

Subrecipient or Vendor?

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 the characteristics will be present and sound judgment should be used in determining whether an entity is a subrecipient or a vendor. There may be unusual circumstances or exceptions to the characteristics listed below.

Subrecipient Relationship

A subrecipient relationship exists when a third party:

- performs a substantive portion of the programmatic work, which is defined as project activities that are a primary purpose of the prime award;
- has responsibility for programmatic decision making;
- uses the funds provided to carry out a program of the subrecipient as opposed to providing goods or services for a program of UNL;
- is responsible for helping UNL meet the requirements of its prime award;
- determines who is eligible to receive what Agency financial assistance;
- has its performance measured against whether the objectives of the Agency program are met; or
- has responsibility for adherence to applicable Agency program compliance requirements.

Vendor Relationship (including Consultants)

A vendor relationship exists when a third party:

- provides professional services or highly technical advice, such as a consultant;
- provides goods or services as a part of its normal business operations;
- provides similar goods or services to many different purchasers;
- operates in a competitive environment;
- is responsible only for meeting the requirements of the services contract between UNL and the vendor;
- provides goods or services that are ancillary to the operation of the Agency program; or
- is not subject to compliance requirements of the Agency program.

Subrecipient vs. Vendor vs. Consultant

SUBRECIPIENT	VENDOR	CONSULTANT
<p>An entity that has agreed to work in collaboration with the UNL PI to perform a substantive portion of the programmatic effort on an award.</p>	<p>An individual, business, or other entity which supplies products or services to the University.</p>	<p>An individual or business whose expertise is required to perform the project. Services are temporary and special or highly technical.</p>
<ul style="list-style-type: none"> • Works collaboratively with the lead PI as a co-investigator at another entity to which funds are being passed. • Has authority to make administrative and programmatic decisions and to control the method and results of work • Has responsibility to meet all applicable sponsor requirements • Has performance measured against meeting the program objectives • Are designated senior/key personnel in the proposal-may be a Co-PI • Uses sponsor funds to carry out a program rather than provide a good or a service • Has responsibility for the end results of the research effort • Services are complex and require a scope of work and budget, billing requirements, and a deliverable schedule • The entity's statement of work may represent an intellectually significant portion of the programmatic decision making • The entity's work results may involve intellectual property and/or may lead to publications • Needs animal and/or human subjects approvals for its <u>independent</u> portion of the work • Requires a separate budget and budget justification in the application 	<ul style="list-style-type: none"> • Provides similar goods or services to different purchasers • Does not make program decisions or take actions that impact a program's overall success or failure • Is not subject to sponsor compliance regulations • Goods and services are ancillary to the program • Provides goods or services as part of their normal business operations • Competes with comparable entities to provide the same goods and/or services • Is not responsible for research results • There is no scope of work • Goods and services are billed according to the vendor's established rates • The goods and services are secondary to the central purpose of the project • No potential for patentable or copyrightable technology to be created through project from activities of the entity • Performs services only (no analysis or discretionary judgment) • No one individual providing goods and services is identified 	<ul style="list-style-type: none"> • An individual or business outside the project who confers with the PI regarding research objectives • Does not develop the objectives of the project • Is not responsible for the overall outcome of the project • Is not responsible in designing or developing the research • Is not responsible for conducting the research • Is not responsible for reporting the research • Is not essential toward the shape, direction, and completion of the project • Receives a fee for their services not a salary • Provides similar services to other organizations • Does not serve as senior personnel – e.g., Co-Investigator, Principal Investigator, etc. • Will not use university resources. Provides its own work area, tools, materials, and supplies • UNL defines the scope of work • Consultant determines how to accomplish the work • Is not considered an employee of the University and therefore is not eligible for workers compensation, liability coverage, or unemployment • Payment is based upon completion of specific work, rather than time worked