



CDBG-CV Public Services

Duplication of Benefit Policy

The New Hampshire Community Development Finance Authority (CDFA) is in receipt of Community Development Block Grant Coronavirus (CDBG-CV) funds from the Department of Housing and Urban Development (HUD). CDFA will use these funds to carry out activities to address the preparatory, relief and recovery needs resulting from the 2020 COVID-19 pandemic. These activities include projects and programs that provide public services and economic development resources to nonprofits, municipalities and businesses impacted by the pandemic. These activities are carried out in partnership with other state agencies through the implementation of a number of CARES Act funded programs.

The Robert T. Stafford Disaster Relief and Emergency assistance Act (Stafford Act) requires that recipients of federal emergency funding make certain that no “person, business concern or other entity” will receive duplicative assistance¹. Because emergency assistance to each person/entity varies widely based on their eligibility for federal funding, grantees cannot comply with the Stafford Act without first completing a duplication of benefits (DOB) analysis specific to each applicant.

A DOB occurs when:

- A beneficiary receives assistance, and
- The assistance is from multiple sources, and
- The assistance amount exceeds the need for a determined CDBG-CV related expense.

CDBG-CV assistance is intended to supplement—not supplant—other public, private and nonprofit sector resources that have already been provided for the same need or loss and are legally required to constitute a duplicative source of financial assistance.

For example: A Food Pantry is requesting assistance to meet the new demand for services due to the COVID-19 pandemic. They have needed to increase staff time, hire temporary employees, procure PPE, sanitation supplies, and increased food costs. Grantees should assure the project provides assistance to the entity only to the extent that the entity has a CDBG-CV related need that has not been fully met by funds that have already been paid, or will be paid, from another source.

The purpose of this document is to outline how CDFA assures that all applications for assistance from the programs it funds—as well as all projects implemented by CDBG-CV grantees, contractors, and subrecipients—will be reviewed for possible duplication of benefits. The procedures described below are applicable to all CDBG-CV grantees and subrecipients and

¹ Stafford Act, Title III, Sec. 312, (a)

must be incorporated in the design and administration of projects undertaken by them. This document details CDFA's general Duplication of Benefits policy. Individual programs may be subject to program-specific policies implementing additional Duplication of Benefits requirements or processes, subject to this overarching policy.

The first step of the DOB determination (calculation) is to determine the amount of assistance needed and the amount of funds previously received—or to be received—for a particular CDBG-CV related activity. This is accomplished by first determining the need prior to the receipt or potential receipt of other funds. Other sources of funds can include, but are not limited to: private insurance; the Federal Emergency Management Agency (FEMA) Disaster Relief Fund; the Small Business Administration (SBA) Payment Protection Program (PPP) and Economic Injury Disaster Loan (EIDL) loans; local and state funds like the Coronavirus Relief Fund; other federal programs; and private and nonprofit organizations. A third party consulting firm has created a [CARES Act Programs spreadsheet](#) to assist Grantees in DOB analysis. Next, all other sources of CDBG-CV assistance received, or available to be received, must be disclosed during the application process and must be verified where reasonably possible. Whether the assistance constitutes a duplicative source can be affected by the use for which it was provided and specific exemptions that may be provided by law, regulation, or waiver, such as provided in the Disaster Recovery Reform Act, Public Law 115-254, which impacts SBA loans for certain presidentially declared disasters.

The next step is to identify assistance that is not available for the activity. This consists of: funds received that are not for the same expense as the CDBG-CV activity(s); funds not available to the applicant; funds from unsubsidized private loans (forgivable loans are duplicative); and any other asset or line of credit available to the applicant, such as checking and savings accounts, stocks, etc. These funds are not considered to be duplicative and may be excluded and not deducted as a duplication of benefit. Finally, after subtracting from the proposed activity cost the duplicate funds received or available to receive, the maximum CDBG-CV award is calculated.

Once the maximum CDBG-CV award has been determined, applicants will be required to sign a duplication of benefit certification—included in the grant/subrecipient agreement—requiring them to return to CDFA any assistance received for the same expense as the CDBG-CV funds. This agreement is to be monitored by CDFA program staff, grantees, and subrecipients at least annually for three years. Unless an additional need is established, CDBG-CV funds should be recaptured to the extent that they are in excess of the need and duplicate other assistance received by the beneficiary for the same expense.

The following is an example of the above described process steps for DOB determination:

1. Identify the Applicant's Total Need Prior to Any Assistance.....	\$100,000
2. Identify All Potential Duplicative Assistance.....	\$35,000
3. Deduct Assistance Determined to be Duplicative.....	\$30,000
4. Maximum Eligible Award (Item 1 less Item 3).....	\$70,000
5. Program Cap (if applicable).....	\$500,000
6. Final Award (lesser of Items 4 and 5).....	\$70,000

UNMET NEEDS

The federal regulation pertaining to this CDFA policy and procedure for identifying Duplication of Benefits is found in 76FR 71060, November 16, 2011—as modified by 4 84 FR 28836 and 28848 June 20, 2019—which should be reviewed as part of determining Duplication of Benefits. Caution should be utilized in determining the applicability of these federal notices with respect to an appropriation's funding of a specific program because these notices contain time restrictions. CDFA is assuming the applicability of CDBG-DR (disaster recovery) DOB regulations to CDBG-CV funds in lieu of any formal guidance from HUD. Additional restrictions or relief may be incorporated once formal HUD CDBG-CV DOB guidance is released.

DOCUMENTATION

Each project file must contain the following:

1. Duplication of Benefit calculation worksheet form to include:
 - 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
2. Any required 3rd party verifications of assistance and/or certifications as follows:
 - a. FEMA programs: letter/s from FEMA and/or data provided by FEMA
 - b. Insurance: letter from insurance company and/or data if available
 - c. SBA: letter/s from SBA and/or data provided by SBA
 - d. Other program documentation
3. Certification that no additional benefits have been received. This can be a signed affidavit from the beneficiary or other form as created by the program.

Additionally, at the program level each implementing agency must have the following:

4. A description/definition of Duplication of Benefit and likely sources within their program guidelines or in their application, and
5. Recapture policies and procedures

MONITORING FOR DUPLICATION OF BENEFIT

The process for identifying and then monitoring for DOB begins with the review of each grant application—whether it is for a specific project or an individual beneficiary of CDBG-CV funds. An applicant must provide detailed information about other sources of funds that were received—or that may be received—related to the activity for which CDBG-CV funds are being requested. CDFA program management staff review and verify the other funds to determine if they are for the same activity and exceed the need for assistance. Once CDBG-CV funds are awarded (minus any determined to be a DOB), applicants are required to notify CDFA of the receipt of any additional funds received for the same activity. Program staff review individual pay requests and project amendments to determine if other funds have been received that represent a DOB. In the event that additional funds are determined to be a DOB, funds will be withheld from future pay requests, and the approved project budget will be amended. In the event that all funds have been expended and a DOB is identified, the applicant will be required to repay the funds to CDFA for return to the U.S. Treasury.