a flat fee;
- provide similar goods or services to other customers; and
- are not involved in programmatic work on the project, including such project deliverables as reports.

Proposal Process
The following is a quick overview of the steps that principal investigators and grant coordinators must take in developing a proposal that will involve one or more external entities in a sponsored project at Georgia Southern University.

1. The PI asks each potential subawardee/consultant to complete a Subawardee/Consultant Commitment Form, which must be submitted to the grant coordinator before proposal submission. The information will be considered valid for nine (9) months from the date the form is signed by the entity’s authorized official.

2. The PI obtains and includes the following subawardee/consultant documents as part of the proposal:
   - Statement of Work (SOW), including a clear description of the work to be performed timelines, and deliverables;
   - biosketches and current and pending support for key personnel;
   - budget and budget justification, including direct and indirect costs (calculated using the entity’s approved facilities and administrative [F&A] and fringe benefit rates), and verifying any committed cost-sharing.

3. The PI must complete and sign a Cost Analysis and Sole Source Justification form. PIs must support their selection of a subawardee/consultant based on an analysis of past performance, technical resources and financial viability, and an assessment of the reasonableness of the proposed costs in light of the work to be performed. To meet audit requirements, the university is required to retain documentation of this analysis and justification.

Any exceptions to the requirements outlined above should be discussed with the ORSSP grant coordinator. If appropriate and acceptable documentation is not provided in a timely manner, the grant coordinator may be unable to endorse and submit the proposal.

**Award Process**

The following is a quick overview of the steps that principal investigators and grant coordinators must take at the award stage for sponsored projects at Georgia Southern University involving one or more external entities.

1. If the PI has financial interest in the subawardee/consultant, he or she must complete a financial conflict of interest disclosure, unless one was submitted at the proposal stage.

2. If changes are required in the subawardee/consultant scope of work or budget (as submitted in the proposal), the PI should first discuss them with the grant coordinator.

3. The assigned grant coordinator should prepare a draft subcontract/subaward/consulting agreement using the appropriate university template. The assigned grant coordinator must consult on, or be integral to, any subsequent negotiations. Under no circumstances is the PI authorized to conduct negotiations alone, although participation and assistance in the negotiation process is highly desirable.

4. A final version of the agreement must be signed by authorized officials of each party.