Sponsored Project Outgoing Agreement Guide

Is the Provider a Subrecipient or a Contractor?

**Subrecipients**
A subaward is for the purpose of carrying out a portion of a Federal award and creates a Federal assistance relationship with the subrecipient.

Subrecipients may have some or all of the following characteristics:
- Determines who is eligible to receive what Federal assistance;
- Has its performance measured in relation to whether objectives of a Federal program were met;
- Has responsibility for programmatic decision making;
- Is responsible for adherence to applicable Federal program requirements specified in the Federal award; and
- 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.

**Contractors**
A contract is for the purpose of obtaining goods and services for the non-Federal entity's own use and creates a procurement relationship with the contractor.

Contractors have the following characteristics:
- Provides the goods and services within normal business operations;
- Provides similar goods or services to many different purchasers;
- Normally operates in a competitive environment;
- Provides goods or services that are ancillary to the operation of the Federal program; and
- Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.

Need Assistance in determining the appropriate relationship between Subrecipient or Contractor?
Please see the “Sub-Award Questionnaire – Subrecipient or Contractor” on the Business Services Forms website

Source: OMB Uniform Guidance, 2 CFR 200.330