



Subrecipient vs Contractor Checklist

Principal Investigator: _____ University Proposal Number (OSP use only): _____

OBJECTIVE: The checklist provides assistance to determine if an outside entity providing goods or services for a proposed project should be classified as a subrecipient or contractor (vendor).

INSTRUCTIONS: Complete sections one and two of the checklist by marking all characteristics that apply to the outside entity. The section with the greatest number of marked characteristics indicates the likely type of relationship the entity will have with the University. On occasion there may be exceptions to the type of relationship indicated by the completed checklist. In these situations, the substance of the relationship should be given greater consideration than the form of agreement between the TTUHSC and the outside entity. Section 3 should be used to provide documentation on the use of judgment in determining the proper relationship classification.

NAME OF OUTSIDE ENTITY: _____

SECTION 1 - SUBRECIPIENT

Description: A subaward is for the purpose of carrying out a portion of a Federal award and creates a Federal assistance relationship with the subrecipient. Characteristics which support the classification of the non-Federal entity as a subrecipient include when the non-Federal entity:

- ☐ 1. The entity determines who is eligible to receive what Federal assistance;
- ☐ 2. The entity usually retains title to and bears responsibility to protect intellectual property that it creates during the research project.
- ☐ 3. The entity's Principal Investigator and/or key personnel may author publications related to its portion of the research activities.
- ☐ 4. The entity has its performance measured in relation to whether objectives of a Federal program were met;
- ☐ 5. The entity has responsibility for programmatic decision making;
- ☐ 6. 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.

Entities that include these characteristics are responsible for adherence to applicable Federal program requirements specified in the Federal award.

SECTION 2 - CONTRACTOR

Description: A contract is for the purpose of obtaining goods and services for the non-Federal entity's own use and creates a procurement relationship with the contractor. Characteristics indicative of a procurement relationship between the non-Federal entity and a contractor are when the non-Federal entity receiving the Federal funds:

- ☐ 1. The entity provides the goods and services within normal business operations;
- ☐ 2. The entity provides similar goods or services to many different purchasers;
- ☐ 3. The entity normally operates in a competitive environment;
- ☐ 4. The entity provides goods or services that are ancillary to the operation of the Federal program.
- ☐ 5. The entity does not possess ownership of intellectual property created during the research project.
- ☐ 6. The entity does not produce publications related to the research project.

Entities that include these 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

FINAL DETERMINATION:

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SUBRECIPIENT

☐

CONTRACTOR

OPTIONAL - SECTION 3 - USE OF JUDGMENT (use only when the determination cannot clearly be made using the above criteria)

Description: In determining whether an agreement between a pass-through entity and another non-Federal entity casts the latter as a subrecipient or a contractor, the substance of the relationship is more important than the form of the agreement. All of the characteristics listed above 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.

Explanation of Use of Judgment Determination:

Prepared By: _____

Date: _____