

Subrecipient vs. Contractor What's the Difference?

	Subrecipient	Contractor
Role	Partner: Helps carry out part of the grant	Contractor: Provides goods and/or services for the grant
Purpose	To assist with meeting the overall grant objectives and goals	To deliver specific goods or services for the grant
Primary Focus	Contributes to achieving the mission	Delivers on a specific task or product requested

Subrecipient

A subrecipient plays an active role in achieving the grant's goals:

- They decide how to use funds to meet project objectives.
- They are subject to program-specific requirements.
- They report on performance and outcomes tied to the grant.
- They may have a say in how the program operates.

Contractor

A contractor provides goods or services needed for the grant:

- **Characteristics:**
 - They deliver services as specified in the contract.
 - What they provide is ancillary to achieving the program objectives.
 - They operate in a competitive market.
 - They are paid for what they deliver, not the program's success.

Decision Table 1: Subrecipient vs. Contractor

Question	If Yes...	If No...
1. Is the entity helping carry out part of the grant's objectives?	Go to Question 2	It's a Contractor
2. Does the entity determine how funds are used to meet program goals?	It's a Subrecipient	Go to Question 3
3. Is the entity subject to program-specific compliance requirements?	It's a Subrecipient	It's a Contractor
4. Does the entity provide performance metrics tied to achieving program objectives?	It's a Subrecipient	It's a Contractor
5. Is the entity operating in a competitive market to provide goods or services?	It's a Contractor	Revisit Questions 2-4 to confirm classification

Decision Table 2: Subrecipient vs. Contractor

Types of Services Provided	Questions to Ask	If yes, the service provider is a	If no, the service provider is a
Distributes devices	Does the device provider determine which beneficiaries receive the devices or under what conditions the devices are provided?	Subrecipient	Contractor (or goods vendor)
Provides Training	Does the provider authorize what educational content is provided or how the training is administered?	Subrecipient	Contractor
Provides Training	Does the provider determine which beneficiaries receive the training?	Subrecipient	Contractor

For more detailed information, reference [2 CFR 200 § 200.331 Subrecipient and contractor determinations.](#)

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