**Keys to Determining if a Purchased Service Contract is a Subaward**

* Most subawards will be coded as a purchased service in APSCN (see object codes 63000 thru 65000)
* Under a subaward, a contractor receives funds from the district to carry out some activity or program. This contractor works independently of district personnel or resources and is responsible for its management and decision making.
* Subcontracts for professional services providing an auxiliary service normally provided in-house would NOT be considered a subaward. (Should not be listed on Subcontracts/Subawards Form)
* Contracts that contain costs that provide organization-wide support are indirect costs and NOT considered subawards. (Should not be listed on Subcontracts/Subawards Form)

Are providing payments and occasionally reviewing reports the only efforts spent by the district?

The district entity is not responsible for payroll, purchasing/procurement, accounting, HR functions, and other similar administrative functions for implementing this arrangement.

Does the activity require little to no administrative support? (Not sure look below)

**This should probably be listed on the Schedule of Subcontracts/Subawards Form**

**This should probably not be listed on the Schedule of Subcontracts/Subawards Form.**

**NO**

**NO**

**YES**

**NO**

**NO**

**YES**

**YES**

**YES**

**YES**

**NO**

Does the activity benefit from administrative costs to the same degree as other direct costs such as salaries and wages (i.e. district bookkeeper manages accounts for this activity/program to the same extent as others)?

Are the services and activities performed at the district’s location?

Does the district cost of administering the activity change, whether the value is $100,000 or $1,000,000?

Does the activity generate administrative overhead? (Not sure look below)

Are district supplies, equipment, accounting services, etc. used on a regular and recurring basis for the activity?

Is there a lot of administrative effort involved in the accounting and oversight of the arrangement? (Not sure look below)

Are district managers and administrative staff routinely involved in the day-to-day activities for the program?

Does the district hire staff, pay for salaries and associated costs, account for the funds, manage the budget for the program, etc.?

Is the award designated for a specific entity with no benefit to the district who actually receives the funds from ADE? Is providing the funds to another entity the only effort by the district (passthrough)?

Do the annual actual expenditures related to the specific purchased service agreement exceed $30,000?