



Duplication of Benefits Overview

Joint Session: CDBG | SNAPS | HOPWA

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Session Topics

- What is DOB?
- DOB Requirements for CARES Act Funding
- DOB Analysis
- Program Examples



What is DOB?



Defining DOB

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.

Source of DOB Requirements

- The Stafford Act
- CARES Act requirements (for CDBG-CV, ESG-CV and HOPWA-CV)
- OMB Cost Principles
- As imposed through Grant Agreements



Related DOB Concepts

- Windfall
- Waste
- Unreasonable or unnecessary costs



Subsidized Loans

In DOB calculations, private loans are not considered a form of assistance and should not be considered when calculating duplication of benefits. However, subsidized loans from SBA or FEMA should be included in the duplication of benefits analysis unless one of the three exceptions is met:

1. Short-term subsidized loans (e.g., bridge loans) for costs later reimbursed with CDBG-CV funds
2. Declined or cancelled subsidized loans
3. Loan assistance is used toward a loss suffered as a result of a major disaster or emergency

DOB Requirements for CARES Act



Policies and Procedures

- All grantees must establish and follow policies and procedures to ensure that DOB does not occur
- Policies are applicable to CARES Act funding as well as formula funding used to prevent, prepare for, and respond to coronavirus

Policies and Procedures must include the following components:

- Requirement that any person or entity receiving assistance (including subrecipients and direct beneficiaries) must agree to repay assistance that is determined to be duplicative
- Method of assessing whether the use of these funds will duplicate financial assistance that is already received or is likely to be received



Policies and Procedures (Cont'd)

To ensure policies accurately reflect each program, grantees should consider designing policies that are specific to their programs, for example:

- CDBG public service food bank activity has a lower DOB risk than subsistence rental assistance
- ESG shelter assistance has a low risk of DOB for the client, but a potential risk for the service provider
- HOPWA service providers who are serving the same target population (Ryan White HIV/AIDS Program recipients, homeless services providers) may be at higher risk of DOB

DOB Analysis



Steps of DOB Analysis

1. **Assess Need:** Determine the amount of need (total cost)
2. **Determine Assistance:** Determine the amount of assistance that has or will be provided from all sources to pay for the cost
3. **Calculate Unmet Need:** Determine the amount of assistance already provided compared to the need to determine the maximum CDBG-CV award (unmet need)
4. **Document Analysis:** Document calculation and maintain adequate documentation justifying determination of maximum award



Step 1: Assess Need

Determine the total cost of the activity or the amount of need.

Example: \$100,000 cost to rehabilitate a long-term care facility to renovate a floor so that it can be used for isolation to care for COVID-19 patients



Step 2: Determine Assistance

Identify the assistance that has or will be provided from all sources to pay for the cost

Example: Long-term care facility was awarded a \$50,000 grant from HHS Skilled Nursing Relief Fund to prevent, prepare for, and respond to coronavirus, and has \$10,000 of that amount remaining after paying for other HHS-eligible costs

