



Tool 5-5 – Subrecipient Selection

Subrecipients are Grantee’s partners that directly implement an eligible CDBG activity. Subrecipients may be non-profit organizations or Government agencies receiving CDBG funds to carry out eligible activities. Contractors, developers, and businesses cannot be subrecipients. The primary distinction between a subrecipient and a contractor lies in the undertaking of the eligible activity. A subrecipient is carrying out the activity on behalf of the Grantee, but a contractor is providing goods or services so the Grantee may carry out the activity. The procurement process and the administrative and monitoring requirements are distinctly different. The procurement process is more rigorous for contractors, while the administrative and monitoring requirements are greater for subrecipients.

For additional information, refer to Chapter 5 of the Grants Management Manual (GMM).

Notice of Funding Availability (NOFA)	Request for Qualifications (RFQ)	Direct Selection
<ul style="list-style-type: none"> Publicly available solicitation by which a CDBG grantee makes known its intentions to award CDBG funds for a specified purpose 	<ul style="list-style-type: none"> A process to request interested parties to submit a letter of interest and a statement of their qualifications to administer a CDBG funded activity 	<ul style="list-style-type: none"> Direct award to a known entity Method of Distribution (MOD) to predetermined entities

Allowable Entities

Allowable: Non-profits organizations and government agencies

Unallowable: Contractors, developers, and businesses



Tool 5-5: CDBG –Subrecipient Selection

Allowable Purposes

Allowable:

Directly implements an eligible CDBG funded activity

Unallowable:

Provides goods or services directly to CDBG grantee (like those provided by vendors, contractors, or consultants)