

City of Dothan – CARES Act

Duplication of Benefits for CDBG-CV

In the administration of the CDBG-CV program, the following Duplication of Benefits (DOB) Policy will apply to assure beneficiaries do not receive DOB.¹ DOB refers to a situation where a beneficiary receives assistance from multiple sources (e.g., Treasury Coronavirus Relief Funds, FEMA, ESG or ESG-CV, HOPWA or HOPWA-CV, HOME, state housing assistance, non-profits, local organizations, private insurance, etc.), and the total assistance amount exceeds the need for a particular recovery purpose. This ensures that beneficiaries receive assistance to the extent that the recovery need has not been fully met. Receiving DOB could result in required repayment of duplicative funds and de-obligation of funding. DOB policies apply to any recipient of CDBG-CV funds, including individuals, property and business owners, non-profits, and local governments. A grantee may not make a blanket determination that a duplication of benefits does not exist for all beneficiaries or recipients under the CDBG-CV program or activity. As a result, all COVID-19 prevention, preparation, and response funds must be governed by policies and procedures to prevent duplication of benefits.

Duplication of Benefits Policy

In accordance with the Coronavirus Aid, Relief, and Economic Security Act (Pub. L. 116–136) (CARES Act), the U.S. Department of Housing and Urban Development (HUD) allocated Community Development Block Grant coronavirus response (CDBG-CV) funds to the City of Dothan to prevent, prepare for, and respond to coronavirus. Recipients of CDBG-CV funds must develop procedures to prevent any Duplication of Benefits (DOB) as required by section 312 of the Stafford Act, as amended by section 1210 of the Disaster Recovery Reform Act of 2018 (division D of Public Law 115–254; 42 U.S.C. 5121 et seq.).

The city will use a DOB Calculation Worksheet to evaluate applications for assistance. Each applicant must sign a CDBG-CV Duplication of Benefits Statement, Certification, and Subrogation Agreement form which documents other assistance received or anticipated and includes an agreement to repay any duplicative CDBG-CV benefit. To document compliance with DOB requirements, grantees must keep the CDBG Subaward Agreement, DOB Calculation Worksheet, CDBG-CV Applicant Duplication of Benefits Statement, Certification, and Subrogation Agreement form, and applicable supporting documentation regarding other assistance received or anticipated in each applicant file.

¹ In accordance with Section 312 of the Robert T. Stafford Act, as amended, 76 FR 71060 published November 16, 2011, 84 FR 28848 published June 20, 2019, and 84 FR 28836 published June 20, 2019.

Applicability: This policy is applicable to all grantees responsible for the implementation of programs and projects funded with a CDBG-CV grant. For the purposes of this policy, an “applicant” may be a subrecipient or direct beneficiary.

Background: CDBG-CV grants are one of multiple Federal sources which assist coronavirus response. These sources of Federal assistance often can be used for the same purposes by grantees and direct beneficiaries. For this reason, the Stafford Act requires HUD and its grantees to coordinate with other Federal agencies that provide coronavirus response assistance to prevent the duplication of benefits. A duplication occurs when a person, household, business, or other entity receives coronavirus response assistance from multiple sources for the same purpose, and the total assistance received for that purpose is more than the total need. The Stafford Act’s prohibition on DOB aims to ensure that federal assistance serves only to supplement insurance and other forms of coronavirus response assistance.

Procedures: Grantees must incorporate the following procedures into their policies and procedures for CDBG-CV assisted programs.

- A. Identify Applicant’s Total Need
 - a. Applicants indicate total need in the CDBG-CV Applicant Duplication of Benefits Statement, Certification, and Subrogation Agreement form².
 - b. The grantee must verify that the applicant’s request is associated with an action to prevent, prepare for, or respond to coronavirus. The grantee must maintain applicable supporting documentation.
 - c. All costs included in total need must be reasonable and necessary. The applicant must provide applicable supporting documentation.
 - d. The assessment of total need must consider in-kind donations of materials or services that are known to the grantee at the time it calculates total need and makes the award. In-kind donations are non-cash contributions, such as donations of professional services, use of construction equipment, or contributions of building materials. In kind donations are not “financial assistance” that creates a DOB under the Stafford Act, but they do reduce the amount of CDBG–CV assistance for unmet need because the donated goods or services reduce activity costs.
 - e. Grantees may not use CDBG-CV funds to reimburse costs paid by subsidized loans and the calculation of total need may not include such costs.

