

## **Subrecipient Vs. Contractor Under the UG**

*The Uniform Guidance includes new language on determining whether a relationship should be characterized as a subrecipient or a contractor ("contractor" replaced "vendor" from the previous circulars).*

### **Subrecipient**

- Carrying out a portion of a Federal award and creates a Federal assistance relationship
- Can decide who to subaward or contract with to perform scope of work
- Performance measured in relation to whether objectives of the Federal program were met
- Has responsibility for programmatic decision making
- Is responsible to adhering to applicable Federal program requirements (the UG, specific program terms and conditions)
- Funding is used to carry out the program for public purpose, not for providing goods and services for the benefit of Astate

### **Contractor**

- Purpose is to obtain goods and services for our use and creates a procurement relationship
- Provides the goods and services within normal business operations
- Provides similar goods and services to many different purchasers
- Normally operates in a competitive environment
- Goods or services provide necessary support to the operations of the Federal program
- Is not subject to Federal program requirements, but must meet Astate rules and regulations

\*Per the Uniform Guidance, Astate must use judgement on assigning the subrecipient or contractor classification, and the substance of the relationship is more important than the form of the agreement.