

“Subrecipient” versus “Contractor” Determination

When working with a third-party organization under a sponsored project,* BYU is required to determine whether the third party should be classified as a “subrecipient” or as a “contractor.”

This determination is based on the *substance* of the relationship between BYU and the third party rather than the form of the legal instrument.

- A **subrecipient** is an entity that receives a subaward from a pass-through entity [BYU] *to carry out part of a Federal award*, creating a Federal assistance relationship with the subrecipient.
- A **contractor** is an entity that receives a contract by which a recipient or subrecipient [BYU] *purchases property or services needed to carry out the project or program under a Federal award*. The contract is for the purpose of obtaining goods and services for BYU’s own use and creates a procurement relationship with the contractor.

Characteristics that support each type of classification are set forth below.

Please check all boxes that may apply. Whichever category has the most boxes marked is likely the correct classification, subject to review and confirmation by your RAO Research Administrator.

Third-Party Organization: _____

Subrecipient:	Contractor:
<input type="checkbox"/> Determines who is eligible to receive what Federal assistance;	<input type="checkbox"/> Provides the goods and services within normal business operations;
<input type="checkbox"/> Has its performance measured in relation to whether objectives of a Federal program were met;	<input type="checkbox"/> Provides similar goods or services to many different purchasers;
<input type="checkbox"/> Has responsibility for programmatic decision-making;	<input type="checkbox"/> Normally operates in a competitive environment;
<input type="checkbox"/> Is responsible for adherence to applicable Federal program requirements specified in the Federal award	<input type="checkbox"/> Provides goods or services that are ancillary to the operation of the Federal program
<input type="checkbox"/> 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.	<input type="checkbox"/> Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.

References: 2 CFR §§ 200.1, 200.22, 200.92, 200.331.

* These standards are established by Federal regulations that apply to Federal awards as defined by 2 CFR § 200.1. However, BYU applies these standards on all sponsored projects, regardless of whether the ultimate source of funding is federal.

Completed by: _____ (BYU PI) Date: _____

Reviewed and Confirmed by: _____ (RAO Administrator) Date: _____