

Duplication of Benefits (DOB)

Many federal and state agencies are involved in responding to presidentially declared major disasters under the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (the “Stafford Act”). Under Stafford Act requirements, Congress instituted a goal to achieve greater coordination and responsiveness of disaster preparedness and relief programs. The Stafford Act duplication of benefits (DOB) requirements apply to all federal agencies, including HUD, administering a disaster recovery program in which financial assistance for emergency response and long-term recovery is provided. The CDBG-DR grants are subject to these requirements.

Section 312(a) of the Stafford Act requires the Federal Government to assure that no person receiving federal financial assistance receives funds for any part of a loss already paid by insurance or any other source. Section 312(c) makes any person receiving duplicative assistance liable to the Federal Government for the duplicative amount and states that “the agency which provided the duplicative assistance shall collect [it] from the recipient when the head of such agency considers it to be in the best interest of the Federal Government” (42 USC 5155(c)). Additionally, Section 312(b) of the Act permits the payment of assistance to someone who is or may be entitled to future payments from insurance or another source “if such person agrees to repay all duplicative assistance to the agency providing the Federal assistance” (42 USC 5155(b)).

The Stafford Act requirements are reinforced by other requirements on the use of CDBG-DR. Public Laws governing each of the allocations require the HUD Secretary to certify in advance of making grant awards that grantees have adequate procedures to prevent any DOB. To support the Secretary’s certification, grantees must certify that they have “established adequate procedures to prevent any DOB as defined by section 312 of the Stafford Act.”

Additionally, the Appropriations Act, regulations, and cost principles within uniform administrative requirements applicable to all CDBG-DR grantees require that costs are necessary and reasonable (24 CFR part 570 and Uniform Requirements at 2 CFR part 200). “A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost” (2 CFR 200.404).

DOB verification is most often a complex compliance requirement for housing activities, but it also applies to public facilities and businesses, depending on the activity. Fundamentally, the state and subrecipients must prove that they have accounted for private insurance, SBA, NFIP, FEMA and/or any other funding an applicant has received for the same purpose as the CDBG-DR grant, prior to expenditure of CDBG-DR funds.

Florida Department of Commerce (FL Commerce) coordinates with FEMA, NFIP, and SBA to establish a process whereby information can be obtained to determine if applicants, especially housing rehabilitation applicants seeking disaster recovery funding assistance, have applied for, or received funding from either of these two agencies. HUD has a data sharing agreement with FEMA to ensure its grantees have the most recent assistance data in confirming other federal assistance. To ensure the most recent assistance data is used to confirm other federal assistance, FL Commerce currently has secured data sharing agreements with SBA and the NFIP for the following disasters:

- 2020 Disaster – Hurricane Sally

The Stafford Act directs administrators of federal assistance to ensure that no person, business, or other entity will receive duplicative assistance and imposes liability to the extent that such assistance duplicates benefits available to the person for the same purpose from another source. The amount of the duplication is the amount of assistance provided in excess of need. The Stafford Act requires that recipients of federal disaster recovery funding make certain that no "person, business concern or other entity" will receive duplicative assistance. A DOB occurs when:

- A beneficiary receives assistance, and
- The assistance comes from multiple sources (e.g., private insurance, FEMA, NFIP, non-profits, etc.), and
- The total assistance amount exceeds the need for a particular recovery purpose.

Eligible applicants may have previously received assistance from other sources. Under the requirements of Stafford Act (42 U.S.C. 5121, et seq.), as interpreted and applied by HUD, the program must take into account certain aid received by applicants in determining the amount of assistance which can be granted. In accordance with the Stafford Act, all projects, both directly and subrecipient administered, must perform due diligence to identify potentially duplicative sources of funding, analyze whether the source is duplicative, and include duplicative sources in an assessment that is deducted from the project's need-based award determination.

The following are sources of funding assistance provided for structural damage and loss that are considered a DOB and under federal law must be deducted from the CDBG-DR assistance provided.

- FEMA Individual Assistance for Structure (IA),
- FEMA (NFIP),
- Private Insurance,
- Increased Cost of Compliance (ICC),
- SBA,
- Any other funding source available to the homeowner for the same purpose as a CDBG-DR grant that may duplicate assistance.

Funds received from any source, including flood insurance, FEMA, and hazard insurance that were used to cover repairs to the homeowner's home will reduce the amount of disaster assistance if the evidence of expenditures at least equals the amount of assistance provided from the source(s). Documentation must be provided demonstrating the cost and type of repair conducted.

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.

For additional information on DOB, see the following Federal Register Notices: 76 FR 71060, 84 FR 28836, and 84 FR 28848 available on the HUD Exchange website.

CDBG-DR Compliance and Benefits Calculation & Certification

Applicant:	
Commerce/Subrecipient Contract (“Subrecipient Agreement”):	HS013
Project Type:	Multi-Family Rental Housing
Project Name:	
Project Location/Address:	
Estimated Project Cost:	
FHFC/Applicant Contract:	RFA 2024-305

Calculations

Benefits Received- Federal	Total Funds
Other HUD Programs	
FEMA PA	
FEMA HMGP	
NFIP	
U.S. Army Corp of Engineers (USACE)	
U.S. DOT/Federal Highway Admin.	
Federal Transit Administration (FTA)	
Federal Economic Development (FEDA)	
U.S. Food and Drug Admin. (FDA)	
Increased Cost of Compliance (ICC)	
Other Federal Grants	
<i>Total Benefits Received-Federal</i>	

Benefits Received – State/Local/Other	Total Funds
State Dept. of Transportation (FDOT)	
State Grants	
Local Grants	
Other Local Funding	
Private Insurance	
<i>Total Benefits Received – State/Local/Other</i>	

Total Benefits Received Federal/State/Local/Other Funding	
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CDBG-DR Project Cost	
Repairs Completed	
Total Estimated Project Cost	
Total Project Cost	

Duplication Of Benefits Calculation	
Total Project Cost	
Total Benefits Received	
Benefits/Other Funding excluded*	
Total Unmet Need	
Maximum CDBG-DR Funding Award	

*Excluded non-duplicative justification below.

Narrative to describe justification for benefits being excluded for the Duplication of Benefits calculation, additional pages attached if necessary.

Narrative to demonstrate lack of other funding for this project, additional pages attached if necessary.

Applicant Certification

By signing below, I certify in my individual capacity and on behalf of Applicant, in my position as indicated by the title below, that all information provided in connection with this CDBG-DR Compliance and Benefits Calculation & Certification is true, accurate, and complete to the best of my knowledge and belief. I understand that providing false or misleading information can result in legal consequences.

Signature: _____

Printed Name: _____

Title: _____

Date: _____