



Tool 4-3 - Subrecipient Management

Subrecipients are defined as an entity that receives a subaward from a pass-through entity (e.g., such as a local unit of government) to carry out part of a Federal award (e.g., CDBG).

Subrecipients Are:	Subrecipients Are Not:
<ul style="list-style-type: none"> ✓ Non-Profit Entities ✓ Units of Local Government (UGLGs)¹ ✓ Community Based Development Organizations (CBDO) 	<ul style="list-style-type: none"> ✗ Beneficiaries of CDBG awards or assistance ✗ Contractors or Developers ✗ For-Profit Entities²

CDBG Grantee Responsibilities for Subrecipient Management

Subrecipient Selection	CDBG grantees may select subrecipients directly or via a Notice of Funding Availability (NOFA).
Subrecipient Agreements	CDBG grantees must enter into a legal agreement with subrecipients containing the terms and conditions of the subaward, including scope, budget, and period of performance.
Subrecipient Oversight	CDBG grantees must provide ongoing oversight of, and technical assistance to, the subrecipient throughout the duration of the subrecipient agreement to ensure adherence to requirements and achievement of accomplishments.
Subrecipient Capacity and Risk Assessments	CDBG grantees must evaluate each subrecipient's risk of non-compliance with CDBG requirements and the terms and conditions of the subrecipient agreement for purposes of determining the appropriate subrecipient monitoring.

¹ UGLGs may be subrecipients, if said entity receives a subaward from a pass-through entity (e.g., a local unit of government) to carry out all or part of a Federal award (e.g., CDBG)

² For-profit entities may be subrecipients, if and only if, said entity is implementing a microenterprise activity in accordance with the Housing and Community Development Act of 1974, [Section 105\(a\)\(22\)](#).



CDBG – Subrecipient Management

Subrecipient Monitoring

CDBG grantees must monitor subrecipients by reviewing files and conducting interviews with key staff to determine compliance with the CDBG subaward and issue a monitoring report to the subrecipient and resolve any instances of non-compliance identified.

Resources

[HUD Guidebook for CDBG Grantees on Subrecipient Oversight](#)