

BAY CITY

DUPLICATION OF BENEFITS POLICY

Purpose

As a recipient of the U.S. Department of Housing and Urban Development (HUD), through the Texas Department of Housing and Community Affairs (TDHCA) Community Development Block Grant Coronavirus Program (CDBG-CV) funds, BAY CITY is to ensure that CDBG-CV funds are used consistent with the Community Resiliency Program requirements. TDHCA requires that there are adequate procedures in place to prevent any duplication of benefits (“DOB”), and to ensure TDHCA complies with federal regulations and this requirement, this responsibility is passed on to all CDBG-CV subrecipients to effectively manage the multiple active funding streams related to coronavirus response and efficiently target CDBG-CV resources to meet unmet needs in the community. This policy ensures that there is no DOB for any project or program receiving CDBG-CV assistance through this funding award.

Applicability

This policy is applicable to all non-entitlement BAY CITY employees, consultants, or subawardees responsible for the implementation of programs and projects funded under TDHCA's CDBG-CV grants and who oversee agreements or contracts with the subrecipient.

Definitions

- DOB: Duplication of benefits (DOB) occurs when a person, household, business, government, or other financial 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.
- Subrecipient: Subrecipient, for the purpose of this policy, means a non-entitlement City or County, a nonprofit organization, subawardee, or an entity selected by the non-entitlement City or County to receive all or a portion of the non-entitlement City or County's CDBG-CV (or other federal) funds.

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, TDHCA must account for all possible funding sources before applying CDBG-CV dollars to a project. Any entity receiving CDBG-CV assistance (including subrecipients and subawardees) must agree to repay assistance that is determined to be duplicative. This may be documented through a contract, exhibit, and/or affidavit with the entity (subrecipients or subawardees).

Analyzing Duplication of Benefits (DOB)

To analyze duplication of benefits, BAY CITY will complete the following steps:

1. Assess Need
 - a. Determine the total cost of the project/program.
 - b. Determine the total cost of eligible CDBG-CV project/program expenses.
2. Determine Assistance
 - a. Determine the amount of assistance that has been or will be provided from all sources to pay for all costs of the project/program.
 - b. Determine the amount of all sources that can pay for eligible CDBG-DV project/program expenses.
3. Calculate Unmet CDBG-CV Project/Program Costs
 - a. Determine the amount of assistance already provided for the total project and/or program compared to CDBG-CV eligible expenses to determine the maximum CDBG-CV award (unmet need).
4. Document Analysis
 - a. Document the calculation and maintain adequate documentation justifying determination of maximum award.
 - i. Example:
How much will the overall project or program cost?
- (subtract)
How much of the project or program costs are ineligible CDBG-CV costs?
Amount of assistance that has been or will be provided by all sources to pay the eligible CDBG-CV cost (other than CDBG-CV).
= (equals)
Unmet CDBG-CV Need

Recapture/Repayment Process

If a Duplication of Benefits does occur, the subrecipient agrees that TDHCA will require the subrecipient to repay the CDBG-CV grant with non-federal funds within ten calendar days of discovery of the duplication.

These Policies and Procedures are implemented through Bay City's CDBG-CV Review Team:

Bay City Mayor

Bay City Director of Finance

Bay City Manager

Adopted on this day of January 6, 2022