



Types of Agreements

Subaward

A subaward is an award provided by a pass-through entity to a subrecipient to carry out a project. The award document from the Attorney General's Office to an agency is a first tier subaward. If an agency awards a portion of its subaward to another entity to do programmatic work, that entity is a second tier subrecipient. Subawards do not include payments to contractors or individuals. A subaward may be any form of legal agreement and is considered a contract. Subawards must include scope of work, budget, reporting requirements and federal pass through requirements and certified assurances. Subawards require the use of the [Subcontract Monitoring Form](#). Prior approval is required prior to issuing a subaward. The subaward must be included in your program budget and detailed in your budget justification. If you wish to add a subaward to your project after your budget is approved, you must obtain prior approval via a [budget modification request](#).

Contracts

A contract is a legal instrument by which an agency purchases goods or services needed to carry out the funded project. The Attorney General's office requires programs to use professional fee-for-service contracts for direct services to clients such as counseling services, legal services, etc. when these services are not provided by program staff. Vendor contracts are used to purchase goods and services NOT directly linked to client services, such as lawn care services, copier agreements, cleaning contracts, etc. Vendor contracts and professional fee-for-service contracts do not require a detailed budget; however, they are to include costs aligned to tasks, services or deliverables. Subrecipients are required to provide oversight of vendor contracts and fee-for-service contracts. However, the use of the [Subcontract Monitoring Form](#) is not required.

Subrecipients must adhere to their procurement policies when securing professional services. For more information concerning non-profit competitive bidding for professional services go to [Not-for-Profit Agency Record Keeping Document](#).

Subrecipients using subcontracted professional services must be in compliance with all IRS requirements.

Subrecipients are accountable for the work and performance of their contractors and subrecipients. Subrecipients must keep a file, on-site, that includes the original professional service subcontract and approved budget information.

Subrecipients should enter subawards and contracts in the contractual services budget line and provide detailed budget justification for these costs on the budget justification form.

