

# Duplication of Benefit Policy

## Section 1: Purpose

The City of Steubenville policy is to ensure no duplicate benefits are paid by local, state, or Federal agencies on behalf of its citizens. In accordance with the Stafford Act, disaster recovery funds may not be used for costs where other assistance was already provided for the same purpose if no unmet need remains. This policy shall help ensure CDBG-CV and CDBG-DR awards from the U.S. Department of Housing and Urban Development (HUD) are necessary and reasonable, monitored for compliance, and funds recaptured if duplication is discovered.

## Section 2: Introduction

1. Duplication of benefits (DOB) occur when a beneficiary receives assistance from multiple sources such as Federal Emergency Management Agency (FEMA), the National Flood Insurance Program (NFIP), the Small Business Administration (SBA), private insurance companies, non-profits, city, state, etc., for a cumulative amount exceeding the total need for a specific recovery purpose. The duplication amount is the excess assistance provided above the need. City policy is derived from the Federal Register.
2. Although this is a broad City policy, there are DOB procedures incorporated into specific operational program elements of each activity undertaken by subrecipients; program applicants and program beneficiaries. Each program policy contains tailored procedures with provisions for identifying required applicant documents, and process for verification. Funds recaptured are considered program income and will be treated and reported as such.

## Section 3: Responsibilities

1. The City of Steubenville, as award recipient, is responsible for ensuring all CDBG-CV and CDBG-DR requirements are met. The Steubenville Planning and Zoning Commission's Community Development Division (CDD) and Urban Projects Director, or his designee are ultimately responsible for ensuring compliance with requirements.
2. The CDD will perform required analyses and determine any DOB as noted below and detailed in each program's policies and procedures.
3. City of Steubenville's Finance Department will monitor DOB compliance during audit activities.

## Section 4: DOB Determination

1. Regardless of program, the first step in DOB calculation is to determine the amount of funds previously received or made available to assist with disaster needs.

2. During the intake/application process, persons, business concerns, and other entities receiving financial assistance will be required to disclose all sources of disaster recovery assistance received. The City will verify amount(s) received. Prior to any award of assistance and for each program established in the Annual Action Plan, the City will provide forms and procedures addressing DOB. Each procedure will:
  - a. Identify the total need of assistance.
  - b. Identify the total of all available assistance.
  - c. Identify the assistance deemed unavailable for the activity (same purpose)
    - i. Provided for a different purpose
    - ii. Funds used for a different, eligible purpose
    - iii. Funds not available to the applicant, e.g., forced mortgage payoff, contractor fraud, etc.
    - iv. Private loan funds not secured by SBA, forgivable loans are duplicative
    - v. Any other asset or line of credit available to the applicant, e.g., checking or savings accounts, stocks, etc.
  - d. Determine total funds available from other sources for activity (same purpose) by subtracting unavailable assistance from total assistance received.
  - e. Calculate unmet need by subtracting available funds from other sources, from the total need for assistance.
3. Require applicants to sign a subrogation agreement to repay any assistance later received for the same purpose as the CDBG-CV or CDBG-DR funds.
  - a. The City will monitor compliance with agreements by verifying amounts with support agencies listed in original calculation, and recalculating DOB if required.
  - b. Monitor for one (1) year or follow agency-specific requirements, whichever is longer.
4. Recapture funds if necessary. (See City of Steubenville Plan for more information)
  - a. If additional need is established, subsequent funds would not be considered a duplication (76 FR 221, 71062).
  - b. If additional need is not demonstrated, funds must be recaptured that are in excess of need and duplicate other assistance received by the beneficiary for the same purpose. Time frames will include an annual review of DOB as noted above, and the City’s normal collection policies.

**Section 4.1. Basic DOB Verification**

The following represents an example of the basic framework for DOB verification in all CDBG-CV and CDBG-DR programs.

1. Identify Applicant’s Total Need	\$ 100,000
2. Identify All Potentially Duplicative Assistance	\$ 35,000
3. Deduct Assistance Determined to be Duplicative	\$ 30,000
4. Unmet Need (Item 1 less Item 3)	\$ 70,000
5. Program Cap (if applicable)	\$ 50,000
6. Final Award (lesser of Items 4 and 5)	\$ 50,000

## **Section 4.2. Specific Assistance**

All NFIP payments and FEMA Housing Needs Program for repairs payments (for real property only) must be deducted from any CDBG-CV or CDBG-DR assistance available to the applicant. Other insurance, SBA loans, repair grants, compensation in compliance with court order, or other assessments available to address structure damages must be deducted. For CDBG-DR funds, at FEMA's direction, other assistance may be deducted.

The City of Steubenville as grantee, may assist households and businesses that have declined SBA loans, but will analyze the circumstances under which the assistance was declined and demonstrate why providing CDBG-CV or CDBG-DR funds are necessary and reasonable. To establish awarding CDBG-CV or CDBG-DR funds as necessary and reasonable, the CDD will at minimum:

1. Identify the circumstances under which the applicant declined the SBA assistance.
2. Establish why CDBG-CV or CDBG-DR assistance is appropriate for the applicant.
3. Determine amount of assistance necessary and reasonable to assist applicant in recovery.

## **Section 4.3. Determining CDBG-CV and CDBG-DR Assistance**

1. The CDD will work with State, Federal, and private agencies, to obtain information about any assistance received from those agencies and their programs for each applicant.
2. The CDD will determine assistance for applicants by subtracting any DOB applicable as per the City of Minot's DOB policy and HUD requirements.
3. For Homeowner Assistance activities, any funds homeowners received or had available to repair the damaged property structure (including but not limited to private insurance, FEMA, and/or SBA), must be accounted for when determining the housing assistance award amount. If the homeowner spent funds intended for home repair on anything other than their designated purpose or temporary housing, the homeowner will have a DOB and must escrow the money prior to contract signing.
4. For the City's public infrastructure facilities, the CDD will work with the FEMA Region V, Ohio Emergency Management Agency, HUD, NFIP, the SBA, private insurance carriers, and any other applicable organizations in order to assist in determining any duplication of benefits. Some sources of recovery/development funding include, but are not limited to:
  - a. FEMA benefits (Public Assistance, Individual Assistance, Hazard Mitigation Grant Program (HMGP), etc.
  - b. Army Corps of Engineers Assistance
  - c. HUD Community Development Programs
  - d. Other State or charitable assistance
5. All documentation of DOB will be stored in a hard file at the CDD and in the digital electronic format for the applicable program. The City Finance Department will monitor the DOB process. Monitoring results will be reviewed by the City Finance Director and filed accordingly.