

THE STATE OF WEST VIRGINIA
CDBG-CV DUPLICATION OF BENEFIT
POLICIES AND PROCEDURES GUIDANCE
EFFECTIVE MARCH 24, 2021



WEST VIRGINIA DEVELOPMENT OFFICE

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Change Log

Name	Date	Changes Made
Hannah Carter	March 20	Created
Hannah Carter and Sherry Risk	March 24	Reviewed and Edited

Duplication of Benefits (DOB) Background

The Robert T. Stafford Act establishes the requirements for Duplication of Benefits (DOB) analysis to prevent duplication of benefits. As part of the CARES Act and described in FR-6218-N-01 (CDBG-CV Federal Register Notice), HUD must ensure that there are adequate procedures in place to prevent any duplication of benefits as required by Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), as amended by section 1210 of the Disaster Recovery Reform Act (DRRA) of 2018. The Robert T. Stafford Act (Stafford Act) prohibits the use of federal disaster assistance to pay a person, household, or entity twice for the same disaster loss. The Stafford Act also requires CDBG-CV grantees to limit their assistance to unmet needs for eligible activities. An unmet need exists when the total need for eligible activities is more than the total assistance received for the same purpose.

Note to grantees with experience administering CDBG-DR: Unlike other disaster funds, CDBG-CV grantees do not need to follow a statutory “Order of Assistance” for delivery of different federal and non-federal programs. This means that grantees do not need to validate whether other funding sources are available or will be available before allocating CDBG-CV assistance (as opposed to CDBG-DR, where the grantee generally must check to see whether FEMA assistance was provided before making an award). The grantee is solely responsible for ensuring that an actual duplication of benefits does not occur.

Duplication of Benefits Due to COVID-19

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed to provide immediate and direct response to the emerging crisis impacting our country as a result of the COVID-19 global pandemic. This allocation was authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136. CDBG-CV funding intends to address the unmet needs of a community. The funds are supplemental to primary forms of assistance, including private insurance, and FEMA funds, and cannot be used simultaneously. To avoid duplicative assistance and potential de-obligation of funding, the State must account for all possible funding sources before applying CDBG-CV dollars to a project. Any person or entity receiving CDBG-CV assistance (including subrecipients and direct beneficiaries) must agree to repay assistance that is determined to be duplicative. This may be documented through a subrogation agreement or similar clause included in the agreement with the person or entity.

CDBG Coronavirus Response Grantee Resources Related to Preventing Duplication of Benefits can be found at the following link:

<https://www.hudexchange.info/resource/6097/cdbg-coronavirus-response-grantee-resources-related-to-preventing-duplication-of-benefits/>

Notice of Program Rules, Waivers, and Alternative Requirements Under the CARES Act for Community Development Block Grant Program Coronavirus Response Grants, Fiscal Year 2019 and 2020 Community Development Block Grants, and for Other Formula Programs are at the following link:

<https://www.federalregister.gov/documents/2020/08/20/2020-18242/notice-of-program-rules-waivers-and-alternative-requirements-under-the-cares-act-for-community>

Duplicative Assistance Sources

The CDBG-CV program ensures that a DOB analysis is performed for each applicant to consider all possible disaster recovery funding sources when processing applications for assistance. Duplicative assistance sources include but are not limited to:

- i. Federal Emergency Management Agency (FEMA);
- ii. Small Business Administration (SBA);
- iii. Community Development Block Grant (CDBG), CDBG-Cares Act, Emergency Shelter Grant (ESG), ESG-Cares Act, Housing opportunities Persons with Aids (HOPWA), HOPWA-Cares Act or Continuum of Care (CoC) grants;
- iv. United States Department of Agriculture (USDA)
- v. Other Federal CARES Act Funding;
- vi. City, County, or State General Fund;
- vii. Private Insurance;
- viii. Private funding or fundraising;
- ix. U.S. Treasury administered by the West Virginia Housing Development Fund (e.g. Coronavirus Relief Fund);
- x. HOME, particularly tenant based rental assistance (TBRA);
- xi. State housing agencies and other entities;
- xii. Local organizations (e.g., United Way, Catholic Charities) s, etc.;
- xiii. West Virginia Public Service Commission Utility Reimbursement Fund;
- xiv. WV Department of Health and Human Resources Housing Programs.

