



## **Guidelines for Grants Involving Consultants or Subcontractors**

### *[Digitizing Hidden Special Collections and Archives](#) and [Recordings at Risk](#)*

The following guidelines govern the use of consultants and/or subcontractors for grants funded by the Council on Library and Information Resources, through *Digitizing Hidden Special Collections and Archives* or *Recordings at Risk*. The Andrew W. Mellon Foundation funds both programs, and these guidelines have been derived from the [Foundation's own policy](#). CLIR does not generally consider institutions named as collaborating partners on joint projects to be consultants or subcontractors. Normally consultants or subcontractors are individuals or businesses who provide goods or services necessary to complete a project for remuneration.

Where a significant portion of a grant budget will be paid to a third party such as a consultant, vendor, or other provider in exchange for goods or services described in a grant proposal, the following guidelines will apply:

#### **Service Provider Bidding, Selection, and Budgeting**

- Normally CLIR expects grant applicants to have identified and selected any consultants, vendors, or other providers necessary for undertaking project work while planning their applications, and to incorporate the exact amounts for the selected providers' services or goods into grant proposal budgets.
- In cases where such selection is prohibited by institutional policies, grant applicants should make tentative/provisional selections of providers for the purposes of preparing grant budgets and explain in their budget narratives how institutional procedures and policies will govern making final selections in the event grant funds are awarded.
- Applicants should include in their applications an explanation of how possible service providers have been identified and how selections, or tentative/provisional selections, have been made.
- Applicants should provide copies of selected service provider budgets and proposals as part of their application packages. Applicants are also strongly encouraged to include copies of any budgets or proposals supplied by alternative service providers that were considered for the proposed project, as supporting evidence for their rationale for selection.
- Selected service provider budgets should include at least the same level of detail as is required for grant proposal budgets, with methods of calculation clarified and charges for specific components of a service (e.g. shipping and handling, storage, or metadata creation) itemized. Digitization service providers should include in their proposals:
  - descriptions and quantities of items to be digitized and associated charges for each item;
  - a description of each activity in the digitization workflow for which the applicant would be charged, and whether any activities would be mandatory, optional, or required under some circumstances but not others (such as in the event the source material is in poor condition);



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- itemized charges for shipping, insurance, or storage media required for the project and who will be responsible for paying those charges, if they are paid to third parties; and
- a list of deliverables for the project, including how digital deliverables will be stored, organized and named.
- The main proposal's budget narrative should account for all charges listed in the service provider's budget in addition to all costs listed in the main proposal's budget.

### Terms of Consulting and Subcontracts

- Wherever large amounts of consultant or subcontractor hours are anticipated, fixed price contracts are preferable to hourly contracts; if hourly contracts are used, a monetary limit should be expressly set within the limits of the originally budgeted amount.
- The Principal Investigator is responsible for monitoring the work and expenses of all consultants and subcontractors.
- Consultants or subcontractors should provide clear documentation describing the work to be performed, including detailed budgets for estimated hours and expenses, as well as a timeline for completion of services or delivery of goods, prior to the execution of any contract. In cases where consultant or subcontractor fees will consume a significant amount of a grant budget (e.g. 15% or more of the total), applicants should include such documentation within the application. Grant recipients should request subsequent documentation of actual hours worked and related expenses from each consultant or contractor in an invoice at the time each payment is due and maintain copies of all invoices and payments for one year following the submission of the final grant report.
- All consultants and subcontractors should sign confidentiality and work-for-hire agreements (where applicable), and affirm they have no conflicts of interest.
- Grant recipients should pay consultants or subcontractors in stages as work is completed rather than disbursing an "up front" payment of the entire amount budgeted.

### Reporting to CLIR

- In the event funds are awarded and actual costs of a service or good differ in practice from the application's original estimate, grant recipients will be required to report those differences to CLIR and to obtain prior approval for any reallocation of funds, in accordance with the grant modification policies for the program. Grant modification instructions are provided on CLIR's website on the Recipient Resources page for each program ([Digitizing Hidden Collections Recipient Resources](#); [Recordings at Risk Recipient Resources](#)).
- In cases where actual costs of a good or service prove to be lower than original estimates, grant recipients will be required to return the difference to CLIR unless the recipient obtains prior approval for a reallocation of those funds to another purpose directly related to the project.
- All consulting and subcontractor expenses should be clearly and separately accounted for in financial and narrative reports to CLIR.