**Section 2030.1270 Subawards**

a) Activities, responsibilities and obligations of a Provider may be subawarded out to another organization with the prior written approval of the Department as required by the terms of the award document. (See Section 2030.930(b)) In determining whether to grant approval for a subaward the Department will consider:

1) The purpose of the subaward;

2) The ability of the subcontractor 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.

b) When approval for such subawarding is required, 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 (flow-through requirements);

4) Other policies and procedures to be followed;

5) The dollar limitation of the agreement;

6) The cost principles 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 Provider with the intent of claiming reimbursement, prior to obtaining any required approval, shall be at the Provider's risk.