B. Identify Total Assistance Received or Anticipated

- a. Applicants indicate total assistance received or anticipated in the CDBG-CV Applicant Duplication of Benefits Statement, Certification, and Subrogation Agreement form.
- b. Applicants must provide applicable supporting documentation for any sources of funding cited in the total assistance received or anticipated calculation.
- c. The grantee must review and evaluate applicant-provided data regarding total assistance received or anticipated. The grantee must request clarification and/or additional supporting documentation to address any inconsistencies or omissions.
- d. Types of Resources Included in Total Assistance
 - i. Total assistance includes resources such as cash awards, insurance proceeds, grants, and loans received or anticipated by each CDBG–CV applicant, including awards under local, state or federal programs³ and from private or nonprofit charity organizations. “Anticipated” assistance means assistance likely to be received by acting reasonably to evaluate need and the resources available to meet that need.
 - ii. Subsidized Loans
 - a. Subsidized loans (including forgivable loans) are loans other than private loans. Subsidized loans may also be available from other sources. Subsidized loans are assistance that must be included in the DOB analysis, unless an exception regarding declined or cancelled subsidized loans applies.
 - b. Declined or cancelled subsidized loans are not a duplication and are not included in the DOB analysis.
 - iii. Total assistance does not include personal assets such as money in a checking or savings account (excluding insurance proceeds or disaster assistance deposited into the applicant’s account); retirement accounts; credit cards and lines of credit; in-kind donations (although these non-cash contributions known to the grantee reduce total need); and private loans.

C. Exclude Non-Duplicative Assistance

³ For reference, HUD’s guidance document “[CARES Act Programs through SBA, FEMA, IRS, Treasury, USDA, and HHS for CDBG Grantees’ Awareness for Duplication of Benefits](#)” provides a summary of federal CARES Act programs.

- a. Applicants indicate non-duplicative assistance in the CDBG-CV Applicant Duplication of Benefits Statement, Certification, and Subrogation Agreement form.
 - b. The grantee must review and evaluate applicant-provided data regarding non-duplicative assistance. The grantee must request clarification and/or additional supporting documentation to address any inconsistencies or omissions.
 - c. Exclude assistance that is:
 - i. Provided for a different purpose.
 - ii. Provided for the same purpose (eligible activity), but for a different, allowable use (cost).
- D. Identify DOB Amount and Calculate the Total CDBG–CV Award
- a. After evaluating and verifying applicant-provided data, the grantee must use the Duplication of Benefits Calculation Worksheet⁴ to identify the DOB amount and calculate the total CDBG–CV award.
 - b. Steps
 - i. Identify total need
 - ii. Identify total assistance
 - iii. Subtract exclusions from total assistance to determine the amount of the DOB
 - iv. Subtract the amount of the DOB from the amount of the total need to determine the maximum amount of the CDBG–CV award.
 - c. Considerations
 - i. Apply program cap, if applicable.
- E. Execute Subaward Agreement with facility/applicant
- a. Include a provision that all additional funds received will be reported to the grantee within 15 calendar days. If the additional funds are determined to be duplicative, the award will be reduced and/or the applicant will be required to repay any disbursed duplicative benefit.
 - b. Include a provision that, one year after the completion of the activity for which funds were awarded, the applicant must report and certify whether additional funds were received for coronavirus-related expenses, the amount, and when funds were received. If additional funds were received that are determined to be duplicative, require repayment.
- F. Reassess Unmet Need When Necessary

• 4 Format provided by AEDC

- a. If other resources become available to pay for the costs of an activity, thereby reducing the need for CDBG-CV funding, the grantee must reevaluate the Total Assistance available calculation and adjust the CDBG-CV award accordingly.

Recordkeeping

A. Policies and Procedures

- a. A CDBG-CV grantee must incorporate this policy notice into its policies and procedures for implementing CDBG-CV funded activities.
- b. To implement DOB policies and procedures, grantees must use appropriate forms including but not limited to:
 - i. CDBG-CV Applicant Duplication of Benefits Statement, Certification, and Subrogation Agreement form
 - ii. DOB Calculation worksheet
- c. Grantees must develop recapture policies and procedures.
- d. Grantees must identify a method to monitor compliance with the subrogation agreement for one year following the completion of the activity for which funds were awarded and must articulate this method in its written policies and procedures.

