



SHIP Technical Bulletin 2016-01

Sub-Recipients Administering SHIP

Any local government participating in SHIP that uses a Sub-Recipient to administer all or part of the SHIP program should be aware of the following facts:

- 1. The SHIP rule defines a Sub-Recipient (see below) broadly as any person or non-state entity. This would include any non-profit, consultant or other entity actively performing any administrative function of the program including application intake, income verification, contract oversight, counseling, etc. The term Sub-Recipient should not be confused with the statutorily defined Eligible sponsor (see below) which refers to an entity that receives a funding award. There may be situations where it is difficult to determine when an entity is “awarded” funds, but in practice carry out the administration function for those funds. In these cases, the entity should be considered as a Sub-Recipient.**
- 2. Regardless of the use of Sub-Recipients, the local government is responsible (67-37.019 (10)) for monitoring the SHIP funds being expended through the Sub-Recipient. The responsibility for compliance with the requirements cannot be passed along. Contracts reviewed during recent compliance reviews have shown that, in some instances, this monitoring is not being carried out and/or is not well documented.**
- 3. Any Sub-Recipient administering SHIP funds must, by definition, be under contract with the local government to perform these services. The contract should detail all responsibilities of the Sub-Recipient. The contract should also include pertinent references required by rule. Recent compliance reviews of contracts have shown that, in some instances, these items are not included and are, in fact, generally lacking in detail.**
- 4. A well written contract that is updated periodically will protect both the local government and the Sub-Recipient and ensure that program regulations are being met. A recommended contract term would coincide with the term of the LHAP.**

67-37.002 (28) “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.

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.

67-37.019 (10) Any local government receiving SHIP funds which administers any portion of the SHIP program through a Sub Recipient shall bear responsibility for actions of the sub recipient and shall monitor all sub recipients to insure compliance is maintained on all SHIP funded activities...

...Any contract or agreement between the local government and sub recipient shall detail the policies and procedures that shall be adhered to in the management of the SHIP activities.

67-37.019 (11) Any contract or document establishing the relationship between a SHIP eligible local government and a non-state organization which is a Sub Recipient receiving SHIP funds shall contain the standard audit language on Form DFS-A2-CL. (Effective 7/05) of the Florida Single Audit Act in the document.