**Checklist to Determine Subrecipient or Contractor/Vendor Classification**

**OBJECTIVE:** To determine the relationship with an external entity prior to proposal submission, in compliance with [2 CFR 200.330](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR36520e4111dce32/section-200.330). In determining whether an agreement between a pass-through entity and another non-Federal entity casts the latter as a subrecipient or a contractor/vendor, the substance of the relationship is more important than the form of the agreement. All of the characteristics listed below in the definitions may not be present in all cases, and the pass-through entity must use judgment in classifying each agreement as a subaward or a procurement contract. Generally, the determination of the relationship with an entity is verified through the institutional review of the proposal narrative, budget justification, and other related proposal documents, as well as through discussions with key personnel prior to proposal submission. When the relationship remains unclear, this form may provide assistance in making an accurate determination. Contact the Office of Grants, Research and Sponsored Programs if you would like to discuss one-on-one or have any extenuating circumstances you wish to discuss.

**INSTRUCTIONS:** The “Characteristics” column in this checklist is based on language in the Uniform Guidance. The column lists characteristics that support the classification of a non-federal entity as a subrecipient or contractor. Since all of the characteristics listed may not be present in all cases, the Uniform Guidance recognizes that the recipient “…must use judgement in classifying each agreement as a subaward or a procurement contract.” (2 CFR 200.330 (c).) In the “Explanations” column, SRU provides additional information to assist in answering the questions, a key provided at the end of each section will help in making a judgment as to whether a subrecipient or contractor relationship exists. White space is provided in between the “Characteristics” column and the “Explanation” column so that users can tailor this checklist to accommodate the unique aspects of various programs or jurisdictions.

**NOTE:** One check in a subrecipient box does not necessarily mean the entity is a subrecipient. A judgment should be based on the totality of responses.

**DEFINITIONS (from Uniform Guidance 2 CFR, Part 200):**

**§200.22 Contract** means a legal instrument by which a non-Federal entity purchases property or services needed to carry out the project of program under a Federal award.

**§200.23 Contractor** means an entity that receives a contract as defined in §200.00 Contract. Entities that include contractor characteristics are not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.

**§200.69 Non-Federal entity** means a state, local government, Indian tribe, institution of higher education (IHE), or nonprofit organization that carries out a Federal award as a recipient or subrecipient.

**§200.86 Recipient** means a non-Federal entity that receives a Federal award directly from a Federal awarding agency to carry out an activity under a Federal program. The term recipient does not include subrecipients.

**§200.92 Subaward** means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program. **A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.**

**§200.93 Subrecipient** means a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program; but does not include an individual that has a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency. Entities that include the subrecipient characteristics are responsible for adherence to applicable Federal program requirements specified in the Federal award.

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| **Prime Entity Information** |

Project Director:

Name of Entity:

Type of Entity (i.e., non-profit; for-profit; university; college, etc.):

Federal Awarding Agency:

Funding Source of Origin:

Agreement/Project Title:

Catalog of Federal Domestic Assistance (CFDA) Number:

Contract/Grant/Agreement Number:

Name of Subrecipient/Contractor Entity:

Project Director of Subrecipient/Contractor Entity:

Does the agreement explicitly specify any of the following?

* Whether the agreement creates a (sub)recipient or (sub)contractor/vendor [ ]  Yes [ ]  No

relationship

* Whether the agreement is subject to the Single Audit Act (or OMB Circular [ ]  Yes [ ]  No

A-133)

* Whether the agreement requires compliance with Federal Cost [ ]  Yes [ ]  No

Principles (or OMB Circulars A-87, A-102, and/or A-110)

Comments:

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| **CHARACTERISTICS** | **EXPLANATIONS** |
| **Decision Making Authority**  |  |

