

## SUBRECIPIENT, BENEFICIARY OR CONTRACTOR CLASSIFICATION CHECKLIST

The Uniform Guidance implemented new definitions of Contractor and Subrecipient. With the Coronavirus Relief Funds (CRF) and ARPA State and Local Fiscal Recovery Funds (SLFRF), the need to distinguish between the definitions and roles of subrecipient, contractor, and beneficiary has become evident. *Generally, determination of the relationship with an external entity is verified through review of the proposal, budget, and other related documents.* When the relationship remains unclear, this form can be used to provide assistance in making an accurate determination and provide documentation of the decision made.

### Definitions:

**Subrecipient (2 CFR Part 200.1):** Subrecipient means an entity that receives a subaward from a pass-through entity to carry out part of a Federal award. The term subrecipient does not include a beneficiary or participant.

**Beneficiary:** A beneficiary is an individual or entity that receives funds as a direct benefit. Beneficiaries may include businesses, nonprofits, and educational institutions that experienced a public health impact or negative economic impact of the pandemic. Examples include recipients of scholarships, Medicaid claims/medical benefits, nonprofits that experienced a significant decrease in donations, or other direct awards of financial assistance. Beneficiaries are not subject to subrecipient monitoring and reporting requirements. The Single Audit Act and 2 CFR Part 200, Subpart F regarding audit requirements do not apply.

**Contractor (2 CFR Part 200.1):** Contractor means an entity that receives a contract as defined below.

**Contract (2 CFR Part 200.1):** Contract means a legal instrument by which a recipient or subrecipient conducts procurement transactions under a Federal award. For additional information on subrecipient and contractor determinations, see 2 CFR 200.331.

### Classification:

The following three sections include characteristics of an outside entity receiving federal funds - Beneficiary, Subrecipient, or Contractor. Agencies can mark the characteristics that apply to the outside entity receiving Federal funds to determine the classification.



## Section 1: Beneficiary

A Beneficiary receives federal funds as a direct benefit. Could be an organization or an individual.

- Does not determine eligibility or compliance.
- No reporting requirements.

## Section 2: Subrecipient

- Determines who is eligible to receive what Federal assistance.
- Measures performance based on meeting objectives of Federal program.
- Is responsible for programmatic decision making.
- Is responsible for ensuring Federal requirements outlined in the award are followed.
- Uses the Federal funds to carry out a program of the organization as opposed to providing goods or services.
- Is responsible for reporting to the recipient (State agency).

## Section 3: Contractor

- 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.
- Is not subject to compliance or reporting requirements of the Federal program as a result of the agreement.

## Section 4: Additional Justification

In determining whether an agreement between a pass-through entity and another non-Federal entity creates a subrecipient, beneficiary, or contractor relationship, **the substance of the relationship is more important than the form of the agreement.** All of the characteristics above may not be present in all cases, and *the pass-through entity must use judgment in classifying each agreement as a subaward, assistance payment, or a procurement contract.*

### Additional Justification Notes:

<sup>^</sup>For State of Colorado agencies please use the [State Subrecipient vs. Contractor Determination](#) tool to document subrecipient vs. contractor decision and determine CORE codes.



**Final Determination:**

The section above with the greatest number of marked characteristics indicates the likely type of relationship the entity will have with the agency. On occasion there may be exceptions to the type of relationship indicated by the checklist. In these situations, the *substance of the relationship should be given greater consideration than the form of agreement between the agency and the outside entity.*

- Subrecipient
- Beneficiary
- Contractor

**Reviewed by:**

Name & Title:

Name & Title:

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Date:

Date:

