

CHECKLIST FOR DETERMINING IF AN ENTITY RECEIVING FUNDS HAS A CONTRACTOR OR SUBRECIPIENT RELATIONSHIP

This document is intended to help an Applicant of federal funds make a judgment as to whether each agreement it makes, for the disbursement of federal program funds, casts an entity receiving the funds in the role of a contractor or a subrecipient (2 CFR §200.300 of the Uniform Guidance).

You may find that not all of the characteristics of a contractual relationship or all of the characteristics of a subrecipient relationship exist in every circumstance. One or two *No* responses does not necessarily mean an entity is, or is not, a particular relationship. A judgment should be based on the totality of responses. Complete Sections 1 and 2 of the Checklist to determine if a particular agreement is best classified as a Contract or a Subaward. Section 3 should be used to provide the rationale on the use of judgment in determining the relationship classification.

DEFINITIONS:

Non-Federal Entity: A state, local government, Indian tribe, institution of higher education, or nonprofit organization that carries out a Federal award as a recipient or subrecipient (2 CFR §200.69 of the Uniform Guidance).

Subrecipient: A non-federal entity that receives a Subaward for the purpose of carrying out part of a federal award. The Subaward creates a federal financial assistance relationship between the applicant and subrecipient (2 CFR §200.93 & §200.330 (a) of the Uniform Guidance).

Contractor: A non-federal entity that receives a contract for the purpose of providing goods and services for the awarding non-federal entity's own use. The Contract creates a procurement relationship between the applicant and the contractor (2 CFR §200.22 & §200.330 (b) of the Uniform Guidance).

Entity: Refers to either a subrecipient or a contractor as described above.

Applicant: Refers to the non-federal entity applying for federal grant funds (federal financial assistance).

SECTION 1 - CHARACTERISTICS OF A CONTRACTOR RELATIONSHIP

1. Does the Entity provide goods or services for the Applicant's own purposes or use or for program participants *at the direction of the Applicant*?

Yes No

For services to program participants, the Applicant determines participant eligibility and refers eligible participants to the Entity.

2. Does the Entity provide services as designated by the Applicant to serve the Applicant's participants without regard to specific federal programmatic requirements?

Yes No

The Entity does not make programmatic decisions or adhere to specific program requirements. The Applicant determines the specific activities and types of services to be provided based on federal program requirements.

3. Does the Applicant develop the scope of work and terms and conditions of the agreement to meet the Applicant's needs?

Yes No

The scope of the agreement is per the applicant's terms and not the federal program terms/guidance. The Entity is not subject to compliance requirements of the federal program as a result of the agreement (this falls to the Applicant), though similar requirements may apply for other reasons.

4. The Entity assumes financial risk if they fail to deliver the goods or services agreed upon.

Yes No

The Applicant directs specific activities to be completed by the Entity, by providing goods or services, and the risk falls on the Entity to deliver, per the agreement terms. The Entity is not required to adhere to the federal grant program requirements, just the terms and conditions in the agreement with the Applicant.

5. Were procurement policies applied in the selection of the Entity?

Yes No

6. Was the Entity's proposed price a factor in the selection process?

Yes No

The Entity was chosen because it has the best products or service for the price.

7. Will the Entity derive a profit from the agreement?

Yes No

The Entity usually makes a profit by delivering this good or service to the Applicant. Payments to Contractors are typically made based on contract terms.

8. Is the Entity's normal business to provide the goods or services being purchased in the agreement and does the Entity provide the same goods or services to other organizations?

Yes No

Total Yes responses

Total No responses

SECTION 2 - CHARACTERISTICS OF A SUBRECIPIENT RELATIONSHIP

1. Does the Entity determine who is eligible to participate in the grant-funded project?

Yes No

The Entity determines whether a participant meets federal program eligibility requirements to receive grant-funded services.

2. 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

The Entity has the authority to make decisions regarding the delivery of services or the types of services provided within the terms of the Agreement.

3. 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 Applicant that received the federal funds?

Yes No

The Entity is providing a service that carries out a goal within the scope of the Applicant's grant. When a grant program contains multiple goals, it is possible for the Applicant to complete part of the goals and for the Entity to perform another part.

4. Is the Entity carrying out completion of the goal of the grant (or part, if applicable) as stated in the Applicant's application?

Yes No

The entity may provide programmatic or progress reports to ensure compliance with federal program requirements, including outputs and performance outcomes.

5. Payments to the Entity depend 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 Applicant will be required to ensure the Entity adheres to federal grant program guidance. The Entity assumes little risk should federal grant guidance not be met. The risk falls with the Applicant.

6. Does the Entity demonstrate a financial or public need for funding to carry out a project or provide a service?

Yes No

The Entity was chosen because it was already providing a service within the guidelines of the grant program and wants to partner with the Applicant to expand the delivery or assist in meeting the goal of the grant. The Entity may have been chosen through an application process or an announcement of funding,

7. Will the Entity be contributing match or other non-Federal funding in support of the award?

Yes No

The Entity may not make a profit and may provide its own non-federal funding as match.

8. Will the Entity be reimbursed for only actual costs incurred?

Yes No

Payment is generally based on actual expenses unless awarded on a fixed amount Subaward. The Entity typically submits budgets, financial reports, or copies of invoices to the Applicant to document activity.

Total Yes responses

Total No responses

SECTION 3 – USE OF JUDGMENT

Provide the rationale on the use of judgment in determining the relationship classification:

DETERMINATION of RELATIONSHIP

Name of Entity:

Based on the totality of responses in the Checklist and, as appropriate, Use of Judgment, the Applicant has determined that the Entity is a:

Contractor Subrecipient

AUTHORIZED SIGNATURE

Organization Name: _____

Authorized signature: _____

Date: _____