**Subrecipient or Contractor Classification Checklist**

If the [LOCAL GOVERNMENT NAME] wishes to contract with another government entity or a private entity and use ARP/CSLFRF funds to pay for that contract, the [County/City/Town/Village] must determine if the relationship with the outside entity is a contractor or subrecipient. To make this determination the [County/City/Town/Village] must review the project proposal, budget classification, and other related proposal documents, as well as engage in discussions with key personnel about the nature of the proposed agreement. The determination of whether a proposed agreement involves a contractor or subrecipient relationship must be recorded on this form and maintained in the project file for the duration of the records retention period for ARP/CSLFRF records.

**Instructions:** Complete Sections one through three. The section with the greatest number of marked characteristics indicates the likely type of relationship. The substance of the relationship should be given greater consideration than the form of agreement between the [County/City/Town/Village] and outside entity. In borderline cases, the [County/City/Town/Village] may either provide a written justification for its determination in Section three or, if appropriate, restructure the agreement to more clearly define it as either a contractor or subrecipient relationship.

**Name of Outside Entity: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Section 1 -- Brief Description of Nature of Proposed Agreement:**

**Section 1 -- Subrecipient.** A subaward is for the purpose of carrying out a portion of a Federal award and creates a Federal assistance relationship between the recipient and the subrecipient. Subrecipients may have one or more of the following characteristics:

[ ]  May determine who may be eligible to receive Federal assistance under the program guidelines.

*For example: A subrecipient that identifies mentors and mentees under a mentoring program*.

[ ]  Has its performance measured in relation to whether objectives of a Federal program were

met? *The recipient will rely upon the subrecipient’s data to submit its own performance*

*data to Treasury*.

[ ]  Has responsibility for programmatic decision making. *For example: If the recipient funds*

*a subrecipient to develop (or improve) a particular program and the subrecipient will use*

*its own judgment, discretion, and expertise to develop all or part of the program.*

[ ]  In accordance with its subaward agreement (which may be in the legal form of a contract),

the subrecipient uses the Federal funds to carry out a program for a public purpose specified

in authorizing statutes, as opposed to providing goods or services for the benefit of the

recipient. *For example: To provide crime- or criminal-justice-related services (and, in the*

*case of crime victims, compensation) to individual members of the public, such as victims*

*of crime, or at-risk youth.*

[ ]  The subrecipient will not earn a profit under the agreement.

[ ]  The subrecipient is required to contribute cash or in-kind match in support of the subaward.

**Section 2 -- Contractor.** A contract is for the purpose of obtaining goods and services for the recipient’s own use and creates a procurement relationship between the recipient and the contractor. *Entities that include these characteristics are not subject to compliance requirements of the Federal program because of the agreement, though similar requirements may apply for other reasons.* A contractor relationship may have one or more of the following characteristics:

[ ]  Provides 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.

*Examples include but are not limited to: Office equipment, supplies, software licenses, reference books, chemical reagents, cell phones, body-worn cameras, body armor, internet services, cell phone service, website hosting, copying/printing, lodging*.

[ ]  The entity may earn a profit under the contract.

**FINAL DETERMINATION:**

[ ]  **Subrecipient**

[ ]  **Contractor**

**Section 3 – Justification**.In determining whether an agreement between a recipient and another non-Federal entity reflects a subrecipient or a contractor relationship, the substance of the relationship is more important than the form of the agreement. Considering the characteristics checked above, provide a written justification for the final determination of either a subrecipient or contractor relationship.

*Explanation of Justification Determination:*

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**Signature:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Print Name and Title:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**