

**CITY OF CHIPLEY
DUPLICATION OF BENEFITS POLICY
FOR
FLORIDA COMMERCE CDBG-DR/CDBG-MIT PROGRAMS**

Background

CDBG-DR/CDBG-MIT 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. A requirement for any entity receiving federal grant awards is the inclusion of policies and procedures that address Duplication of Benefits (DOB) and a process for mitigating potential duplication. 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. To avoid duplicative assistance and potential de-obligation of funding, the City of Chipley must utilize all possible funding sources before applying (CDBG-DR/CDBG-MIT) dollars to a project.

The Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 ("Stafford Act"), as amended, 42 U.S.C. §5121 et seq., established Duplication of Benefits (DOB) analysis requirements applicable to all federal agencies, including HUD, that administer disaster recovery programs providing financial assistance for emergency response and long-term recovery. Furthermore, Section 312(a) of the Stafford Act requires Federal Agencies to ensure that no recipient of federal financial assistance receives funds for losses already paid by insurance or other sources, including other Federal funding. Section 312(c) holds recipients liable for duplicative assistance and authorizes the providing agency to collect it when deemed in the Federal Government's best interest (42 USC 5155(c)).

Overview

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

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

The City of Chipley will follow established procedures for DOB verification to address the specific types of DOB and perform a related analysis for each project (e.g., FEMA Public Assistance for public infrastructure projects). The City of Chipley will consider all possible disaster recovery funding sources when calculating DOB.

Eligible recipients of CDBG-DR/CDBG-MIT assistance 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 City of Chipley must take into account certain aid received in determining the amount of assistance to be granted. In accordance with the Stafford Act, all projects 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.

Funds received from any source 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 should be maintained, demonstrating project cost and all type(s) of assistance received.

Not all types of assistance constitute a DOB. Reductions of DOB totals are applicable if the City of Chipley can prove that the use or control of the funds meet certain criteria. For DOB calculations, the City of Chipley must exclude amounts that are:

- Provided for a different purpose; or
- Provided for the same purpose (eligible activity), but for a different, allowable use (cost);
- Funds not legally available to the applicant;
- A private loan; or
- Declined or cancelled subsidized loans (only the amount of a subsidized loan that is declined or cancelled is not a DOB. To exclude declined or cancelled loan amounts from the DOB calculation, the grantee must document that all or a portion of the subsidized loan is cancelled or declined.) The full amount of a subsidized loan available for the same purpose as CDBG-DR assistance is assistance that must be included in the DOB calculation unless one of the exceptions in section V.B.2. of 84 FR 28836 applies.
- Any other asset or line of credit available to the applicant.

If the City of Chipley chooses to leverage the CDBG-DR/CDBG-MIT funds with funding provided by other sources, leveraged funds must be in accordance with the Stafford Act to ensure that the City of Chipley has not received multiple federal awards for the same purpose and/or effect to recover from the specified disaster.

DOB Policy and Procedures

The City of Chipley is responsible for calculating and reporting to the appropriate agencies any DOB the City of Chipley may have incurred.

If a duplicative benefit is discovered after the disaster recovery award is provided, the City of Chipley will recapture the amount of the duplicative award.

If a DOB issue is identified while the City of Chipley's agreement with awarding agency is still active, the applicant will refund the duplicative amount to the City of Chipley's disaster recovery program.

If a DOB issue is identified after the City of Chipley's agreement with the awarding agency is closed, the applicant will refund the duplicative amount to the appropriate awarding agency.

The City of Chipley will maintain documentation for all corresponding financial transactions related to the refund(s) in the subrecipient agreement and/or beneficiary files. The City of Chipley will submit a copy of the completed documents and supporting documentation to the awarding agency Grant Manager assigned to the agreement.