

Instructions for Completing the Subrecipient/Service Provider Checklist

SERVICE PROVIDER INFORMATION:

1. Contractor: The Contractor's legal name as stated on the contract.
2. Year Ended: Current Contract Year
3. Completed by: The name of the contract analyst completing the form.
4. Division: The Division abbreviation
5. Date: The Date the form was completed.

TABLE INFORMATION: The table must be completed to determine if Contractor is a Subrecipient or Service provider. The Contractor needs to be aware of this checklist and be in agreement with the contract analyst's answers. If you have questions about the Contractor's status, call them.

1. This organization provides services to clients whose eligibility for participation in the program is determined by DHS personnel.
 - a. **TRUE:** DHS decides if a client is eligible for the services provided by the Contractor. DHS will refer the client to Contractor.
 - b. **FALSE:** The Contractor determines if the client is eligible for services. The client applies directly to the Contractor for these services.
2. This organization provides services for a program of DHS rather than for its own program. (DHS is responsible for developing the program and programmatic decisions.)
 - a. **TRUE:** DHS develops the program description, client objectives etc. for the services provided by the Contractor.
 - b. **FALSE:** The Contractor develops the program description and determines how the services will be provided.
 - c. **BOTH:** It is possible for both DHS and the Contractor to be involved in the program functions. If that is the case mark both true and false on the form.

3. DHS, not this organization, measures the organization's performance against meeting the objectives of the program.
 - a. **TRUE:** DHS monitors the performance of the Contractor as described in the program description and other provisions in the contract.
 - b. **FALSE:** The Contractor has auditors and staff who monitor the performance of the services provided by the Contractor.
 - c. **BOTH:** It is possible for both DHS and the Contractor to be involved in determining if the services provided by the Contractor meets the program objectives required by the contract. If that is the case mark both true and false on the form.
4. DHS, not this organization, only has the responsibility for applicable program compliance requirements. This is always **FALSE** because the Contractor is responsible for compliance with all Federal, State, and DHS requirements and regulations outlined in the contract. However, this information is important in determining if a Contractor is a subrecipient as outlined by Federal and AICPA guidelines and must be included in the checklist formula.
5. This organization does not provide matching funds and is not required to share in the cost of the program.
 - a. **TRUE:** DHS provides the total funding for the services provided by the Contractor, with no matching funds required.
 - b. **FALSE:** The Contractor is required in the contract to provide matching funds to help cover the cost of the services.
6. This organization provides goods and services within the normal course of its business operations.
 - a. **TRUE:** The Contractor would continue to provide goods and services without DHS funding.
 - b. **FALSE:** The Contractor would not be able to continue providing services without funding from DHS.
7. This organization provides similar goods and services to different purchasers besides DHS.
 - a. **TRUE:** The Contractor has other clients besides DHS.

- b. **FALSE:** The Contractor does not service any other client besides DHS.
8. This organization operates in a competitive environment, as compared to a sole source situation.
- a. **TRUE:** The Contractor is in open competition with other Contractors in the area who provide this service.
- b. **FALSE:** This is a sole source provider or governmental entity.
9. The contract can be terminated for the convenience of the awarding agency (DHS) for no cause.
- TRUE:** This is always true as DHS can terminate any contract without cause. DHS is responsible for the health well being and protection of the client.
10. This organization assumes **most** of the risk for performance on the contract with DHS.
- TRUE:** This is always true. The Contract stipulates what the Contractor's performance standards are, but the Contractor and DHS share in the responsibility for performance risks. Both can be liable in a lawsuit however, DHS can take legal action against the Contractor.
11. The Contract is awarded based on free and open competition. (Bid or RFP submittals).
- a. **TRUE:** The service has been awarded to the Contractor as a result of either a bid process or an RFP process.
- b. **FALSE:** The contract is awarded as a result of a pre-approved sole source memo or it is a governmental agency.
12. This organization retains title to property purchased with contract funds.
- TRUE:** This is always true unless contract provisions specifies otherwise.
13. The services provided by this organization are occasional as compared to ongoing.
- FALSE:** This is always false because the contract requires that the service be available continuously not by how often the services are used.

NOTE: If most of the answers are true the Contractor is a service provider as defined by federal guidelines. If most of the answers are false then the provider is a subrecipient.

