

Chapter 9: Subawards of Discretionary Project-Supported Effort

None of the principal activities of the project-supported effort shall be subawarded to another organization without specific prior approval by the awarding agency. Where the intention to make subawards is made known at the time of application, the approval may be considered given, if these activities are funded as proposed.

All such arrangements must be formalized in a contract or other written agreement between the parties involved. The contract or agreement must, at a minimum, include:

- Activities to be performed;
- Time schedule;
- Project policies;
- Flow-through requirements that are applicable to the subrecipient;
- Other policies and procedures to be followed;
- Dollar limitation of the agreement; and
- Cost principles to be used in determining allowable costs.

The contract or other written agreement must not affect the primary recipient's overall responsibility for the duration of the project and accountability to the Federal government. The primary recipient is responsible for monitoring the sub-recipient and ascertaining that all fiscal and programmatic responsibilities are fulfilled.

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