



Before entering into a relationship with another entity for goods or services or substantive work under a sponsored award to JHU, a determination must be made regarding the nature of the legal relationship of that entity to JHU. This classification will determine the type of legal agreement required to document the relationship that determines the allocation of responsibilities and the appropriate application of indirect cost rates.

SUBRECIPIENT

Many of these factors are present:

- The entity will be engaged to perform substantive, programmatic work (e.g. an important or significant portion of the research program or project.)
- The entity participates in designing and/or conducting the work.
- The entity is granted some element of programmatic control and discretion over how the work is carried out.
- The entity's personnel are identified as having a key role in JHU's proposal.
- The entity may seek to publish or co-author the results.
- The entity may provide cost sharing and may sub out some of its work.

May require prior sponsor approval.

Subrecipients cannot charge a profit fee.

Non-profits can include appropriate F&A costs.

Terms and conditions from the prime award are flowed down to the subrecipient.

Subject to Uniform Guidance audit requirements.

University collects its F&A on the 1st \$25,000 of a subaward.

CONTRACTOR

Many of these factors are present:

- The entity is providing specified services in support of or ancillary to the research program or project.
- The entity has not significantly participated in the design of the work itself.
- The entity is not directly responsible for determining research or project results.
- The entity provides these goods and services in its normal business operations and markets its services to a range of customers; Creates procurement relationship.
- The entity has little or no independent decision-making in the design and conduct of the work being completed.
- The entity will perform work that involves the performance of routine or repetitive tests or activities. Normally operates in competitive environment.
- The entity would not be author or co-author, but may receive attribution.

Typically does not require sponsor approval.

For-profits can charge a fee.

Generally, terms and conditions of the prime award are *not* flowed down to a vendor (except for a few federal regulations (e.g. debarment, fraud, etc.). However, contract is subject to procurement regulations.

Not subject to Unif. Guidance audit requirements.

University collects its F&A on entire amount of contract.