

Emergency Solutions Grant – CARES Act (ESG-CV) Sample ESG-CV Duplication of Benefits Policies and Procedures

This document provides a template that ESG recipients may use for their Duplication of Benefits (DOB) Policies and Procedures. The template should be modified to reflect specific information, policies, and procedures of each ESG recipient.

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Introduction – Policy Purpose

These policies and procedures establish the process the ESG recipient will use to prevent the occurrence of duplication of benefits in accordance with the Stafford Act (section 312), as amended by the Disaster Recovery Reform Act of 2018, and comply with the OMB Cost Principles (2 CFR part 200).

This policy is relevant for all ESG-CV activities that are used to prevent, prepare for, and respond to coronavirus. These policies and procedures are applicable to the ESG recipient as well as its subrecipients and contractors who are assisting in the design and implementation of projects and activities with these funding sources.

Definition of Duplication of Benefits (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. Within the ESG-CV program, all grantees are bound by Section 312 of the Stafford Act, as amended, and the OMB Cost Principles within 2 CFR part 200 that require that all costs must “be necessary and reasonable for the performance of the Federal award.”

ESG Recipient and Subrecipient Responsibilities

The ESG recipient is responsible for ensuring that all ESG-CV requirements are met, including the prevention of a duplication of benefits. This includes assistance provided to subrecipients as well as ensuring that ESG recipients and subrecipients accurately evaluate and monitor for and prevent the duplication of benefits provided for program participants.

Subrecipient Evaluation

For all awards made to subrecipients, the ESG recipient will conduct the following activities:

1. Prior to awarding any grants to a subrecipient, the ESG recipient will establish a list of potential federal, state, local, and non-governmental funding sources that may present a potential duplication of benefit for the activity(ies) proposed by the subrecipient.¹
2. The ESG recipient will request subrecipients to report the receipt or anticipated receipt of any funding from other sources (i.e., the funding sources identified in step one or from other sources identified by the subrecipient).

3. Prior to issuing award, the ESG recipient will assess whether the ESG-CV funds will duplicate funding that is already received or is likely to be received by the subrecipient. The ESG recipient will document this finding in the program file and complete the DOB analysis (summarized below).
4. The ESG recipient will include a clause or attachment to the subrecipient grant agreement that the subrecipient will repay all assistance that the ESG recipient determines to be duplicative.

Program Participant Evaluation

Either the ESG recipient or subrecipient will be responsible for evaluating if a DOB occurs for each program participant who receives ESG-CV financial assistance or rental assistance costs under the Homelessness Prevention or Rapid Re-housing component to ensure that the provision of ESG assistance does not cause a DOB.

Prior to assisting program participants, the following steps shall be taken:

1. As part of the intake process, recipient or subrecipient staff will complete a DOB Checklist with prospective program participants, which identifies all housing or other assistance that they have received, or are currently or anticipate receiving, and certifies to the accuracy of the information provided. Integrate checklist questions into the intake process as much as possible to avoid repeating questions already asked and answered.
2. ESG recipient or subrecipient evaluates the information provided in the DOB checklist and uses it to conduct the DOB analysis (summarized below).
3. ESG recipient or subrecipient provides assistance that it determines to be non-duplicative based on the DOB analysis.

DOB Analysis – Determination and Verification

[RECIPIENT MUST INSERT SPECIFIC POLICIES AND PROCEDURES FOR EVALUATING DOB FOR ITS ESG-CV PROGRAM BASED ON LOCAL PROGRAM DESIGN AND CONDITIONS. SEE THE ESG-CV DOB QUICK GUIDE FOR EXAMPLES OF ANALYSIS BY PROJECT TYPE.]

To determine a duplication of benefits analysis, the ESG recipient or its subrecipient shall complete the following steps by project type:

1. Assess Need - Determine the amount of need (total cost of the activity);
2. Determine Assistance - Determine the amount of assistance that has or will be provided from all sources to pay for the cost;
3. Calculate Maximum Level of Award - Determine the amount of assistance already provided compared to the need to determine the maximum ESG-CV award;
4. Document Analysis - Document calculation and maintain adequate documentation justifying determination of maximum award that can be provided without causing a duplication.

Loans

Private loans are not considered a form of financial assistance and therefore are not included in the calculation of duplication of benefits. A private loan is a loan that is not provided by or guaranteed by a governmental entity, and that requires the ESG-CV applicant (the borrower) to repay the full amount of the loan (principal and interest) under typical commercial lending terms, for example, the loan is not forgivable and is not subsidized. For DOB calculations, private loans are not financial assistance and need not be considered in the DOB calculation, regardless of whether the borrower is a person or entity.

Subsidized loans are included in the DOB calculation unless an exception applies:

1. All or a portion of the subsidized loan was declined (applicant never accepted the loan by signing loan documents).
2. All or a portion of the loan amount was cancelled (and therefore will not be distributed to program participant or subrecipient).
3. The subsidized loan is covered by amendments to section 312 of the Stafford Act contained in the Disaster Recovery Reform Act of 2018. Under these amendments, a subsidized loan is not a duplication if: a) all assistance is provided before October 5, 2023; b) the subsidized loan was provided for a disaster declared between January 1, 2016, and December 31, 2021; and c) all Federal assistance is used toward a loss suffered as a result of a major disaster or emergency.²

Further, the ESG recipient may elect to structure programs related to the repayment of subsidized loans in accordance with the policies and requirements under [FR-6169-N-01](#).

Compliance and Recapture of Funds

If a program participant or subrecipient is determined to have a duplication of benefits, the ESG recipient or its designee shall withhold future pay requests and the approved project budget will be amended. If all funds have been expended when additional DOBs are identified or the DOB exceeds the amount of future payments, then the subrecipient or third parties issued payment on behalf of the program participant (e.g., landlords receiving rental assistance payments) will be required to repay the funds to the ESG recipient. The recipient must repay these recouped funds to its HUD Treasury Account (see Sections 8.2 and 8.3 of the [Using IDIS Online for the ESG Program Manual](#) for information about how to return funds.). If necessary, the ESG recipient will reprogram these funds to alternative ESG-CV eligible projects.

Monitoring

The ESG recipient shall verify DOB calculations are correct for program participants or third parties either by evaluating subrecipient-managed programs or ESG recipient-managed programs. Monitoring may include desk reviews, remote monitoring, or in-person monitoring.

Documentation must be kept in the program participant file as well as the subrecipient file. Documentation should include:

- Maximum level of award calculation:
 - Amount of need;
 - Amount of all sources of assistance provided;
 - Final award calculation.
- Signed checklist certifying other forms of assistance that have been received or are anticipated to be received.

Based on the risk of duplication of benefits of an individual activity or program, the ESG recipient may establish more frequent monitoring or oversight of a subrecipient to mitigate the risk of duplication of benefits from occurring. Risk of duplication of benefits will be determined if other federal or non-federal programs are funding similar activities in the jurisdiction, creating a greater chance of duplication of benefits occurring.

¹ Appendix 1: [CARES Act Programs through SBA, FEMA, IRS, Treasury, USDA, and HHS for CDBG Grantees' Awareness for Duplication of Benefits](#)

² See FEMA guidance at https://www.fema.gov/sites/default/files/2020-07/fema_DRRRA-1210a-fact-sheet_2019.pdf