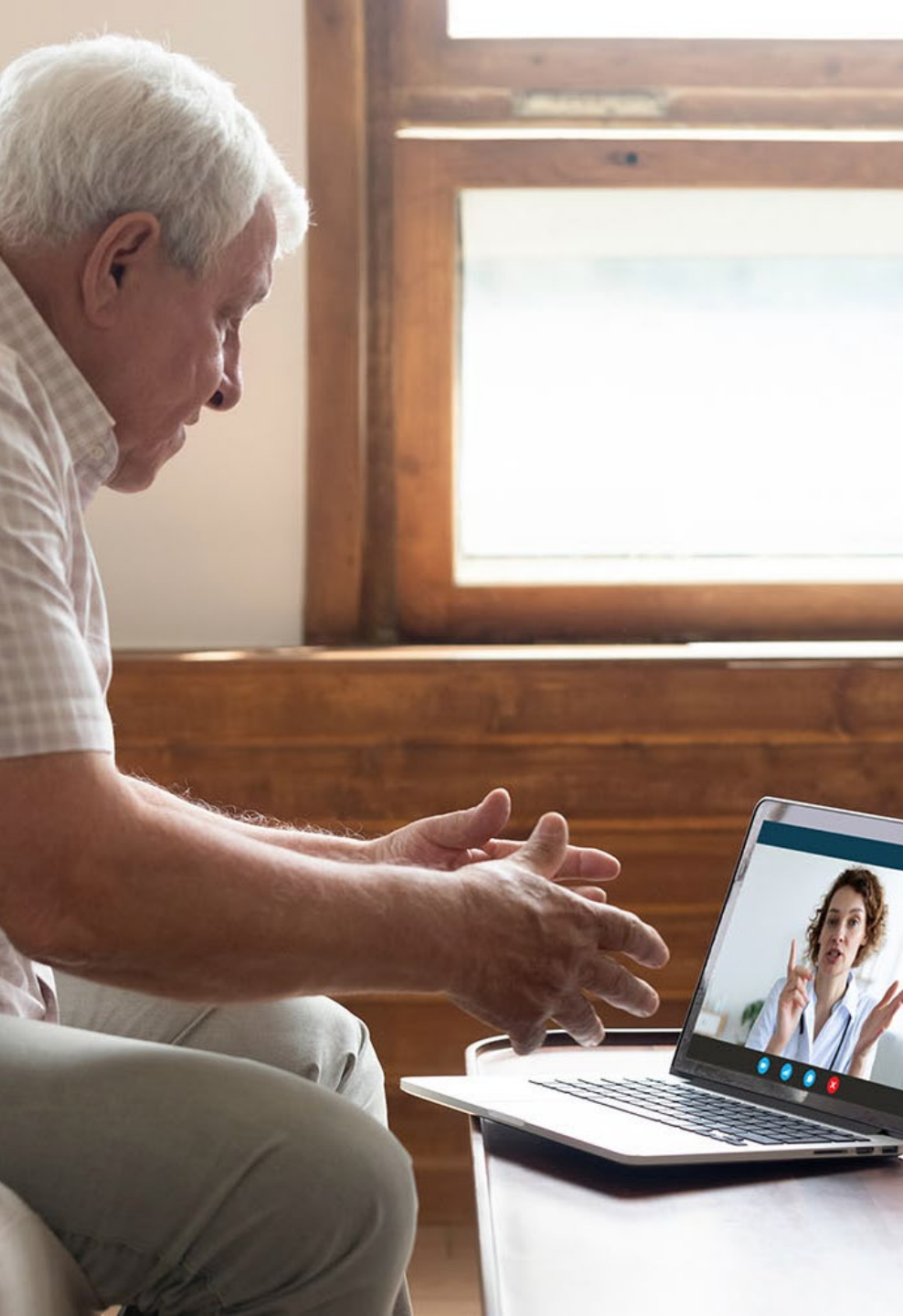


Step 3: Calculate Unmet Need

Determine the amount of need eligible for CARES Act funding

Example:

Cost of the Activity:	\$100,000 (total cost)
<u>- Other Sources</u>	<u>-\$10,000 (HHS funds)</u>
Maximum Award	\$90,000



Step 4: Document Analysis

Grantees must maintain documentation of the DOB analysis (Steps 1 – 3)

Grantee must adequately document the cost charted to the Federal award (2 CFR 200.403(g)).



General Considerations

- A grantee can reassess need at a later point in time (e.g., rent increase; increase in construction cost for change orders)
- DOB analysis is at the level of the activity/beneficiary, not at the program level
- Grantees must make reasonable assumptions about risk and necessary documentation
- DOB requirements must be passed down to subrecipients
- Grantee or subrecipient is a “person” that can have a DOB

DOB Examples



Rental Assistance – Scenario 1

A family that has suffered job loss due to the economic impact of the coronavirus seeks rental assistance under a CDBG-CV Emergency Payment program for 3 months of arrears payments and 2 months of current/ future rent.

