

**Office of Sponsored Programs (OSP)
Subrecipient vs. Contractor Determination Checklist**

When working with another entity (a third party) on a sponsored project, NSU is required by federal regulations ([2 CFR 200.331](#)) to make a project-by-project determination whether the third party is a *subrecipient* or a *contractor*, so that the proper agreements can be put in place. The Principal Investigator/Project Director has sufficient knowledge to make this determination assisted by this checklist (contact your OSP Grant Officer for assistance).

Subrecipients are collaborating partners whose work is characterized by substantive, project participation in a sponsored award. A Subrecipient PI/PD or other individuals within the organization will generally be named as key personnel in NSU’s proposal to the funding agency. Subrecipient relationships are formalized through subaward agreements developed by the OSP (refer to *OSP Policy #34 - Subcontracts/Subgrants* (<https://www.nova.edu/osp/policies/index.html>)).

Contractors (vendors, consultants) are entities or individuals that provide services or goods to NSU that are necessary for NSU to complete its work under a sponsored project. Contractors perform work as specified by and for the benefit of NSU. Contractor relationships are subject to NSU procurement policies (<https://www.nova.edu/procurement/index.html>) and must adhere to NSU contract policies (<https://www.nova.edu/portal/legal-affairs/forms/nsu-contract-management-and-signatory-policy.pdf>). For individuals who are independent contractors/consultants, the Independent Contractor vs. Employee checklist must be completed (at Accounts Payable website – <https://www.nova.edu/accounts-payable/forms/index.html>) prior to entering into any agreement.

Determination Process: Check the appropriate boxes below to characterize the nature of the entity’s relationship for the project. No single factor or combination of factors is necessarily determinative. Not all characteristics described below must be present; some from both categories may be present. The predominance of characteristics generally governs the determination. *If the entity is only providing commercial goods or software, the determination is automatically Contractor; no further documentation is needed.*

Proposal # or Index #: Entity Name:

Characteristics of a Subrecipient relationship:

- The entity will be responsible for project decision-making and independent judgement, will have control over scientific/project direction, or will make scientific/project conclusions.
- The entity creatively designs and/or will independently conduct a substantive portion of the overall effort.
- The entity’s work on the project contributes to its own research objectives, versus just providing goods or services necessary for NSU’s project.
- There is an expectation that the entity will retain ownership rights of potentially patentable or copyrightable work or products that it produces during the project.
- The entity will be publishing results of the work on its own or with NSU.
- The entity’s personnel will be named as key in NSU’s proposal.
- The entity will develop criteria for/independently determine who is eligible to participate in the project (if applicable).

Characteristics of a Contractor relationship (note, independent consultants are a type of Contractor relationship):

- The entity provides similar services or goods to other purchasers and/or operates in a competitive environment.
- The entity is providing services or goods that are ancillary to or in support of NSU’s project. This could include “skilled hands”, advice, or specialized expertise to the project *for the benefit of NSU*.
- The entity has not significantly participated in project design and has little to no independent decision-making for the project (but may have autonomy in how they carry out their own work).
- The entity will be implementing NSU’s plans or providing work based on NSU’s specifications and direction.
- Work is not expected to result in patentable or copyrightable technology or products that would be owned by the entity.
- The entity does not expect to publish/co-publish results emerging from the work.

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| Determination: Review all entries above and make an overall determination of the relationship. | Subrecipient <input type="checkbox"/> | Contractor <input type="checkbox"/> |
| Notes (add additional explanation, if necessary): | | |

If determination is “Subrecipient”, the OSP will work with the PI/PD in developing a subaward. If determination is “Contractor”, the PI/PD will work with the College representative (often the Business Officer) and the NSU Office of Procurement Services to initiate a requisition (if appropriate), gather sourcing documentation (as appropriate), and/or initiate service agreement through eContracts (<https://www.nova.edu/legal-affairs/contract-review.html>).

PI/PD Signature: _____

Date: _____

PI/PD Printed Name: _____