**FAQs – Subawards/Consortium/Contractual Costs**

**Q1.** What’s the difference between subawards, consortium, contractual and consulting costs?

**A1.** Consulting costs would not be included in this budget category. The DOE defines consultants this way:

*A consultant is generally an individual who is not using any institutional or organizational facilities and is acting as a direct agent. The individual usually bills by the hour, submitting invoices. Invoices occasionally include additional direct expenses incurred. Consultants are normally subject matter experts and are not directly supervised by the awardee.*

Consortium costs are rare but should be self-explanatory. That leaves the difference between a subaward and contractual or subcontract costs.

The Code of Federal Regulations 2 CFR 200.92 defines subawards:

*Subaward means an award provided by a pass-through entity* (grantee*) to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.*

In addition, the Code of Federal Regulations 2 CFR 200.300 provides a list of subaward/subrecipient characteristics which includes:

1. A subaward is for the purpose of carrying out a portion of a Federal award and creates a Federal assistance relationship with the subrecipient.
2. In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity (grantee).

In general, a subaward is one where the subrecipient performance is unique and crucial to the research and development being conducted.

In contrast, 2 CFR 200.300, subcontractors and vendors have characteristics where:

1. The grantee has a procurement relationship with a business entity versus flowing down “federal assistance” requirements.
2. The subcontract business entity provides the goods and services within normal business operations;
3. Provides similar goods or services to many different purchasers;
4. Normally operates in a competitive environment;
5. Provides goods or services that are ancillary to the operation of the Federal program; and
6. Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.

**Q2**. How is the maximum subaward amount calculated of a Phase I SBIR/STTR?

**A2**. There are a number of factors to consider before calculating either a maximum (in the case of an SBIR grant) or minimum (in the case of an STTR grant) budget for a subawardee or combination of subawardees. These factors are:

1. Grant total, based on the technical topic selected, can be either $200,000 or $250,000.
2. The maximum SBIR budget for all third party subawards, consultants, TABA vendors and 1099 independent contractors combined cannot exceed 33% of the total grant amount.
3. A minimum STTR budget for a single Research Institution must be 30% of the total budget. The minimum small business budget is 40% of the total budget.

**Q3**. Is there an easier way to estimate or calculate the minimum or maximum subaward budget?

**A3.** Yes. The ReliAscent DOE Budget worksheet contains a SubBudget tab that derives eight (8) results for subaward maximums and minimums for both an SBIR and STTR budget given a variety of start conditions.

**Q4**. Does the ReliAscent DOE Budget worksheet also calculate the minimum and maximum subaward budget if we’re applying for both n SBIR and STTR?

**A4.** Yes. The ReliAscent DOE Budget worksheet SubBudget tab derives four (4) results for subaward maximums and minimums when applying for both an SBIR and STTR.

**Q5**. Is a university partner considered an STTR?

**A5.** A university partner or other research institution can be considered a subaward on either an SBIR of STTR.

**Q6**. Do subaward costs get added to the same budget categories as the applicant?

**A6.** No. The subaward budget should reflect all their own costs, with only their total being recorded on the applicants budget.

**Q7**. How do subawardees fill out a budget?

**A7.** Subawardees should fill out a budget on the same type of form that the applicant does – the SF424 budget form.

**Q8**. Where do subawardees get their budget form?

**A8.** Applicants must activate the Subaward section of their grant application in Grants.gov. They may then download a PDF version of the subaward budget and send to the subawardee to fill out. The subawardee then sends it back to the applicant who then uploads the budget document into Grants.gov.

**Q9**. Grants.gov gives me an error when I try to upload a subawardee budget?

**A9.** Typically this is because the applicant did not set up the Subaward section in Grants.gov and did not send them a PDF budget file. This budget file contains a specific electronic key so that this document, and none others, can be loaded back into applicant’s Subaward section in Grants.gov.

**Q10**. Can I give a subawardee “Participant” right to access their budget online via Grants.gov?

**A10.** Yes. This can be done in lieu of sending them the PDF file.

**Q11**. Can a subawardee include a fee in their budget?

**A11.** No. Subawardees are prohibited from including a fee in their budget. However, vendors and subcontractors are allowed fee.

**Q12**. Can there be more than one subaward on the budget?

**A12.** Yes, for both SBIR and STTR applications. However, for the STTR one of the subaward budgets must be at least 30% of the total budget.