

Subrecipient/Vendor Relationship

Definitions

Circular A-133 provides these definitions to identify a recipient, subrecipient and a vendor:

Pass-Through Entity means a non-federal entity that provides a federal award to a subrecipient to carry out a federal program.

Recipient means a non-federal entity that expends federal awards received directly from a federal awarding agency to carry out a federal program.

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.

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.

Characteristics

The substance of the relationship is more important than the form of the agreement when determining if an entity is a subrecipient or a vendor. Judgment should be used in making the determination, because there may be unusual circumstances or exceptions to the general characteristics of each entity.

A subrecipient is characterized as an entity that

- has performance measured against whether the objectives of the federal program are met.
- makes programmatic decisions.
- must comply with applicable federal program requirements.
- uses the awarded federal funds to carry out the program.
- A vendor is characterized as an entity that
- provides goods and services that are within the vendor's normal business operations. provides similar goods and services to many different purchasers.
- provides goods and services that support the operation of the federal program.
- operates in a competitive environment.
- is not subject to compliance with the applicable federal program requirements.

Change History

- **May 23, 2023** – New document.