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## 5 Subrecipient Agreement

### 5.1 Overview

Lee County may engage program partners through formal agreements such as subrecipient agreements and interagency agreements. Lee County will select program partners through competitive application processes that ensure potential subrecipients and other partners have the capacity and expertise required to administer the proposed project or activity. Lee County will provide technical assistance and training to partners on program requirements, applicable federal cross-cutting requirements, and reporting and performance requirements.

After completion of the subrecipient NOFA process, the County will award subrecipient or other applicable agreements with the selected entity using established templates that are reviewed by the County Attorney's Office prior to execution. All subrecipient and other agreements are tracked by the Office of Strategic Resources and Government Affairs (SRGA) staff to ensure performance metrics are met and timely expenditure requirements are being maintained. Any amendments, corrective action plans, or task orders will be tracked in a centralized system to ensure that Lee County is monitoring the entire performance and health of the subrecipient.

This Subrecipient Manual is meant to assist the subrecipient in complying with the provisions of the subrecipient agreement. The guidance in the Subrecipient Manual does not replace or amend any of the provisions included in the subrecipient or applicable agreement and should not be used in lieu of reading the subrecipient or applicable agreement. Should there be any disagreement between the executed subrecipient agreement and information in the Subrecipient Manual, the provisions contained within the subrecipient agreement shall prevail.

### 5.2 Procedure

#### 5.2.1 *Initial Risk Assessment*

Prior to the finalization of any written agreement with a subrecipient, County staff will conduct a risk assessment to evaluate the capacity of potential subrecipients. Subrecipient capacity will be assessed during the application process (typically a Notice of Funding Availability). Each subrecipient applicant will be required to submit information to demonstrate adequate capacity to administer CDBG-DR funds. Specifics on the areas that are assessed will be included in the NOFA or a similar procurement document.

#### 5.2.2 *Pre-Award Subrecipient Documentation*

Subrecipient documentation is maintained by Lee County in a shared filing system. If an organization fails to submit any required documents by a specified due date, the subrecipient agreement may be withheld, award of funds may be cancelled, or payment withheld until all requirements are satisfied. All documentation must be uploaded within the recordkeeping system and reviewed by the assigned Program Manager prior to execution of any written agreement.

### 5.2.3 *Duplication of Benefits (DOB) Review*

Prior to executing an agreement and moving forward with finalizing the scope of work and budget, Lee County SRGA will perform a second DOB check. Applicants will be required to submit new DOB forms during the agreement drafting process. Lee County SRGA will review the forms and supporting documentation to ensure there is a continued unmet need and no duplicate benefit has occurred. For more information on Duplication of Benefits please refer to Program Policies and Procedures.

### 5.2.4 *Subrecipient Agreement Negotiation and Drafting*

After verification of adequate documentation, the assigned staff will begin drafting the agreement using the subrecipient's application for funding. The scope of work and budget provided through that process will serve as the basis for the draft contract.

Staff will review all cross-cutting and regulatory requirements that are applicable to the project. This may include, but is not limited to, Environmental Review, Section 3, Davis-Bacon Act, Build America Buy America Act, Equal Access Rule, Americans with Disabilities Act, and other regulations. Staff will consult the Federal Register Notice (88 FR 32046) and governing regulations, including but not limited to, 24 CFR 570, to confirm applicable cross-cutting requirements. The assigned staff will ensure that the applicable exhibits and requirements are included within the agreement.

SRGA staff will request an environmental review and complete any necessary reporting and financial management steps prior to the execution of any written agreement or obligation of any funds. Subrecipient agreements are prepared utilizing the standard template for CDBG-DR funds` approved by the County Attorney's Office.

A draft agreement will be provided to the subrecipient after the project award. Subrecipients will be required to participate in an onboarding session with County staff prior to contract execution to review the agreement in its entirety along with all associated deliverables.

