

## Tip Sheet for Determining Subrecipients vs. Contractors

Type of Relationship	Subaward (S)	Procurement Contract (P)	S/P
Eligibility	Subawardees must meet the same eligibility criteria as the prime recipient of the federal award. Can't be suspended or debarred party	Contractor "eligibility" is determined by the prime recipient or subrecipient following their procurement policies. Must be a "responsible" contractor. Can't be suspended or debarred party	
Performance	Subawardees are measured against the federal award program performance objectives and subrecipients contribute to the successful completion of the objectives.	Performance is measured based on the completion of terms and conditions of contract such as the delivery of goods, or completion of the services described in the statement of work.	
Decision-making	Subrecipients typically have responsibility for a degree of programmatic decision-making related to the subawarded work.	Contractors typically have responsibility for completion of tasks and deliverables or delivery of goods.	
Compliance	Subrecipients must comply with the regulations in the Uniform Guidance, agency rules and the subaward terms and conditions.	Contractors must comply with the applicable procurement regulations in the Uniform Guidance, agency rules and the contract terms and conditions.	
Objectives	Subrecipients use federal funds to complete the objectives of a program, as opposed to providing goods and services.	Contractors provide goods or services that supplement the operation of the Federal program.	
Competitive Environment	Subrecipients may or may not operate in a competitive environment.	Contractors normally operate in a competitive environment	
Non-exclusive	Subrecipients may or may not support multiple funded projects	Contractors provide similar goods or services to many different purchasers	
Purpose	Subrecipients typically support public-purpose projects funded by federal and non-federal sources	Contractors provide goods and services within their normal business operations	

## Tip Sheet for Subrecipients vs. Contractors Terminology

*Terminology between subrecipients and contractor is often not clearly used both with grant recipients and with federal agencies and regulations. Here are some tips about using terminology to communicate more clearly.*

Type of Relationship	Subaward (S)	Procurement Contract (P)
Purpose	<ul style="list-style-type: none"> <li>• Subrecipients typically support public-purpose projects funded by federal and non-federal sources</li> </ul>	<ul style="list-style-type: none"> <li>• Contractors provide goods and services within their normal business operations</li> </ul>
Contracting Instrument	<ul style="list-style-type: none"> <li>• Award <b>Agreement</b>, Subaward <b>Agreement</b></li> </ul>	<ul style="list-style-type: none"> <li>• Procurement <b>Contract</b>, <b>Purchase Order</b>, Independent <b>Contractor Agreement</b></li> </ul>
Name for Party	<ul style="list-style-type: none"> <li>• Subrecipient, Subawardee, Subgrantee</li> </ul>	<ul style="list-style-type: none"> <li>• Contractor, Subcontractor, Vendor</li> </ul>
Process for starting the relationship	<ul style="list-style-type: none"> <li>• Request for Application (RFA)</li> </ul>	<ul style="list-style-type: none"> <li>• Request for Proposal (RFP) Request for Bid (RFB)</li> </ul>
Measured by	<ul style="list-style-type: none"> <li>• Program Objectives, performance measurements</li> </ul>	<ul style="list-style-type: none"> <li>• Deliverables, Statement of Work (SOW) quantity of goods delivered</li> </ul>
Assessment Tool	<ul style="list-style-type: none"> <li>• Risk Assessment</li> </ul>	<ul style="list-style-type: none"> <li>• Contractor Evaluation</li> </ul>
Purpose of Assessment	<ul style="list-style-type: none"> <li>• Determine Subrecipient Monitoring Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Determine if Contractor is responsible</li> </ul>
Monitoring Required	<ul style="list-style-type: none"> <li>• Yes, following the Subrecipient Monitoring Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Yes, as part of the procurement contract administration process</li> </ul>
Prior Approval from Funder Required	<ul style="list-style-type: none"> <li>• Yes 100%</li> </ul>	<ul style="list-style-type: none"> <li>• No, unless required in the award terms and conditions or it is a non-competitive (sole source) procurement method</li> </ul>
Cost Basis	<ul style="list-style-type: none"> <li>• Actual expenditures (no profit) or Fixed Amount Subaward</li> </ul>	<ul style="list-style-type: none"> <li>• Firm fixed price or cost-reimbursement with negotiated profit element</li> </ul>
Other:	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
Other:	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>