

HOPWA-CV Duplication of Benefits Quick Guide



The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) included \$65 million in Housing Opportunities for Persons With AIDS (HOPWA) grant funding to assist communities to prevent, prepare for, and respond to the COVID-19 pandemic. These HOPWA-CV funds are subject to Duplication of Benefits (DOB) requirements, as stated in [HUD Notice CPD-20-05](#). Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5155), prohibits the duplication of benefits (DOB) for programs that provide financial assistance to people or entities suffering losses because of a federally declared disaster or emergency.

HOPWA grantees and project sponsors must establish and maintain adequate procedures to prevent any DOB with HOPWA-CV funds. Grantees must pass DOB requirements down to project sponsors through project sponsor agreements. This guide provides an overview of DOB requirements, specific considerations that are applicable to HOPWA and examples of conducting a DOB analysis.

What is Duplication of Benefits?

A duplication of benefits occurs when Federal financial assistance is provided to a person or entity through a program to address losses resulting from a Federally declared emergency or disaster, and the person or entity has received (or would receive, by acting reasonably to obtain available assistance) financial assistance for the same costs from any other source (including insurance), and the total amount received exceeds the total need for those costs.

Considerations for HOPWA Grantees and Project Sponsors

Multiple sources of assistance can be used for coronavirus-related needs of HOPWA projects and clients. For example, ESG, ESG-CV, CDBG, CDBG-CV, HOPWA, HOPWA-CV, FEMA, Treasury, and Ryan White HIV/AIDS Program funds are available funding sources for emergency rental assistance.

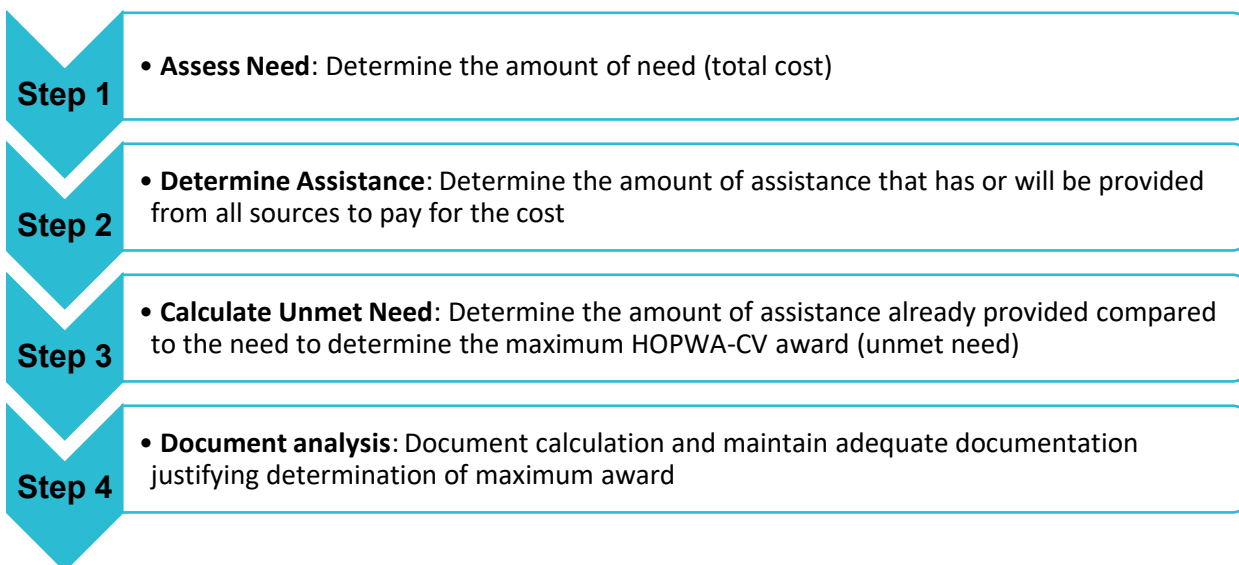
HOPWA grantees must establish and maintain adequate procedures to prevent any duplication of benefits with CARES Act funds. Adequate procedures provide reasonable assurance that providing HOPWA assistance will not result in a duplication and include procedures to document the steps taken to prevent a duplication.

To prevent DOB, grantees and project sponsors should keep abreast of other likely sources of assistance that can be used for the same needs as HOPWA funds. The risk of potential duplication for the particular activity should inform procedures to prevent any overlap between other assistance sources and the planned uses of HOPWA funds. This type of assessment should already be part of grantees' and project sponsors' existing processes for determining which activities to fund, tracing the application of funds, and verifying and documenting the allowability of costs charged to Federal grants.

HUD recommends including a provision in grant agreements and client applications that the person or entity receiving assistance must agree to repay assistance that is determined to be duplicative.