B. Applicant Records

- a. Grantees must maintain records for each public facility assisted/applicant, including, but not limited to:
 - i. Subaward Agreement
 - ii. CDBG-CV Applicant Duplication of Benefits Statement, Certification, and Subrogation Agreement form
 - iii. Documentation of Total Need
 - a. Documentation to verify that the applicant's request is associated with an action to prevent, prepare for, or respond to coronavirus.
 - b. Documentation that costs included in total need are reasonable and necessary.
 - iv. Duplication of Benefits Calculation Worksheet that includes:
 - a. Identification of unmet need
 - b. Identification of all sources of assistance provided to applicant
 - c. Identification of those sources that are duplicative (with comments as needed)
 - d. Final award calculation
 - v. Supporting documentation for any sources of funding cited by the applicant as assistance received or anticipated.

Oversight and Monitoring: Grantees must monitor compliance with the subrogation agreement for one year following the completion of the activity for which funds were awarded. The city will monitor grantee compliance with DOB requirements as part of the grant closeout process and will provide technical assistance to help rectify any instances of DOB miscalculation.

Time of Performance and Procedure to Determine Timely Expenditures: CDBG-CV grantees must expend all CDBG-CV funds (including CDBG-CV funds from additional allocations that are obligated by HUD through amendments to the grant agreement) within the 6-year period of performance established by the CDBG-CV grant agreement. HUD is imposing this period of performance to ensure the use of CDBG-CV funds to prevent, prepare for, and respond to coronavirus. The CDBG regulations at 24 CFR 570.200(k) and 24 CFR 570.480(h) permit HUD to establish a period for expenditure and performance in a grant agreement that is shorter than the normal 8-year period. HUD is exercising its authority to establish a 6-year period of performance and expenditure deadline in the CDBG-CV grant agreement. Grant funds are not available for expenditure after the period of performance. In addition, to further ensure the expedited use of the funds, HUD is imposing an alternative requirement that each grantee must expend at least 80 percent of all CDBG-CV funds (including CDBG-CV funds from additional allocations that are obligated by HUD through amendments to the grant agreement) no later than the end of the third year of the period of performance established by the CDBG-CV grant agreement. If this three-year requirement is not met, and evidence meeting the criteria for extension described in section III.B.7.(c) below is not provided, an amount equivalent to the difference between the total amount expended at the end of the third year and 80 percent of all CDBG-CV funds will be recaptured from the CDBG-CV grant.

To ensure that timeliness requirements are met, it will be policy that all projects funded under CDBG-CV must be able to be completed within three (3) years.

Post Award Requirements: Each eligible application must also comply with any necessary post award requirements as appropriate. These requirements include: Environmental Review; Davis-Bacon compliance; Acquisition/Relocation; Anti-Displacement; Equal Opportunity/Fair Housing, Handicap Accessibility, etc.

Duplication of Benefits Acknowledgment Form

In accordance with the Coronavirus Aid, Relief, and Economic Security Act (Pub. L. 116–136) (CARES Act), the U.S. Department of Housing and Urban Development (HUD) allocated Community Development Block Grant coronavirus response (CDBG-CV) funds to the State of Arkansas to prevent, prepare for, and respond to coronavirus.

HUD requires each grantee to have procedures in place to prevent the duplication of benefits when it provides financial assistance with CDBG-CV funds. Grant funds may not be used to pay for a cost if another source of financial assistance is available to pay for the same cost.

This acknowledgment must be completed by any local government applicant, and public facility owner/operator or subrecipient intended to receive grant funds at the time of application. Any public facility, subrecipient, individual or family, business, direct beneficiary, or other entity that receives assistance will also be required to complete a **Duplication of Benefits Certification** after grant funds are awarded to document compliance with the CARES Act requirement to ensure that there are adequate procedures in place to prevent any duplication of benefits. Duplicate funds may include The Paycheck Protection Program, Treasury Funds (CARES Act), Federal Emergency Management Agency funds, Small Business Administration funds, and other Federal, State or local funding.

Applicant Name:

Have you received any other federal funding to provide coronavirus response assistance to this same project (person, household, business, or other entity) for the same purpose?

