



Subrecipient vs. Contractor Comparison Checklist

Entity Name:

Entity UEI:

Federal Award ID Number (FAIN):

Assistance Listing Number (ALN or CFDA):

Period of Performance Dates:

Instructions: Check the column that best describes the entity's role. The classification is determined by the overall preponderance of defining elements, not by any single factor, in accordance with 2 CFR §200.331.

Determining the Nature of the Relationship

Subrecipient

Will have the authority to make decisions regarding the delivery of program funds in accordance with federal regulations.

Will have the authority determine who is eligible for the administered program in accordance with federal regulations.

Will use funds to carry out a public project and/or provide a public service.

Contractor

Provides goods or services ancillary to the operation of the program.

Provides similar goods and services to many different purchasers within normal business operations.

Operates in a competitive environment, i.e., competes with other organizations to provide similar goods or services.

***Disclosure:** This checklist supports the classification of an entity as a subrecipient or contractor under 2 CFR §200.331 and §200.1. It is not all-inclusive but reflects the primary considerations used to document and support the determination and may be adapted as needed.

Updated January 2026

Compliance Requirements

Subrecipient

Recipient must assess risk beforehand when selecting.

Recipient must flow down the requirements of the grant to the awardee.

Recipient must adequately monitor awardee.

Recipient must acquire expenditure and encumbrance data from the awardee.

Recipient must audit the awardee.

Recipient must disclose potential violations of Federal criminal law.

Contractor

Receipt and payment of goods and services must be procured in accordance with the NM Procurement Code.

Must comply with contractual responsibilities.

Recipient must direct and oversee the work and manage the award in accordance with the Procurement Code.

Benefits to Consider

Subrecipient

Is a partner to recipient when providing deliverables in accordance with federal regulations.

No legal damages for failure in carrying out the grant provided all terms of grant are followed.

Recipient can draft and tailor agreements to include legal recourse against a non-performing recipient.

Recipient can use the federal awarding agency to initiate debarment proceedings.

Payment can be made either through disbursement or reimbursement, as determined by the recipient when executing the award.

Contractor

Performance is measured relative to scope of work, against specific contract deliverables, rather than the program outcomes.

Assumes all financial risk if it fails to deliver the agreed upon goods and services.

Relationship creates legal liability that allows the recipient to enforce remedies in the case of breach for non-performance.

Payment is made after performance.

Summary & Determination

Category	More Boxes Checked
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Subrecipient	
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Contractor	
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Final Determination:

☐ Subrecipient

☐ Contractor

Regulatory References:

- *2 CFR §200.331, Requirements for Pass-Through Entities*
- *2 CFR §200.1, Definitions—Subrecipient and Contractor*

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