Step 1: Assess Need

Monthly Rent: \$1,000

Potential Total Need: $\$1,000 \times 5 \text{ months} = \$5,000$

Step 2: Determine Assistance

In the application, the applicant was asked to report if they are receiving or expecting to receive any additional or similar assistance. The applicant reported that a local faith-based organization provided \$250/ month for the past three months, but that aid is no longer available. The family certified that it has not applied for assistance from any other source.

Rental Assistance – Scenario 1 (Cont'd)

A family that has suffered job loss due to the economic impact of the coronavirus seeks rental assistance under a CDBG-CV Emergency Payment program for 3 months of arrears payments and 2 months of current/ future rent.

Step 3: Calculate Unmet Need

Total Need:	\$5,000
Other Assistance:	\$750 (\$250 x 3 months)
Unmet Need/Max Award:	\$4,250 (\$5,000 - \$750)

Step 4: Document the Analysis

Emergency Shelter

An emergency shelter requests ESG-CV funding to operate and provide essential services for the next 12 months.

Step 1: Assess Need

Operating Costs

Monthly operating costs: \$12,000

Potential Total Need: \$12,000 x 12 months = \$144,000

Essential Services Costs

Monthly essential service costs \$8,000

Potential Total Need: \$8,000 x 12 months = \$96,000

Step 2: Determine Assistance

In the application, the shelter was asked to report if it was receiving any additional or similar assistance.

The applicant reported that it also received **\$50,000** in CDBG-CV public facilities funds to operate the shelter and **\$25,000** from a local foundation to provide case management services.



Emergency Shelter (Cont'd)

An emergency shelter requests ESG-CV funding to operate and provide essential services for the next 12 months.

Step 3: Calculate Unmet Need

Operating Costs

Total Need:	\$144,000
Other Assistance:	\$50,000
Actual Unmet Need:	\$94,000

Essential Services Costs

Total Need:	\$96,000
Other Assistance:	\$25,000
Actual Unmet Need:	\$71,000

Step 4: Document Analysis



Rental Assistance – Scenario 2

A family seeks emergency rental assistance under a HOPWA-funded Short-Term Rent Mortgage and Utility Assistance (STRMU) program. The client is behind 3-months on rent and utilities.

Step 1: Assess Need

Total rent in arrears = \$1,800

Total utilities in arrears = \$600

Total need = \$2,400*

*Rent is \$600 per month and utilities are \$200 per month. Client is three months behind in rent and utilities

Step 2: Determine Assistance

In the application, the applicant was asked to report if they are receiving or expecting to receive any additional or similar assistance. The applicant reported that they have been approved by a local Ryan White provider agency to receive \$600 to go toward rent arrears. The applicant also noted they have budgeted \$200 to pay toward rent arrears from unemployment benefits.

The family certified that it has not applied for assistance from any other source.



Rental Assistance – Scenario 2 (Cont'd)

A family seeks emergency rental assistance under a HOPWA-funded Short-Term Rent Mortgage and Utility Assistance (STRMU) program. The client is behind 3-months on rent and utilities

Step 3: Calculate Unmet Need

Total Need:	\$2,400
Other Assistance:	\$600 (Ryan White assistance)
Unmet Need/Max Award:	\$1,800 (\$2,400 - \$600)

*Note: The client's unemployment benefits that are budgeted to repay some of the rent are a source of income, and NOT a source of financial assistance to count toward the DOB calculation. However, based on the client's plans to use unemployment funds for rent, the grantee may consider this planned use and other resources when evaluating need for rental assistance.

Step 4: Document the Analysis



Considerations for HOPWA

Examples of Possible CARES Act- funded agencies and funded activities.

- Ryan White HIV/AIDS Program
- Continuum of Care (including state and local funds)
- Con/Annual Plan (CDBG, ESG,HOME, CDBG-DR, HTF)
- FEMA
- Special consideration should be provided in developing DOB policies and procedures related to nutrition services, transportation, PPE and cleaning/disinfectant supplies to eligible households.
- Funding hotel/motel stays to quarantine or isolate members of households currently receiving other forms of HOPWA assistance (TBRA, STRMU, master-leased units, etc.) is not considered duplicative.