- Yes (*if yes, do not continue with this application*)
- Yes, but funds are not adequate to cover the project cost and a gap has been identified
- No

Have you used the **Duplication of Benefits Calculation Worksheet** to identify the Local Government's or Subrecipient's Total Need and Total Assistance Available, in accordance with the DOB policy, and used this calculation to determine the request for grant funds in this application? You must maintain this documentation in your grant files.

- Yes
- No

Do you agree to monitor compliance with the **Subrogation Agreement** for one year following the completion of the activity for which funds were awarded?

- Yes
- No

Do you agree to repay funds if it is determined that assistance has been duplicated for this grantee, applicant, subrecipient, individual, business, or other entity?

- Yes
- No

I certify the accuracy of these statements:

Applicant:

Name and Title of Certifying Officer:

City, State & Zip

Signature of Certifying Officer:

Date of Signature:

I acknowledge these requirements as a beneficiary of CDBG-CV assistance:

Authorized Public
Facility or
Subrecipient
Representative:

Name and Title of Certifying Officer:

City, State & Zip

Signature of Certifying Officer:

Date of Signature:

**CDBG-CV Applicant Duplication of Benefits
Statement, Certification, and Subrogation Agreement**

In accordance with the Coronavirus Aid, Relief, and Economic Security Act (Pub. L. 116–136) (CARES Act), the U.S. Department of Housing and Urban Development (HUD) allocated Community Development Block Grant coronavirus response (CDBG-CV) funds to the State of Arkansas to prevent, prepare for, and respond to coronavirus. Recipients of CDBG-CV funds must implement procedures to prevent any Duplication of Benefits (DOB) as required by section 312 of the Stafford Act, as amended by section 1210 of the Disaster Recovery Reform Act of 2018 (division D of Public Law 115–254; 42 U.S.C. 5121 et seq.). With this form, an applicant for CDBG-CV assistance 1) outlines the costs associated with a proposed coronavirus-related activity; 2) identifies other assistance received or anticipated for the activity; 3) states the CDBG-CV funding request; 4) certifies the accuracy of the information; and 5) agrees to repay any awarded CDBG-CV assistance that is duplicated.

Applicant Name	
Proposed Activity ⁵	
Total Need ⁶	
Total Assistance Received or Anticipated for Proposed Activity ⁷	
Total of Non-Duplicative Assistance ⁸	
Total Duplication of Benefits (DOB) ⁹	
CDBG-CV funding request ¹⁰	

5 Activity must be associated with an action to prevent, prepare for, or respond to coronavirus.

6 “Total Need” is the total activity cost. All costs included in total need must be reasonable and necessary. Applicant must provide applicable supporting documentation.

7 Not including CDBG-CV. “Assistance” includes resources such as cash awards, insurance proceeds, grants, and loans received or anticipated by the CDBG–CV applicant, including awards under local, state or federal programs, and from private or nonprofit charity organizations. “Anticipated” assistance means assistance likely to be received by acting reasonably to evaluate need and the resources available to meet that need. Applicant must provide applicable supporting documentation for any source of funding cited in the total assistance calculation. For reference, HUD’s guidance document [“CARES Act Programs through SBA, FEMA, IRS, Treasury, USDA, and HHS for CDBG Grantees’ Awareness for Duplication of Benefits”](#) provides a summary of federal CARES Act programs.

8 Assistance is non-duplicative if it is 1) provided for a different purpose; or 2) Provided for the same purpose (eligible activity), but for a different, allowable use (cost).

9 Total DOB equals “Total Assistance Received or Anticipated for Proposed Activity” minus “Total of Non-Duplicative Assistance.”

10 The CDBG-CV funding request may not exceed the “Total Activity Cost” minus the “Total Duplication of Benefits (DOB).”

Proposed Itemized Activity Budget¹¹

Funding Source	(Budget Item 1)	(Budget Item 2)	(Budget Item 3)	(Budget Item 4)	Total
CDBG-CV					
(Source)					
(Source)					
(Source)					
(Source)					
Total					

Under penalties of perjury, I/we certify that the information presented in this document is true and accurate to the best of my knowledge and belief. I/We further understand that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in my ineligibility to participate in this program or any other programs that will accept this document. Additionally, if I/we receive future funding for the same purpose of the any CDBG-CV funds received, I/we will agree to repay the assistance that was duplicated.

Warning: Any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18 U.S.C. 287, 1001 and 31 U.S.C. 3729.

Applicant Name/Title/Organization

Signature

Date

¹¹ Add or delete columns or rows, as needed.