

**There are five distinct entities outside of local government staff that may have a role in SHIP:**

A **Sponsor** as defined below, an eligible sponsor is an entity that applies for an award from the local government. The most common example would be a developer that applies through a local government solicitation (RFA, RFQ, ITN, RFP) and is awarded SHIP funds to construct affordable housing units. This does not include contractors that bid on rehab or construction projects. If using a sponsor, qualifications and process for applying for the funds should be detailed in the LHAP under “sponsor selection criteria” for any applicable strategies.

A **Sub-recipient**, as defined in 67-37/002 (31) is an entity that is contracted by the local government to administer a portion of the program. An example would be a non-profit that is awarded an amount of SHIP funds to run one strategy such as rehabilitation. This entity, unlike a sponsor, may handle application processing, income qualification and other administrative functions. This does not need to be detailed in the LHAP, but should be governed by a contract or MOU.

A **Consultant** is an undefined term for SHIP. Typically, a consultant is a third-party entity that is hired by the local government to administer the program in its entirety perhaps with the exception of finance operations. The local government should detail the requirements and duties of the consultant in a services contract.

A **Project Deliverables Provider** is an undefined term for an individual or entity that provides one or more functions such as construction write ups, inspections or surveys. This individual or entity should be compensated through an approved Project Delivery Cost as detailed in the LHAP. Duties should be detailed in a contract or MOU.

A **Contractor** is an individual or company licensed by the state to perform construction activities. Typically, contractors are approved as part of a pool by the local government and are then able to bid on jobs such as emergency repairs, rehabilitation or new construction.

## Definitions

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**420.9071 (11) “Eligible sponsor” means a person or a private or public for-profit or not-for-profit entity that applies for an award under the local housing assistance plan for the purpose of providing eligible housing for eligible persons.**

**67-37.002 (31) “Sub Recipient” means a person or non-state organization contracted by a SHIP eligible local government and compensated with SHIP funds to provide administration of any portion of the SHIP program.**

**67-37.002 (24) “Project Delivery Costs” means those costs related to the delivery of housing related services to an eligible applicant that are not included as part of Administrative Expenditures.**

