



## Housing Finance Division

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## Duplication of Benefits: Policies and Procedures

### **BACKGROUND**

A duplication of benefits (DOB) occurs when a person, household, business, government, or other entity receives financial assistance from multiple sources for the same purpose, and the total assistance received for that purpose is more than the total need for assistance. The County is bound by federal regulations, and the OMB Cost Principles within 2 CFR § 200 to make sure all costs to be “necessary and reasonable for the performance of the Federal award.” To comply with DOB requirements, grantees are required to establish and follow procedures to ensure that DOB does not occur.

For example, a duplication of benefits will occur if an applicant for a housing repair or rehabilitation program previously received financial or in-kind assistance for the repair or reconstruction of his or her home or Subrecipient receives funding for drainage and infrastructure project that has already received local, DOT, or other funding to address this project/purpose. Supplanting funds that have already been earmarked for the same project is also not allowed.

If applicants, subrecipients, etc. have received funding for the same project/purpose, the HFD will require applicants to contribute any duplicative assistance identified (also known as DOB Gap Funds) prior to construction beginning on the project.

Any person or entity receiving emergency economic, flood, and/or disaster related short term congressional appropriation funds 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.

To prevent any duplication of benefits from occurring prior to the award, Broward County HFD County will determine the remaining unmet need by considering all reasonably identifiable financial assistance made available to the applicant prior to the commitment of funds.

The Broward County Housing Finance Division (HFD):

1. Established procedures and protocols to monitor compliance based on risk of duplication of benefits for each activity.
2. Developed a method of assessing whether the use of these funds will duplicate financial assistance that is already received or is likely to be received (such as insurance proceeds) by acting reasonably to evaluate the need and the resources available to meet that need.

3. Evaluated current programs available at the local, state, and federal level as well as current and anticipated non-governmental assistance from nonprofits or faith-based groups and establish lines of communication for preventing duplication of benefits.

HUD encourages grantees to target activities to address unmet needs and gaps to reduce the risk of duplication of benefits. To ensure that policies and procedures accurately reflect the specific components of each program, grantees should consider designing DOB policies and procedures that are specific to each program and activity. Policies and procedures should be specific for each program supported with its respective grant funding and should be commensurate with risk of duplication of benefits.

### **DETERMINING DUPLICATION OF BENEFITS PROCESS**

To analyze duplication of benefits HFD will complete the following steps:

1. **Assess Need:** Determine the amount of need (total cost) prior to assistance.

For rehabilitation programs (i.e., programs related to housing, public facilities, and infrastructure), the applicant's total post-disaster need shall be determined by a work write-up and cost estimate. The HFD will review and analyze supporting documentation provided by applicant/subrecipient and address whether other sources of funds are available for that same purpose and for that specific project.

2. **Determine Assistance:** Determine the amount of assistance that has or will be provided from all sources to pay for the cost.

Total assistance includes all benefits available to the person or entity, including the following:

- Other HUD programs.
- FEMA assistance.
- NFIP payments.
- SBA loans.
- Private insurance proceeds.
- Private donations or gifts of cash and/or other resources (at market value).
- State, local, and/or other grants

All applicants shall be required to provide, at the time of application, documentation supporting all benefits received for the specified purpose or activity to be undertaken with the loan/grant being applied for. The applicant will also identify reasonably anticipated assistance, such as future insurance claims payments or approved SBA loan proceeds, either directly from the sources AND a required applicant signed certification.

**3. Calculate Unmet Need:** Determine the amount of assistance already provided compared to the need to determine the maximum Loan/grant award (unmet need).

Once the state or its subrecipient has determined the potential award and the total assistance received or to be received, the state or its subrecipient may exclude for duplication of benefits purposes any assistance that:

- Was provided for a different purpose other than the purpose of the program from which the applicant seeks assistance.
- Was used for a different eligible purpose within the same program.
- Is not available to the applicant.
- Consists of a private loan not guaranteed by the SBA; and/or
- Consists of any other asset or line of credit available to the applicant.

Any funds provided for a different purpose or a general, non-specific purpose (e.g., disaster relief or recovery) may be excluded by the state or its subrecipient from the final award calculation if the funds are not used by the applicant for the proposed purpose. For example, funds provided by FEMA or private insurance for interim housing when a household is temporarily unable to reside in its permanent residence have a different purpose than funds for the rehabilitation or replacement of a housing unit and may be excluded.

**4. Document Analysis:** Document calculation and maintain adequate documentation justifying determination of maximum award.

All of these sources of benefits and procedures to reach final determination must be documented within the file and must show documentation for each.

All applicants, subrecipients, etc. will be required to execute and DOB certification.

In addition to the DOB information, the DOB certification will state explicitly the following notification, "Warning: Any person who knowingly makes a false claim or statement to HUD or causes another to do so may be subject to civil or criminal penalties under 18 U.S.C. 2, 287, 1011 and 31 U.S.C. 3729.

The HFD will design each of its recovery programs to account for any potential duplication of benefits that are relevant to the specific recovery activity. As recovery programs become operational, HFD will conduct periodic performance monitoring of recovery activities based on program risk assessments.