

Subrecipient vs. Vendor Determination Checklist

Federal Program Name _____

CFDA Number _____

Name of Contractor (Vendor) or Grantee (Subrecipient) _____

Active Contract Numbers (if any) _____

Please complete the following checklist by placing an X in the box under the appropriate column for each question for either subrecipient or vendor.

Explanations are provided below the questions to assist with your determination. One subrecipient check does not necessarily make the receiving agency a subrecipient, except for question A. If question A is subrecipient, you may skip the rest of the questions. Please indicate your determination at the bottom.

A. Decision-making Authority

If your grant is a service delivery grant and the receiving agency determines eligibility of participants receiving services paid for by the grant funds, then they are a subrecipient.

Does the receiving agency have authority to make program decisions about delivery, and does the receiving agency determine who is eligible to participate in the program?

If yes, this is an indicator of a subrecipient relationship.

Subrecipient

Vendor

If no, this is an indicator of vendor relationship.

B. Solicitation and Competition

It is important to look at how and why the receiving agency was chosen. Is an RFP required for a competitive purchase? If so, the receiving agency would be a vendor. If not, the receiving agency may be a subrecipient — but it depends on the scope of the contract.

Were you required to obtain a bid or a quote?

If yes, this is an indicator of a vendor relationship.

Subrecipient

Vendor

If no, this is an indicator of subrecipient relationship.

Instead of contracting for goods or services, are you making an announcement that funding is available or seeking applications to apply for funding even if the rewarding of funds is on a competitive basis?

If yes, this is an indicator of a subrecipient relationship.

Subrecipient

Vendor

If no, this is an indicator of vendor relationship.

C. Purchasing Relationship

Typically, if the receiving agency is in a competitive market, they are providing a service that's available by other entities and they are a vendor. There are also sole source providers — but if they are providing the sending agency with a unique service they don't provide to anyone else, and no other companies offer the service, then the receiving agency may be a subrecipient — depending on the answers to questions in section E.

Does the receiving agency provide similar goods or services to many different purchasers?

If yes, this is an indicator of a vendor relationship.

Subrecipient

Vendor

If no, this is an indicator of subrecipient relationship.

D. Criteria for Selection

If the contract is a vendor relationship, you chose them because they had the best service or widgets for the price. Most likely you found that out because you went out on bid. If the receiving agency was chosen maybe because they are already providing a service allowable by your grant and you want to partner with them to expand the delivery and assist you in meeting the goal of your grant, the receiving agency may be a subrecipient — depending on the answers to questions in section E.

What was the most important reason for selecting this receiving agency?

1. They demonstrated a financial or public need for funding to carry out a project or provide a service.
2. Their ability to deliver the goods or services required by your program?

If you chose #1, this is an indicator of a subrecipient relationship.

If chose #2, this is an indicator of a vendor relationship.

Subrecipient **Vendor**

E. Statement of Work / Scope of Services

Ask yourself, is the receiving agency providing the sending agency a service to help the sending agency meet the goal of the grant, or is the service actually carrying out an intended goal of the grant? If your grant has several goals, it is possible the sending agency completes part, and the receiving agency performs the other part. This would make them a subrecipient. For example, if your grant has goals of training, service delivery, and data collection, you may contract with another party to complete the training portion and perform the other two goals in-house. If you simply provide the receiving agency the funding to perform the training and the scope of the contract is per the grant award notice terms/guidance, then the receiving agency is a subrecipient. If you provide the receiving agency funding, but you have developed how the training should be conducted and maybe you even oversee the receiving agency when they are performing the training, then the receiving agency is a vendor.

Sometimes there is a very thin line between the two! You should error on the side of caution. If there is any question, treat the receiving agency as a subrecipient.

Which statement below best fits your contract?

1. The scope of work, terms, and conditions of the contract were developed by the sending agency.
2. The scope of work, terms, and condition of the contract are the same for the receiving agency as they are for the sending agency per federal grant guidance.

If you chose #1, this is an indicator of a vendor relationship.

If you chose #2, this is an indicator of a subrecipient relationship.

Subrecipient **Vendor**

Which statement below best fits your contract?

1. The receiving agency is providing the agency support or assistance in carrying out the mission of the grant as stated in the federal award.
2. The receiving agency is carrying out completion of the mission (or part of, if applicable) as stated in the federal award.

If you chose #1, this is an indicator of a vendor relationship.

If you chose #2, this is an indicator of a subrecipient relationship.

Subrecipient **Vendor**

F. Nature of Award

If the funding is given to the receiving agency with a purpose of completing the goal of the grant and the agency has no oversight on how the receiving agency performs or accomplishes that grant goal, then the receiving agency is a subrecipient. If the sending agency provides funding and asks for specific activities to be completed by the receiving agency to help it complete a part of the grant then the receiving agency is a vendor.

Which statement best fits how these federal funds will be used:

1. The receiving agency will use the funds to carry out its own public project and/or provide a public service.
2. The receiving agency is assisting the sending agency in meeting its program objectives. The goods and services obtained through this contract help the sending agency meet its goals.

If chose #1, this is an indicator of a subrecipient relationship.

If chose #2, this is an indicator of a vendor relationship.

Subrecipient **Vendor**

G. Pricing of the Agreement

Will the receiving agency make a profit from the contract? Typically, vendors will compete for business and charge a price, which will net them a profit. A subrecipient will receive the funding and use it all to deliver the service or supplement the receiving agency in a service they would maybe deliver anyway.

Which statement best fits terms of payment:

1. The receiving agency is reimbursed for its actual costs as outlined in the contract and should not earn a profit from the terms of payment.
2. The receiving agency is paid a fee for service or fixed price above its cost (for profit).

If you chose #1, this is an indicator of a subrecipient relationship.

Subrecipient

Vendor

If chose #2, this is an indicator of a vendor relationship.

H. Cost Sharing / Matching

If the receiving agency is using their own funding to support the goal of the contract and is required or voluntarily provides matching funds in cash, kind or program income, the receiving agency is a subrecipient.

Is the receiving agency required to contribute its own non-federal resources to help pay for the program/project/service?

If yes, this is an indicator of a subrecipient relationship.

Subrecipient

Vendor

If no, this is an indicator of a vendor relationship.

I. Award Risk

If the receiving agency is a vendor, they won't get paid if they don't deliver the product or the services as specified in the contract. They assume all financial risk. In a subrecipient relationship, the sending agency is responsible for the receiving agency's performance. The sending agency must monitor the receiving agency to ensure they are performing as outlined in the grant terms and conditions. If they don't perform according to grant guidance it is the sending agency who will be held responsible by the federal agency and auditors.

Which statement best fits the assumption of risk:

1. The funding to the receiving agency depends on its ability to make its best effort to meet the objectives of the award. Although performance is measured against federal award objectives, the receiving agency assumes little risk if the performance doesn't meet its goals.
2. The receiving agency assumes all financial risk if they fail to deliver the goods or services agreed upon.

If you chose #1, this is an indicator of a subrecipient relationship.

Subrecipient

Vendor

If you chose #2, this is an indicator of a vendor relationship.

Determination

Review all your entries and make an overall determination of the relationship.

Subrecipient

Vendor

Check the appropriate box to indicate the final determination.

* This form is for your use/records and is not part of the agency's submission package.