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| **200.330 a. 1 Determines who is eligible to receive what Federal assistance;** |  |  |
| a. Does the entity determine who is eligible to participate in the federal program? | [ ]  Yes [ ]  No | If the entity determines whether a participant meets a federal program’s eligibility requirements for assistance, it is most likely a subrecipient.  |
| 200.330 a.3 Has responsibility for programmatic decision making; |  |  |
| a. Does the entity have the ability to make decisions about how services will be delivered to participants, in accordance with federal programmatic requirements? | [ ]  Yes [ ]  No | A contractor may provide services to clients in a program after eligibility has been determined by the recipient.  |
| **OR** |  |  |
| 200.330 b.4 Provides goods or services that are ancillary to the operation of the Federal program;  |  |  |
| b. Does the entity provide goods or services for the recipient’s own use? | [ ]  Yes [ ]  No | If the entity has authority to make decisions regarding the delivery of service, operations, or types of assistance provided within the terms of the agreement, it is typically a subrecipient.  |
| b. Does the entity provide services designated by the recipient to serve the recipient’s participants without regard to specific federal programmatic requirements? | [ ]  Yes [ ]  No | If the entity provides goods or services directly to the recipient or the program participants at the direction of the recipient and does not make programmatic requirements, it is typically a contractor.  |
| If you selected “yes” to **EITHER** item **a**, this is an indicator of a subrecipient relationship. |  | **Subrecipient Contractor****[ ]** **[ ]**  |
| If you selected “yes” to **EITHER** item **b**, this is an indicator of a contractor relationship.  |  |

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| **CHARACTERISTICS** | **EXPLANATIONS** |
| **Nature of Award** |  |

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| **200.330 a. 2 Has its performance measured in relation to whether objectives of a federal program were met;**  |  |  |
| a. Are the scope of work (or portion, if applicable) and terms and conditions of the agreement the same for the entity as they are for the recipient that received the federal funds? | [ ]  Yes [ ]  No | If the entity is providing a service for the recipient to meet the goal of the grant, it is a contractor; if the entity is providing a service that carries out a goal within the scope of the grant, it is a subrecipient. When a grant program contains multiple goals, it is possible for the recipient to complete part of the goals and for the entity to perform another part.  |
| a. Is the entity carrying out completion of the goal of the grant (or part, if applicable) as stated in the federal award? | [ ]  Yes [ ]  No |
| **OR** |  |  |
| 200.330 b.5 Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.  |  |  |
| b. Does the recipient develop the scope of work and terms and conditions of the agreement to meet the recipient’s needs? | [ ]  Yes [ ]  No | If the scope of the agreement is per the federal program terms/guidance, the entity is a subrecipient. A subrecipient may also provide programmatic or progress reports to ensure compliance with federal program requirements  |
|  |  | Conversely, if the scope of the agreement is per the recipient’s terms and not federal program guidance, and if the recipient’s oversight is governed only by the contract terms and conditions, it is a contractor.  |
| If you selected “yes” to **EITHER** item **a**, this is an indicator of a subrecipient relationship. |  | **Subrecipient Contractor** **[ ]  [ ]**  |
| If you selected “yes” to item **b**, this is an indicator of a contractor relationship.  |  |

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| **CHARACTERISTICS** | **EXPLANATIONS** |
| **Award Risk** |  |

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| **200.330 a. 4 Is responsible for adherence to applicable Federal program requirements specified in the Federal award;**  |  |  |
| a. Funding to the entity depends on the entity’s ability to best meet the objectives of the award. Although performance is measured against federal award objectives, the entity assumes little risk if the objectives are not met.  | [ ]  Yes [ ]  No | If the funding is given to the entity with a purpose of completing the goal of the grant, the recipient will be required to ensure the entity adheres to federal grant program guidance. The recipient will also be required to monitor the activities of the entity per Uniform Guidance section 200.331. The entity assumes little risk should federal grant guidance not be met. The risk falls with the recipient.  |
| **OR** |  |  |
| 200.330 b.5 Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.  |  |  |
| b. The entity assumes financial risk if they fail to deliver the goods or services agreed upon.  | [ ]  Yes [ ]  No | If the recipient directs specific activities to be completed by the entity, by providing goods or services, the risk falls on the entity to deliver, per the agreement terms. In this case, the entity would not be required to adhere to the federal grant program requirements, just the terms and conditions in the agreement with the recipient.  |
| If you selected “yes” to item **a**, this is an indicator of a subrecipient relationship. |  | **Subrecipient Contractor** **[ ]  [ ]**  |
| If you selected “yes” to item **b**, this is an indicator of a contractor relationship.  |  |

