

Subrecipient/Vendor Determination

This form is to be completed when federal funds contribute to a funded program, in accordance with the Commission’s procurement policies and procedures and OMB Circular A-133, in order to determine whether payments will constitute a Federal award (a subrecipient) or a payment for goods and services (a vendor).

- A funded program in which the Commission determines to be a subrecipient is considered to be a Federal award and therefore expenditures are subject to following/performing federal audit requirements and the Commission is required to perform federal subrecipient monitoring.
- A funded program determined to be a vendor (payments received for goods or services) would not be subject to following/performing federal audit requirements or federal monitoring as expenditures are not considered “Federal awards”.

Characteristics of a Subrecipient (Expenditures would be considered a Federal Award)

- **Subrecipient** means a non-Federal entity that expends Federal awards received from a pass-through entity to carry out a Federal program, but does not include an individual that is a beneficiary of such a program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

Will the funded program:

YES	NO	Characteristic	Comments/Notes
		Determine who is eligible to receive “Federal financial assistance”;	
		Have its performance measured against whether the objectives of the Federal program are met;	
		Have responsibility for programmatic decision making;	
		Have responsibility for adherence to applicable Federal program compliance requirements; and	
		Use the federal funds to carry out a program of the organization as compared to providing goods or services for a program of the pass-through entity.	

Characteristics of a Vendor

- **Vendor** means a dealer, distributor, merchant, or other seller providing goods or services that are required for the conduct of a Federal program. These goods or services may be for an organization’s own use or for the use of beneficiaries of the Federal program.

Will the funded program:

YES	NO	Characteristic	Comments/Notes
		Provide the goods and services within normal business operations;	
		Provide similar goods or services to many different purchasers;	
		Operate in a competitive environment;	
		Provide goods or services that are ancillary to the operation of the Federal program; and	
		Not be subject to compliance requirements of the Federal program.	

Per federal guidelines, there may be unusual circumstances or exceptions to the listed characteristics. In making the determination of whether a subrecipient or vendor relationship exists, the substance of the relationship is more important than the form of the agreement. It is not expected that all of the characteristics will be present and judgment should be used in determining whether an entity is a subrecipient or vendor.