

SUBRECIPIENT AND CONTRACTOR DETERMINATION

OMB Uniform Guidance, 2 CFR 200 section 200.330 requires a case-by-case determination of whether an agreement “casts the party receiving the funds in the role of a subrecipient or a contractor.” This form will be used by the University (UA) to document this required determination.

PI/Sponsor _____ / _____

Name of Organization: _____

Type of Organization: (i.e. nonprofit, for-profit, individual) _____

TO COMPLY WITH FEDERAL REQUIRMENTS, IF EITHER A SUBRECIPIENT OR A CONTRACTOR WILL RECEIVE \$150,000 OR MORE, THE PI MUST VERIFY THE REASONABLENESS OF THE AMOUNT IN THE PROPOSED BUDGET.

Please read the following carefully to determine which designation, Subrecipient or Contractor, is appropriate:

It is imperative to correctly identify which category your recipient entity falls into. Remember, it is the nature of the relationship in the context of the project that determines whether or not an entity is a subrecipient or a vendor. The dollar amount of the project is not a determining factor. Problems that can be avoided through correct identification include:

- Budget errors due to incorrect application of Facilities and Administrative (F&A) Cost Rates
- Delays in obtaining sponsor prior approval for unbudgeted subcontracts.
- Delays in processing requisitions for purchased services budgeted as subcontracts.
- Difficulty meeting audit and compliance requirements, particularly when a for-profit organization is misclassified as a subrecipient.

Subrecipient – An entity that will carry out part of the scope of work under an award received by UA.

Contractor – An entity from which UA will purchase goods or services for its own use in carrying out the award’s scope of work. (This could be through a [Professional Service Agreement](#).)

Please refer to the chart below for helpful identifying factors in making your determination:

Subrecipient	Contractor
Reimbursed for actual costs as outlined in the award agreement	Paid a fee or other amount above cost
Provides customized/unique services	Provides similar services to multiple customers
Does not operate in a competitive environment	Operates in a competitive environment
Will usually own the intellectual property it develops	UA will own the IP generated under the project
Technical lead would be considered equivalent to a Co-PI on the UA award	Technical lead would not be equivalent to a Co-PI on the UA award
Technical personnel will author/co-author project publications	Technical personnel will not contribute to project publications

Based on the above information, the receiving entity has been determined to be designated as:

Subrecipient

If Subrecipient has been selected, the entity* will be receiving a notice informing it of compliance and other obligations that may result should an award be received. You should be familiar with these obligations, which may be viewed by selecting the link, "[Notification to Subrecipient](#)".

Contractor

If Contractor has been selected, the University's [Procurement processes](#) must be followed, including those in place to comply with [State of Alabama Competitive Bid Law](#) when the amount is \$15,000 or more. Contracts for certain Professional Services are exempt from the bid law but all must follow the University's [Professional Services Policy](#).

*Low-risk entities, such as those participating in the Federal Demonstration Partnership (FDP) Expanded Clearinghouse, will not receive this notification.

If this relates to a proposal processed through Cayuse, please upload the completed form to the attachments section in Cayuse SP or email it to your [Grants Specialist](#). If you have any questions, please feel free to contact the Office for Sponsored Programs at 348-5152.