

## **Use of Subrecipients or Contractors on Sponsored Projects**

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### **Policy**

When a Project Investigator or Program Director (PI/PD) seeks an arrangement with an external entity or institution to provide goods, services, or to work collaboratively on a grant project, the PI/PD is required to consult with the FGFG Office in making the determination as to whether the external entity is a sub-recipient or independent contractor. Once the nature of the relationship has been determined, PI/PD's should refer to the College's policies and procedures regarding Sub-Awards or Procurement of Contractors.

### **Subrecipient –**

A subrecipient is an entity that will contribute to the programmatic portion of the project. Their performance will be monitored and measured (by the PI/PD) against whether the objectives of the project are being met. Characteristics that support the classification of an organization as a subrecipient included when the other organization:

- Determines who is eligible to receive what Federal assistance;
- Has its performance measured in relation to whether objectives of the program were met;
- Has responsibility for programmatic decision making;
- Is responsible for adherence to program requirements specified in the Federal award; and

Since sub-recipients use Federal funds to carry out a program for a public purpose in accordance with the program agreement, they are subject to similar compliance requirements as the College. Accordingly, the PI/PD is required to monitor the sub-recipient in accordance with the College's policies and procedures over Sub-Awards.

### **Contractor / Consultant –**

Contractors/consultants on a sponsored project are individuals or entities that provide services to the PI/PD that typically ancillary or secondary to the operation of the project. Characteristics indicative of a procurement relationship with the contractor are when the external organization receiving the Federal funds:

- 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

While the contractor/consultant is not subject to compliance requirements of the Federal program, the arrangement is subject to the College's policies and procedures over procurement of contractors.