

Subrecipient vs. Contractor Classification Checklist

Objective:

The Uniform Guidance (effective December 26, 2014) implemented new definitions of Contractor (formerly called vendor) and Subrecipient. Generally, the determination of the relationship with an entity is verified through the institutional review of the proposal narrative, budget justification, and other related proposal documents, as well as through discussions with key personnel prior to proposal submission. This form will be used to assess the University of Kansas relationship with the external entity proposed to be a subrecipient or contractor on external sponsored projects. This form will be used for any proposal in which a contractor or subrecipient is listed in the budget.

Instructions

Pre-Award staff will perform the initial assessment. The form will then be provided to the PI for review, modification (if necessary), and approval. Pre-Award staff will finalize the determination.

Initial Assessment: Pre-Award staff will complete Sections 1 & 2 by marking all characteristics that apply to the external entity, based on review of proposal text, budget, and other related documents. The section with the greatest number of characteristics marked ‘Yes’ will typically determine which type of relationship is selected. On occasion there may be exceptions to the relationship type indicated by the checklist. In this case, a narrative justification will be added to Section 3. **PI Review and Approval:** The form will be provided to the PI for review and approval. Any variation from the Pre-Award selections needs to be noted. If the PI does not agree with the pre-award determination, justification of the reason for disagreement needs to be provided in Section 3. The PI will sign the form and return to Pre-Award.

Final Approval: Pre-Award will review any changes, address them as necessary, and finalize the determination.

Name of Subrecipient/Contractor: _____

Project Title: _____

PeopleSoft Number: _____ **CFDA number (if available):** _____

Sponsor Name: _____

Section 1-Subrecipient

Description: *A subaward is for the purpose of carrying out a portion of an award and creates an assistance relationship with the subrecipient. Characteristics which support the classification of the entity receiving funds as a subrecipient include:*

Yes No

1. Is responsible for programmatic decision making.
2. Performance represents an intellectually significant portion of the overall work.
3. Uses the funds to carry out a program of the funding entity as opposed to providing goods or services.
4. Performance is measured based on meeting objectives of the funding entity’s program.

Entities that include these characteristics are responsible for adhering to applicable program requirements specified in the award.

Section 2-Contractor

Description: *A contract is for the purpose of obtaining goods and services for the funding entity’s own use and creates a procurement relationship with the contractor. Characteristics indicative of a procurement relationship between the funding entity and a contractor include when the entity receiving the funds:*

Yes No

1. Provides the goods and services within normal business operations.
2. Provides similar goods or services to many different purchasers.
3. Normally operates in a competitive environment.
4. Provides goods or services that are ancillary to the operation and outcome of the funding entity’s program.

Entities that include these characteristics are not subject to compliance requirements of the program as a result of the agreement, though similar requirements may apply for other reasons.

Determination

Subrecipient

Contractor

Section 3 –Use of Judgment

If the selections in Section 1 & 2 do not definitively reflect a set determination of relationship, Pre-Award will include notes here to explain the determination. Upon PI review, if the characteristics in Sections 1 & 2 do not reflect the true nature of the relationship, a justification of this "use of judgment" must be provided by the Principal Investigator to explain why a different relationship determination should be made by the KU Office of Research.

Explanation of Use of Judgment Determination:

Signatures:

PI signature is required after review. Electronic signature/scanned form is acceptable.

Investigator Name: _____

Investigator Signature: _____

Date: _____

Pre-Award signature will be completed once final determination is approved.

Pre-Award Preparer/ Reviewer Name: _____

Preparer/Reviewer Signature: _____

Date: _____