Execution by the subrecipient and the county will occur after all federal requirements have been met (i.e., environmental review, Section 504, EEO requirements, etc.). Execution of the agreement indicates understanding and agreement to comply with all Lee County requirements. Lee County reserves the right to cancel any grant award, temporarily suspend payments, or to take other actions in the event a subrecipient's material fails to comply with Lee County requirements.

**NOTE: The environmental review must be completed before a subrecipient commits or obligates any CDBG-DR funds (except for exempt activities, such as administration or architectural/engineering services).**

### 5.2.5 *Subrecipient Agreement Amendments*

In the event a subrecipient requests programmatic, budget, or schedule changes, the subrecipient must contact SRGA for review and approval. Staff will review the request and determine if an amendment to the agreement is required. If an amendment to the agreement is required, County staff will initiate the amendment process. Subrecipients

should not make any programmatic, budget or schedule changes prior to receiving County approval in writing.

The Board of County Commissioners (through an Agenda Item) must approve the following types of amendments:

- Increases in total budgeted funds
- Changes to program design that impact outcomes or target population
- Changes or additions to the standard provider contract language not for the purpose of correcting original omissions or clarifications of original contract intent.

Fully executed amendments shall be distributed to the following:

- Subrecipient Organization
- Contract File
- Lee County Clerk of Courts Minutes Department (SRGA Distributes)
- Fiscal Department

Amendment processing will be managed by Lee County per standard processes.

### 5.3 On-Boarding and Technical Assistance

Subrecipients are expected to familiarize themselves with all applicable federal and Lee County requirements. These requirements include but are not limited to, performance measures, financial management, reporting, and record keeping requirements. Assistance is available from SRGA staff and the Program Management and Implementation vendor in the following areas:

- Orientation
- Training
- Technical assistance.

SRGA will facilitate subrecipient on-boarding for all CDBG-DR subrecipients. This process will include a review of all requirements outlined in the subrecipient agreement, including applicable County established performance metrics and federal, state, and local regulatory requirements. In addition to on-boarding, SRGA Program Managers will collaborate with its Program Management and Implementation vendor, HGA, to facilitate regular technical assistance sessions and office hours for subrecipients. These sessions will reduce potential risks associated with staff turnover and create open lines of communication between Lee County and all its subrecipients.

### 5.4 Additional Forms

<b>File Name</b>	Subrecipient Agreement Template.docx
<b>File Location/Link</b>	<a href="https://cdbg-dr-leegis.hub.arcgis.com/">https://cdbg-dr-leegis.hub.arcgis.com/</a>

<b>File Name</b>	Other Documents to be executed with the subrecipient agreement.docx
<b>File Location/Link</b>	<a href="https://cdbg-dr-leegis.hub.arcgis.com/">https://cdbg-dr-leegis.hub.arcgis.com/</a>

<b>File Name</b>	Onboarding Material.docx
<b>File Location/Link</b>	<a href="https://cdbg-dr-leegis.hub.arcgis.com/">https://cdbg-dr-leegis.hub.arcgis.com/</a>

<b>File Name</b>	Training Material.docx
<b>File Location/Link</b>	<a href="https://cdbg-dr-leegis.hub.arcgis.com/">https://cdbg-dr-leegis.hub.arcgis.com/</a>

## 5.5 Contact

Lee County’s Office of Strategic Resources and Government Affairs (SRGA) is responsible for ensuring compliance with HUD CDBG-DR funding.

To connect with SRGA regarding these efforts, please contact:

Email: [Recovery@leegov.com](mailto:Recovery@leegov.com)

Phone: 239-533-2315

## 5.6 Source Documents

<b>File Name</b>	Managing CDBG: A Guidebook for Grantees on Subrecipient Oversight
<b>File Location/Link</b>	<a href="https://www.hudexchange.info/resource/6577/managing-cdbg-guidebook-for-cdbg-grantees-on-subrecipient-oversight/">https://www.hudexchange.info/resource/6577/managing-cdbg-guidebook-for-cdbg-grantees-on-subrecipient-oversight/</a>