

How to Determine Subrecipient, Consultant, or Contractor/Vendor Classification

PURPOSE: To determine the relationship with an external entity prior to proposal submission, in compliance with [2 CFR 200.331](#), [2 CFR 200.201](#) and [2 CFR 200.459](#).

This checklist will assist OSP to determine what type of relationship is most appropriate for your sponsored project when working with an individual, company, or organization outside of institutes of higher education (IHE). Subrecipients and Consultants are going to be external to the university. Vendors can be both internal and external. Internal vendors would include units or centers who are a UNO approved service center, allowed to charge fees for their services and accept revenue.

The Grants Coordinator on the Pre-Award Team verifies this relationship during budget development stage of your proposal. If the sponsored project is funded and the entity is a subrecipient or consultant, then an agreement will be prepared by the Awards Team. Documentation to establish a relationship with a vendor is facilitated through the [Procurement Office](#). Internal vendors are engaged through each service center's standard operating procedure.

DEFINITIONS FROM UNIFORM GUIDANCE (UG) 2 CFR § 200:

Subrecipient:

§200.93 Subrecipient means a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

Professional service costs (AKA: Consultant):

§200.459 Professional and consultant services rendered by persons who are members of a particular profession or possess a special skill, and who are not officers or employees of the non-federal entity.

Contractor (Vendor, AKA: Service Provider):

§200.23 Contractor means an entity that receives a contract as defined in §200.22 Contract.

§200.22 Contract means a legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award.

BUDGET IMPLICATIONS/CATEGORIES:

It is important to know the relationship of an external entity as each category is put in a different budget line. Where the costs are entered has an effect on the F&A calculation. If the costs are entered incorrectly, the budget may not be accurate, potentially impacting the UNO PI who may need to pay for additional costs out of their own project to meet the sponsor requirements.

Subrecipient: costs are in the subaward section of the budget

Professional service costs (AKA: Consultant): costs are in the consultants line of the budget

Contractor (Vendor, AKA: Service Provider): costs are in the other expense/operating under direct cost lines of the budget

AWARD AGREEMENT OR DOCUMENTATION:

Subrecipient:

UNO issues subawards to other entities when they will be working in collaboration with an UNO PI to perform a substantive portion of a grant or contract's programmatic effort. Subawards are issued as cost reimbursable or fixed price. A cost reimbursable agreement is based on actual project expenditures incurred during the performance period, up to an agreed amount. Fixed price agreements are issued when performance is based on deliverables, each of which is assigned a lump sum amount. The type of subaward is determined on the individual factors of a project. Most are issued using the same mechanism as the prime award to UNO.

- **If a subrecipient anticipates a fixed price agreement, contact your grants coordinator prior to NuRamp routing.** This enables time for the Pre-Award and Awards teams to review the RFP and UG to determine if a fixed price agreement is allowable prior to submission. This helps to facilitate sponsor approval and processing at award time.
- In accordance with [2 CFR 200.333](#), fixed price subawards can be provided up to the Simplified Acquisition Threshold. The current threshold is set at \$250,000. Subawards over the threshold will be issued as cost reimbursable.

Professional/Consultant Services:

UNO requires a signed consultant agreement in place prior to work starting. This can be issued at time of award or once a consultant is identified. Payments for consultants will not be made without a signed written agreement or for work performed prior to the signed written agreement.

- **Note: University personnel (anyone within the NU system) may not serve as paid consultants on grants or contracts awarded to UNO.** If an entity (not individual) is owned by a NU system employee, please contact your grants coordinator as there are special requirements to include the entity in a sponsored project.

Contractor/Vendor:

When purchasing goods or services, [UNO procurement guidelines](#) must be followed. Multiple outside bids or documentation may be required prior to signing agreements or placing an order. Upon award notification, contact the procurement office for next steps.

Checklist to Determine Subrecipient or Contractor/Vendor Classification

INSTRUCTIONS:

Complete sections one through three of the checklist by marking all questions that affirmatively apply to the external entity. The section with the greatest number of marked boxes indicates the likely type of relationship the entity will have with the University. On occasion, there may be exceptions to the type of relationship indicated by the completed checklist. In these situations, the substance of the relationship should be given greater consideration than the form of agreement between the University and the external entity. OSP will make the final determination of the relationship and provide next steps.

NAME OF EXTERNAL ENTITY: _____

SECTION 1 - SUBRECIPIENT

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

1. Performance represents an intellectually significant portion of the overall programmatic effort and be measured against the objectives of the program
2. Funds will be used to carry out a program for a public purpose, as opposed to providing goods or services for the benefit of UNO
3. Recipient PI will perform investigator-level work
4. Will be responsible for adherence to compliance requirements, including the Federal program requirements specified in the award
5. Are likely to publish their results and/or co-author publications with the UNO PI
6. UNO PI will need to oversee their involvement in the project and verify satisfactory performance before payment is made

SECTION 2 – CONSULTANT/SERVICE PROVIDER

***Description:** 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.*

1. Provides professional advice or service
2. Is paid a set fee based upon an established fee schedule for their work
3. Uses their own equipment and materials, not equipment or materials from their institution for the work on the project
4. Is not an UNO or NU System employee, nor owns or has a vested interest in the entity
5. Is considered an independent contractor responsible for controlling how the assigned work will be performed without specific instructions from the hiring institution
6. Has acknowledged that any resulting Intellectual Property is owned by the hiring institution

SECTION 3 – CONTRACTOR/VENDOR/SERVICE PROVIDER

***Description:** 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.*

1. Provides the goods and services within normal business operations (goods and services are not specialized for this project)
2. Provides similar goods or services to many different purchasers
3. Normally operates in a competitive environment
4. Will perform a series of repetitive tests or activities requiring little or no discretionary judgment
5. Will be exempt from compliance requirements of the Federal program and/or award as a result of the agreement
6. Will not have responsibility for programmatic decision-making

Prepared By (PI/Co-PI): _____
Signature or typed Name

_____ **Date:**

STOP

For OSP use only

FINAL DETERMINATION:

SUBRECIPIENT

CONSULTANT

CONTRACTOR

Approved By (OSP): _____
