**Section 2030.150 Subawards**

a) Activities, responsibilities and obligations of a provider may be subawarded to another organization only with the prior written approval of the Department (see Subpart C). Such subawards shall be conditioned upon subrecipient compliance with all terms and conditions of award document and this Part. In determining whether to grant approval for a subaward, the Department will consider:

1) The purpose of the subaward;

2) The ability of the recipient to meet the proposed obligations;

3) The cost-effectiveness of the subaward;

4) The method by which the primary contractor will monitor the subcontractor's performance;

5) Whether licensure requirements have been met;

6) Benefit to the client; and

7) Whether the recipient has, by way of the subaward document, placed the same requirements upon the subrecipient as those required of the recipient in the award document and in this Part (flowthrough requirements).

b) The arrangement shall be formalized in a contract or other written agreement between the parties involved, and include at a minimum:

1) The activities to be performed;

2) The time schedule;

3) The award policies and requirements that are applicable to the subprovider (flowthrough requirements);

4) Other policies and procedures to be followed;

5) The dollar limitation of the agreement; and

6) The cost principles (Subpart D of this Part) to be used to determine what costs are to be allowed.

c) The subaward or other written agreement must not affect the provider's overall responsibility for the direction of the project and accountability to the Department.

d) No approval of any subaward shall be deemed to provide for the incurrence of any obligation by the Department in addition to the total agreed upon price.

e) The incurrence of any obligation by the recipient with the intent of claiming reimbursement, prior to obtaining any required approval, shall be at the recipient's risk.