Determining Duplication of Benefits

There are four key steps that HOPWA grantees and project sponsors should complete to analyze whether a duplication of benefits exists:



DOB Analysis Example 1: Budgeting HOPWA-CV Funds for Program Activities:

Step 1: Assess the amount of need (total cost for the eligible activity including all activity costs), before considering the sources that are available to pay for the costs.

Example: \$20,000 is needed for the project sponsor to provide transportation services for eligible households to access supportive services, medical care, supplies, and food or to commute to places of employment during the period of the HOPWA-CV subaward.

Step 2: Determine the amount of assistance that has or will be provided from all sources to pay for the eligible activity (in this case, the costs of providing transportation). Agencies may have funding for more than one need, so be sure not to include funding being used for other costs.

Example: HOPWA funded project sponsor agency was awarded \$12,000 in Ryan White HIV/AIDS Program funding for transportation services.

Step 3: Determine the amount of unmet need. Once all activity costs are identified (step 1), and the amount of assistance available to pay for those costs is identified (step 2), subtract the amount of other assistance available from the total activity cost to determine unmet need. The amount of unmet need is the maximum HOPWA-CV amount that can be provided to the project sponsor for the activity without a prohibited duplication of benefits.

Example:

| | |
|------------------|---------------------------------------|
| \$20,000 | Total transportation activity cost |
| <u>-\$12,000</u> | RWHAP funds for transportation |
| \$8,000 | Maximum HOPWA Award for this activity |

Related requirements in 2 CFR part 200

2 CFR part 200 provides government-wide administrative requirements that are incorporated into HOPWA Cares Act grants. Within those requirements are requirements for financial management (2 CFR 200.302), internal controls (2 CFR 200.303), and cost allowability (2 CFR 200.403), which serve related goals and entail similar checks to prevent “improper payments.” Grantees and project sponsors should review the policies and procedures they have established to comply with these part 200 requirements and assess whether they are adequate to provide reasonable assurance of compliance with the DOB requirement or can do so with minor adjustments to build in DOB checks.

Step 4: Document the analysis performed in steps 1-3. With respect to budgeting HOPWA-CV Funds for program activities, the documentation should show a DOB

verification was performed before approval of the HOPWA amounts for the activity in the initial budget (and before approval of any budget change to fund a new activity or change activity funding levels).

Example: Financial records for the award include spreadsheet that shows sources and amounts of assistance that must be considered in DOB analysis and provides DOB computations for each activity identified in the subaward budget. The document's meta-data or a time-stamped signature on the document shows the staff person designated in the written DOB procedures used the spreadsheet to confirm each activity amount in the project budget would not result in a prohibited duplication of benefits.

What are some additional effective practices to assist in budgeting for HOPWA-CV funding for Program Activities?

- **Optimize All Available Funding**

Grantees and project sponsors should optimize all available funds for COVID-19 response. When more than one source could be used to pay for an activity, the grantee can eliminate potential sources of duplication by eliminating overlap between planned uses of funds.

Consider the following for each grant/available resource:

- The period of performance and budget period (start and end dates) for each grant
- Approved activities
- Type of assistance (e.g., rental assistance, emergency shelter, supportive services, etc.)
- Length of assistance
- Applicable waivers for approved activities
- If payments can be made for rent, mortgage, or utility arrears
- If payments can be made for security/utility deposits

- **Evaluate Implementation of Multiple Funding Streams**

Grantees and project sponsors should also evaluate how the multiple funding streams can be implemented and accessed by clients in a manner that increases services in the community and avoids DOB:

- Identify existing client needs
- Identify all potential funding sources for specific activities
- Look for gaps in service delivery within the current structure
- Identify staff barriers to assisting and housing clients
- Be mindful to avoid supplanting funds

If no other financial assistance has or will be provided for the same purpose (cost), HOPWA CARES funds can be applied without causing a duplication. Addressing these considerations should provide a macro understanding of the constraints for each available resource as well as your overall service delivery model. Grantees and project sponsors should use this information to inform how programs are structured and identify which funds are best used for each approved activity.

DOB Analysis Example 2: Provision of HOPWA STRMU

A client 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

| | | |
|-----------------|------------------------------|--------------|
| <u>Example:</u> | Total rent in arrears = | \$1,800 |
| | Total utilities in arrears = | <u>\$600</u> |
| | Total need = | \$2,400* |

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

Step 2: Determine the amount of assistance from other sources that have been/will be used to pay all or part of the cost:

Example: Application asks whether the client is receiving assistance from another source.
Case manager identifies the following sources from the application:
\$600 Ryan White HIV/AIDS Program (RWHAP) application for rent
\$200 Client budgeted to pay toward rent arrears from unemployment benefits
\$300 Client budgeted to pay for utilities from unemployment benefits

Step 3: Calculate unmet need/maximum HOPWA-CV assistance that can be provided without DOB. The grantee or project sponsor should calculate total duplicative resources against the total need. If RWHAP assistance can be a duplicate of HOPWA-CV, determine how RWHAP funds will be applied to the need. Is there a balance of unmet need? If yes, then HOPWA-CV can be applied to the balance of unmet need.

