AGENCY: University of Nevada, Reno (UNR)
SUBJECT: Sub-contractor VS. Consultant

Sometimes there is confusion on determining if a partner on a proposed project is a sub-contractor or a consultant, as defined by OMB. The determination of such will impact the project budget since sub-contractor costs are charged F&A on only the first $25,000, and consultants are charged F&A on their full cost.

The following matrix will help to clarify the distinction between a sub-contractor and a consultant agreement.

**SUB-CONTRACTOR**

If the answer is “YES” to any of the following questions, then it fits the profile of a sub-contractor and a sub-award may be appropriate:

- Does the entity’s statement of work represent an intellectual significant portion of the programmatic decision making?
- Could the entity’s work result in intellectual property?
- Does the entity have responsibility for programmatic decision making?
- Will the entity need animal and/or human subjects’ approvals for its portion of the work?

**ITEMS NEEDED**

- OSP-SUB-1 Form *(signed)*
- Scope of Work
- Budget & Justification

**CONSULTANT**

If the answer is “YES” to any of the following questions, then it fits the profile of a consultant and a sub-award may NOT be appropriate:

- Does the entity commonly provide these goods/services as part of their normal business operations?
- Does the entity provide similar goods/services to other purchasers?
- Does the entity compete with comparable entities to provide the same goods/services?
- Are the goods/services being provided by the entity secondary to the central purpose of the project?
- Is the entity’s work carried out according to the Prime’s specification using standard operating procedures?

**ITEMS NEEDED**

- Document (e-mail, etc.) indicating work to be done and total cost charged.

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http://www.unr.edu/engineering/about/faculty-resources/grants