**Reporting Variable Payments**

Some Subscription-Based Information Technology Arrangements (SBITAs) contain payments that are variable. Payments under such contracts could fluctuate each payment period based on factors such as future performance of the government, usage of the underlying IT assets, or number of licenses.

Payment Stream is Variable with No Fixed Component

If a contract would otherwise meet the definition of a SBITA, but the payment stream is comprised of purely variable payments with no fixed minimum, it does not have to be reported on the SBITA reporting template. However, you must notify OSC that your agency has reportable SBITAs with only variable payments and provide the contract number or another identifier in your quarterly email response. After fiscal year end, OSC will request the total amount spent for the fiscal year on these variable payments for inclusion in the financial statement note disclosures.

Payment Stream is Variable with a Fixed Component

In some instances, a contract could contain variable payments but also require a fixed minimum payment regardless of usage, number of licenses, etc. Only the fixed minimum amount should be reported on the template. You must notify us that the contract also contains a variable payment component. After fiscal year end, OSC will request the total amount spent for the fiscal year on these variable payment components.