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| **CHARACTERISTICS** | **EXPLANATIONS** |
| **Criteria for Selection** |  |

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| **200.330 a. 5 In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.**  |  |  |
| a. Does the entity demonstrate a financial or public need for funding to carry out a project or provide a service?a. Will the entity be contributing match or other non-Federal funding in support of the award?a. Will the entity be reimbursed for only actual costs incurred? | [ ]  Yes [ ]  No[ ]  Yes [ ]  No[ ]  Yes [ ]  No | If the entity was chosen because it has the best widgets or services for the price, it has a contractor relationship with the with the recipient. Typically, a procurement method is followed, such as a competitive bid or RFP process. In this type of agreement, the entity usually makes a profit by delivering this good or service to the recipient. Payments to contractors are typically made based on contract terms.  |
| **OR** |  |  |
| 200.330 b.3 Normally operates in a competitive environment;  |  |  |
| b. Were procurement policies applied in the selection of the entity?b. Was the entity’s proposed price a factor in the selection process?b. Will the entity derive a profit from the agreement?  | [ ]  Yes [ ]  No[ ]  Yes [ ]  No[ ]  Yes [ ]  No | Conversely, if the entity was chosen because it was already providing a service within the guidelines of the grant program and wants to partner with the recipient to expand the delivery or assist in meeting the goal of the grant, it may be a subrecipient. Typically, the entity may not make a profit and may provide its own non-federal funding as match or cost sharing. The entity may have been chosen through an application process or an announcement of funding, as opposed to the procurement process described above. Payment to a subrecipient is generally based on actual expenses unless awarded on a fixed amount subaward (2 CFR 200.332). It is typical of subrecipients to submit budgets, financial reports, or copies of invoices to the recipient, to document activity.  |
| If you selected “yes” to **ANY** item **a**, this is an indicator of a subrecipient relationship. |  | **Subrecipient Contractor** **[ ]  [ ]**  |
| If you selected “yes” to **ANY** item **b**, this is an indicator of a contractor relationship.  |  |

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| **CHARACTERISTICS** | **EXPLANATIONS** |
| **Entity’s Business Environment** |  |

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| **200.330 b.1 Provides the goods and services within normal business operations;**  |  |  |
| b. Is the entity’s normal business to provide the goods or services being purchased in the agreement?  | [ ]  Yes [ ]  No | If a federal program provides funding to modify public buildings for handicapped accessibility and the recipient provides funs to an entity to update the entity’s building, per the terms of the award, then a subrecipient relationship exists.  |
| 200.330 b.2 Provides similar goods or services to many different purchasers;  |  |  |
| b. Does the entity provide the same goods or services to other organizations? | [ ]  Yes [ ]  No | Conversely, if the recipient hires an entity to update their own building to be handicapped accessible, then a contractor relationship exists.  |
| If you selected “no” to **EITHER** item, it is an indicator of a subrecipient relationship. |  | **Subrecipient Contractor** **[ ]  [ ]**  |
| If you selected “yes” to **BOTH** items, it is an indicator of a contractor relationship.  |  |

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| **Determination** |  **EXPLANATIONS** |

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| **Final Determination** | **Subrecipient Contractor** **[ ]  [ ]**  | Review all the entries and make an overall determination of the relationship. **Check the appropriate box in this section.**  |

*The checklist and justification should be prepared by the person who signed the subaward or contract agreement and reviewed by the Office of Grants, Research and Sponsored Programs.*

**Determined by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

 **(signature of person initially making decision) (date)**

**Approved by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

 **(signature name of person initially making decision) (date)**

***Justification of Determination:***

*Based on the relationship determined above, see additional guidance on requirements governing agreements.*

*Section 200.331 – “Requirements for pass-through entities,” for subrecipient agreements,*

*Section 200.317 through 200.326 – “Procurement Standards,” for contractor agreements.*

*For Office of Grants, Research and Sponsored Programs:*

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| **Determination** |  **EXPLANATIONS** |

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| **Final Determination of Grants, Research and Sponsored Programs** | **Subrecipient Contractor** **[ ]  [ ]**  |

***Approved by****: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*

 **(signature of Director or Grants, Research & Sponsored Programs) (date)**