Example: \$2,400 – \$600* = \$1,800

*RWHAP assistance is considered financial assistance which can be duplicative of the HOPWA-CV assistance.

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 must consider this planned use and other resources when evaluating need for rental assistance

Step 4: Document analysis:

Remember to document compliance! The RWHAP assistance must be documented, along with documenting the rental and utility arrears.

Example: STRMU application includes questions and table designed to capture information needed to document total client need and all sources of potential assistance the client will receive toward bills and total HOPWA assistance. As provided in the organization's STRMU policies and procedures, case managers document steps taken to verify the financial amounts documented in the STRMU application, including financial assistance provided by other funding sources (such as the Ryan White HIV/AIDS program) toward the client's bills. Client file includes third-party documentation and case manager's notes showing total amount and date ranges for each funding source and includes the DOB calculation made by the staff member who determined the assistance would not result in a prohibited duplication of benefits.

DOB Policies and Procedures

Grantees and project sponsors should provide special consideration when developing DOB policies and procedures related to rental assistance, nutrition services, transportation, PPE and cleaning/disinfectant supplies to eligible households, because those costs may be eligible under multiple sources, such as the Ryan White HIV/AIDS Program and ESG.

Using HOPWA CARES Act funding for 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 if other forms of HOPWA assistance are for a different purpose (i.e., not for the purpose of quarantine).

After grantees and project sponsors identify the range of available funding sources in their community and within their organization, they must develop policies and procedures to address potential DOB. More is required than a simple policy statement regarding DOB; grantees and project sponsors need to establish adequate written procedures to prevent DOB when developing and approving subaward and activity budgets or before providing assistance to a client.

Effective Policies & Procedures to Prevent DOB

Funding Decisions

- Decide the “highest and best” use of each resource and use CARES Act funding to address gaps not addressed through other resources.
- Ensure the basic steps of the DOB analysis are reflected in policies and procedures and implemented when making any funding-related decisions.

Grantees and project sponsors should consider if modifications to their Internal Controls procedures are needed to provide reasonable assurance that their uses of HOPWA CARES Act funds will not result in DOB.

Application/Intake Processes

- Ask about other benefits or assistance in the application/intake process:
 - Have you received rental assistance from any other community organizations in last three months?
 - What resources have you used to pay rent/utilities in last three months?
 - Are you receiving case management or supportive services from any other agencies?
- Document the questions and responses provided by the client.
 - Confirm or request written verification from organizations on amounts and time periods (make sure you have a ROI from client).
 - Request the rental ledger from landlords or property managers. This will provide a breakdown of the amounts paid and outstanding. Third party payments (payments by anyone other than tenant) are often documented in the ledger. Detailed ledgers are also available for utility services through online portal and provide additional level of detail beyond monthly bills.
 - Have clients sign a statement affirming they have not received financial assistance for the same period from another organization.
 - Have clients sign a statement that they acknowledge and agree to repay funds if DOB is determined as a condition of them receiving assistance.
- Implement a trauma informed care approach in engaging clients. It is critical to let clients know you are working to screen them “in” for services and that providing comprehensive answers to your questions helps you navigate them to the right services.

Compliance & Identifying Risk-based Factors

- Consider any factors that may increase the risk of DOB. Some examples of increased risk of DOB include:
 - Service providers who are serving the same target population (Ryan White HIV/AIDS Program recipients, homeless services providers)
 - Service providers that received CARES funds for similar activities (homelessness prevention/rental assistance, hotel/motel, nutrition services, transportation, etc.).
- Addressing how the grantee plans to recover duplicative assistance when a DOB is identified so that it can avoid noncompliance.

Resources

- [HUD Notice CPD-20-05](#)
- [Responding to COVID-19 Surges: A 2021 HOPWA Program Resource Guide](#)
- [HOPWA/COVID-19: STRMU Funding Options](#)
- [HOPWA/COVID-19: Activity/Cost Eligibility Chart](#)

This resource is prepared by technical assistance providers and intended to help Grantees and Project Sponsors understand guidance related to the HOPWA Program and COVID-19. The contents of this document, except when based on statutory or regulatory authority or law, do not have the force and effect of law and are not meant to bind the public in any way. This document is intended only to provide clarity to the public regarding existing requirements under the law or agency policies.