

## **Sub-contracting with MOVA Grant Funds: A Tip Sheet**

### **Definitions:**

The following are defined as follows in [MOVA's Grant Sub-recipient Policies and Procedures \(P&P\)](#):

- **Consultant:**
  - *A consultant is an individual who provides specialized services for clients not otherwise available within the funded program/project. Consultants and independent contractors are considered self-employed and receive a 1099 from the sub-recipient for whom they are providing services, in accordance with the US tax law.*
  - *An employee who receives a W-2 form cannot also be budgeted as a consultant with the MOVA sub-recipient, as only individuals or entities with no employee relationship to the sub-recipient may be budgeted as such.*
- **Contracts:**
  - *Use of contracts to provide services within the scope of the grant are allowable. Examples include but are not limited to: specialized professional services for victims such as psychological consultation, legal services, and interpreters, or contracted bookkeeping/accounting services.*
  - *The primary differences between consultants and contracts for MOVA's purposes are that consultants are individuals and contracts are entities who provide services that are not already provided by the grantee or who enhance the administration of the program.*
- **Sub-contracting:**
  - *Sub-contracting is when a MOVA sub-recipient uses award dollars to contract with a consultant or contractor to provide specialized services for clients or to the sub-recipient. These services must be allowable and approved by MOVA before entering a contractual relationship with a consultant or contractor.*

More information about contracting with a consultant and/or a contractor can be found in MOVA's P&P.

### **Requesting a Sub-contract with a MOVA Grant Award:**

There are two potential pathways for requesting a sub-contract to be supported with MOVA funds.

The first is for sub-contracts costing *less than* \$10,000 over the course of the award cycle. These sub-contracts only require that an invoice is submitted when requesting reimbursement for these costs.

If a sub-contract costs *more than* \$10,000 over the course of the award cycle, the sub-recipient must submit the Sub-Contract Request and Certification form in eGrants and upload the following information.

- A signed contract between the sub-recipient and the sub-contractor that contains the following information:
  - Name, title, and contact information for the sub-contractor
  - The service to be provided
  - The agreed upon rate for services
- A signed Conflict of Interest (COI) statement from the named sub-contractor

The Sub-contract Request and Certification will be filled out and submitted on [eGrants](#). More information about how to complete this process on eGrants can be found in the [eGrants Programmatic Change and Subcontract Request Guide](#) on [MOVA's eGrants website](#). An example for sub-contract and Conflict of Interest language can be found [here](#).

If a singular sub-contract line in the budget represents more than one consultant or contractor (i.e. a panel of attorneys) that totals more than \$10,000 but no *individual* costs more than \$10,000, the steps above are not required.

Reminder: at all times, sub-recipients must ensure that they follow applicable state procurement laws and their own written procurement procedures when seeking, selecting, and doing business with a consultant or contractor.

Once the sub-contract has been approved using the steps above, an invoice can be submitted for the reimbursement of these costs, as defined by sub-recipient risk level.

#### **Procurement Considerations:**

Sub-recipients must:

- Follow the Procurement Standards in the Uniform Guidance at [2 C.F.R. § 200.317](#) through [2 C.F.R. § 200.326](#) which detail the requirements and restrictions imposed on subrecipients that use federal assistance funds to procure property or services needed to carry out the grant funded project.
- Use their own documented procurement procedures consistent with applicable state, local, and tribal laws and regulations.
  - Procurement procedures must be formally documented by the sub-recipient and periodically reviewed to ensure compliance with applicable regulations.
- Follow the Commonwealth's procurement requirements in [M.G.L. c. 7, s. 22](#) and the standards in [801 CMR 21.00](#) with limited exceptions.

#### **Consultant Rates:**

Compensation for individual consultant services is to be reasonable and consistent with that paid for similar services in the marketplace. Compensation is limited to \$650 for an 8-hour day, or \$81.25 per hour (excluding travel and subsistence costs). Rates must be reasonable and consistent with marketplace rates in accordance with OMB cost principles. This documentation must be maintained on file. Documentation can include but is not limited to: procurement documentation (if applicable), contracts, invoices, and proof of payment.

#### **Requesting a Higher Consultant Rate:**

Sub-recipients requesting to pay an independent consultant above the federally allowable rate must submit the Request to Exceed Standard Consultant Rate (RESC) form via eGrants for prior approval. No work at the higher rate may begin prior to MOVA approval. More information about how to complete this process can be found in the eGrants Sub-contracting Step by Step Guide on [MOVA's eGrants website](#).

#### **Additional Resources:**

- [eGrants Sub-contracting Step by Step Guide](#)
- [Department of Labor: Small Entity Compliance Guide](#)
- [Department of Labor: Misclassification of Employees as Independent Contractors Under the Fair Labor Standards Act](#)
- [Massachusetts Law About Independent Contractors](#)