Subrecipient vs Contractor Classification

Before entering into a relationship with another entity for goods, services, or substantive work under a sponsored award to Tufts University, a determination must be made regarding the nature of the entity’s legal relationship to Tufts University. This classification determines the type of legal agreement required to document the relationship, determine the allocation of responsibilities, and define the appropriate application of indirect cost rates.

In determining whether a subrecipient or contractor relationship exists, the substance of the relationship is more important than the form of the agreement. Tufts University uses judgment in classifying each agreement as a subaward or a procurement contract. Misclassification may result in delays of subaward processing and/or significant errors in F&A budget calculations.

**Subrecipient** - A subaward is issued for the purpose of carrying out a portion of an award and creates an assistance relationship with the subrecipient. Many of the factors listed below are present.

- Will be engaged to perform substantive, programmatic work (e.g. an important or significant portion of the research program or project)
- Participates in designing or conducting the work
- Is granted some element of programmatic control and discretion over how the work is carried out
- May seek to publish or co-author results
- Provides cost sharing or matching funds for which it is not reimbursed by Tufts
- Personnel are identified as having a key role in Tufts proposal

*The University collects F&A on the first $25,000 of a subaward.

**Contractor** - A contract is awarded for the purpose of obtaining goods and services for the non-Federal entity's own use and creates a procurement relationship with the contractor. Many of the factors listed below are present.

- Is providing specified services in support of or ancillary to the research program or project
- Has not participated significantly in the design of the work
- Is not directly responsible for determining research or project results
- Has little or no independent decision making in the design or conduct of the work being completed
- Provides goods and services in the normal operations and markets these to a variety of customers (creating a procurement relationship)
- Normally operates in competitive environment
- Would not seek to publish or co-author results

*The University collects F&A on the entire amount of the contract.
Tufts University must make case-by-case determinations as to whether each agreement it makes for the disbursement of funds casts the party receiving the funds in the role of a subrecipient or a contractor.

During the proposal phase or as prospective subrecipients are identified, it is recommended that the Principal Investigators (PIs) or Department Research Administrators (DRAs) complete the Subrecipient Determination Form. This form is not required, but is useful as a tool to help classify subrecipients and contractors. The completed Subrecipient Determination Form is submitted to the Office of Research Administration (ORA) with the proposal.

The Office of Research Administration (ORA) reviews the completed Subrecipient Determination Form and files it with the proposal documentation.

Related Links

Subrecipient Monitoring Policy [http://viceprovost.tufts.edu/researchadmin/?page_id=1841](http://viceprovost.tufts.edu/researchadmin/?page_id=1841)

Subrecipient Monitoring Procedures [http://viceprovost.tufts.edu/researchadmin/?page_id=1828](http://viceprovost.tufts.edu/researchadmin/?page_id=1828)


2 CFR Part 200—UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS

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