Analyzing Duplication of Benefits (DOB)

Analyzing DOB as a Subrecipient

To analyze duplication of benefits a subrecipient should complete the following steps:

- i. Assess Need
 - a. Determine the amount of need (total cost).
- ii. Determine Assistance
 - a. Determine the amount of assistance that has or will be provided from all sources to pay for the cost.
- iii. Calculate Unmet Need
 - a. Determine the amount of assistance already provided compared to the need to determine the maximum CDBG-CV award (unmet need).
- iv. Document analysis
 - a. Document calculation and maintain adequate documentation justifying determination of maximum award.
 - i. Example: A family that has suffered job loss due to the economic impact

of the coronavirus seeks rental assistance under a CDBG-CV Emergency Payment program for 3 months of arrears payments and 2 months of current/ future rent.

Monthly Rent = \$1,000 Potential Total Need: \$1,000 * 5 months = \$5,000

Step 1. Assess Need

Step 2. Determine Assistance in the Application. The applicant was asked to report if they are receiving or expecting to receive any additional or similar assistance. The applicant reported that a local faith-based organization provided \$250/ month for the past three months, but that aid is no longer available. The family certified that it has not applied for assistance from any other source.

Step 3. Calculate Unmet Need Total Need = \$5,000 Other Assistance = \$750 (\$250/ month for three months) Actual Unmet Need (Maximum Award) = \$4,250 (\$5,000- \$750).

Step 4. Document the Analysis Maintain documentation of calculation and justification to confirm amount of unmet need.

The WVDO also has policies and procedures in place to request repayment or recapture of any duplicative assistance received *after the award of CDBG funds* from the WVDO. Repayment or recapture policies and procedures also apply in instances when an applicant must return all or part of the CDBG awarded funding to the respective program (i.e. due to fraudulent activity or non-compliance with grant award terms and conditions). Refer to Updates to the Duplication of Benefits Requirements Under the Stafford Act for Community Development Block Grant (CDBG) Disaster Recovery Grantees FR Notice 6169-N-01.

www.hud.gov/sites/dfiles/Main/documents/6169-N-01_Main_DOB_Notice.pdf

Documenting Duplication of Benefits with Applicant Self-Certification Form

To be a possible beneficiary, a self-certification of Non-Duplication of Benefits must be performed by completing the Self-Certification of Non-Duplication of Benefits form. Although this self-certification form is provided by the WVDO, Subrecipients are able to create individual forms for self-certification if they prefer, so long as all required information is included. Eligible Applicants for CDBG-CV funds must have previously provided the following required information to the Subrecipient (City or County Official) of WVDO funds:

- i. Income Documentation- listed on pages 13 and 14 in the CDBG-CV Policy and Procedures*.
- ii. Program specific Applicant Certification Form provided by Subrecipient.
- iii. Required Eligibility Documentation for specific assistance listed on pages 15-22 of CDBG-CV Policy and Procedures*.

*The CDBG-CV Policy and Procedures can be found on the WVCAD website:

<https://wvcad.org/resources>.

The applicant is required to list the source, time period, and amount of granted funds that have been used for assistance. After completing the self-certification form, Subrecipients of the WVDO can ensure the information is correct and true, although not mandatory. Please refer to the DOB Cross-Analyzation Contact sheet complete with WVDO Program Contacts for confirmation of the funding source and amount.

Prevention of Duplication of Benefits (DOB)

Preventing DOB for Requested Funds

The following steps are taken by the WVDO to prevent a DOB for applicants requesting CDBG-CV funds prior to the award of any CDBG-CV funds:

- i. Applicant self-reports all potentially duplicative assistance received and may submit documentation accounting for how previously received funds were expended.
- ii. Verify the amount, intended purpose and time period of assistance received to validate the applicant's self-reported information via most recent third-party data sources or direct verification with insurers or private/nonprofit entities.
- iii. Review permissible expenditure documentation to determine if the amount of duplicative assistance received can be reduced for permitted expenses.
- iv. Determine if funding adjustments are required to an applicant's award, specifically when assistance received exceeds permissible expenditures.
- v. Establish an unmet need exists by confirming the applicant's total remaining need for eligible activities is more than the applicant's total assistance received for the same purpose.
- vi. Reference the Cross-Analyzation Contact form provided by WVDO in necessary.

Recapture/Repayment Process

If a Duplication of Benefit does occur, HUD will require the Subrecipient to repay the CDBG-CV grant with non-Federal funds. A CDBG-CV Subrecipient may permit payment of a cost that will be or is likely to be paid by another source in the future if the person or entity receiving the assistance enters an agreement to repay the CDBG-CV funds when the other source of assistance is received.