

Subrecipient versus Contractor Relationship with UConn

The following characteristics is provided as guidance in determining whether to include an entity as a subrecipient or contractor in a sponsored proposal. This determination should be done in the early budget preparation stage by the Principal Investigator (PI) of the proposal so the entity can be correctly reflected in the budget and proposal. Contact Sponsored Program Services (SPS) if assistance is needed with determining whether a proposed entity's classification should be a subrecipient or contractor. Please note that the use of contractor includes consultants where a fee-for-service type relationship exists.

Definitions from Uniform Guidance (2 CFR, PART 200)

Subrecipients - Per §200.92 a subrecipient is 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 is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency. In general, a subrecipient relationship with UConn will include the following characteristics (per §200.330):

- Has its performance measured in relation to whether objectives of a Federal program were met
- Has responsibility for programmatic decision making
- Is responsible for adherence to applicable Federal program requirements specified in the Federal award
- 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.

Contractor – Per §200.22 a contract means a legal instrument by which a non-Federal entity purchases property or services needed (i.e. like a vendor) to carry out the project or program under a Federal award. In general, the contractor relationship with UConn will include the following characteristics (per §200.330):

- Provides the goods and services within normal business operations
- Provides similar goods or services to many different purchasers
- Normally operates in a competitive environment
- Provides goods or services that are ancillary to the operation of the Federal program
- Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.

In determining whether an agreement between a pass-through entity and another non-Federal entity is classified 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 contract.