



Lower-Tier Agreements Under a Contract Checklist for Vendor Versus Subcontract Determination (for Accounting Classification)

Lower-Tier Organization: _____ HJF Cost Code: _____ / _____ . _____ / _____

Requestor Name and Contact Information: _____

Purpose: In making the determination of whether a Lower-Tier Agreement should be classified as a subcontract or a vendor contract for accounting purposes, the substance of the relationship is more important than the form of the agreement. In very basic terms, if HJF is acting as a pass-through entity, the Lower-Tier Agreement shall be classified as a subcontract. If HJF is not acting as a pass-through entity, the Lower-Tier Agreement shall be classified as a vendor contract. The following checklist shall be used as a tool to help identify the substance of the relationship. It is not expected that all characteristics will be present and judgment should be used in making the determination.

Instructions: Select either A or B for each numbered row (if applicable). Selections must be supported by comments.

	Vendor	Subcontract	Comments (Attach sheets if necessary)
1	A) The work performed or supplies/services provided by the lower-tier organization are secondary and subordinate to, or indirectly support, HJF's performance of the scope of work and objectives of the prime award.	B) The work performed or supplies/services provided by the lower-tier organization directly fulfills elements of HJF's scope of work and objectives under the prime award.	
2	A) HJF (often times in collaboration with government program personnel) has determined what it requires from the lower-tier organization in terms of specifications or a statement of work.	B) The lower-tier organization (solely or in collaboration with HJF/government program personnel) has determined its objectives.	
3	A) The lower-tier organization's performance is not measured directly against whether the objectives, specific aims or statement of work of HJF's prime award are met.	B) The lower-tier organization has its performance measured directly against whether the objectives, specific aims or statement of work of HJF's prime award are met.	
4	A) The lower-tier organization will provide deliverables/reports that will be modified or integrated by HJF in the final deliverable under HJF's award.	B) The lower-tier organization will provide deliverables/reports directly to the government, OR the lower-tier organization will provide deliverables/reports to HJF and HJF will provide the deliverables as is to the government.	

