



COLORADO

Department of Local Affairs

Community Development Block Grant –
Disaster Recovery

Colorado CDBG-DR Duplication of Benefits Policies and Procedures

BACKGROUND

The Colorado Department of Local Affairs (DOLA) is in receipt of Community Development Block Grant Disaster Recovery (CDBG-DR) funds from the Department of Housing and Urban Development (HUD). DOLA will use these funds to carry out activities to address the long-term recovery needs resulting from the flood in September of 2013 and Wildfires of 2012 and 2013. These activities include projects and programs that provide housing, infrastructure, economic development and planning resources to households, governments and businesses impacted by the disasters. These activities are carried out in partnership with other state agencies through the implementation of a number of CDBG-DR funded programs.

Sec. 312 of the Stafford Act (42 U.S.C. 5155) requires all Stafford Act funded programs to ensure that entities in receipt of federal disaster recovery dollars are not compensated for the same damages through multiple sources. HUD provided specific guidance for CDBG-DR funding through “Clarification of Duplication of Benefits Requirements under the Stafford Act for CDBG-DR Grantees,” 76 Federal Register 221 (16 November 2011), pp. 71060-71066. This policy and procedure document reinforces those requirements and establishes applicability and responsibility in the implementation of Colorado’s CDBG-DR grant.

SCOPE OF DOLA CDBG-DR POLICY

This policy is applicable to all State Partner Agencies, Subgrantees and Subrecipients responsible for the implementation of programs and projects funded under Colorado’s CDBG-DR grant. This policy clarifies and supersedes Exhibit III-1 of Colorado’s Certifications to HUD for CDBG-DR grant B-13-DS-08-0001.

POLICY

All CDBG-DR funded programs and projects are required to ensure appropriate procedures are in place to prevent Duplication of Benefit (DOB). State Partner Agencies and Subgrantees must ensure that DOB prevention is specifically addressed in their policies and procedures, and all subrecipient agreements and/or contracts must pass that responsibility down to subrecipients. Subrecipients and Subgrantees providing direct benefits to beneficiaries must utilize procedures in accordance with HUD guidance as outlined below. **Administering agencies must have a DOB calculation**

worksheet prepared for each awardee on file. Each awardee must sign a certification form regarding other assistance received. Both documents must be on file in accordance with 76 FR 71060 (November 16, 2011). Programs have the liberty to design forms that combine the calculation and the certification requirements. Third party verification of assistance is required, and every attempt to obtain verifications should be undertaken. When verifications are not obtainable and self-declaration can be used as a last resort, but should be the exception.

PROCEDURES

The procedures provided below are consistent with Exhibit III-1 of Colorado's Certifications to HUD and with 76 FR 71060 (November 16, 2011). In addition to the procedures below, all grant agreements must contain language indicating that any duplication of benefit received post-award will require repayment. Procedures are as follows:

1. Prior to assistance
 - a. Identify total need
 - i. Determine the specific purpose for the CDBG-DR request
 - ii. Total need will be determined by project type (e.g. homeowner rehabilitation cost estimate, infrastructure reconstruction cost estimate). The total need must be documented.
 - iii. All costs included in total need must be reasonable and necessary.
 - b. Identify all sources of funding received and reasonably anticipated
 - i. For families and individuals as well as entities, the application for assistance will require documentation for all sources of funding received or reasonably anticipated, and certification that all assistance is reported.
 - ii. 3rd party verify all sources of assistance when possible (FEMA, SBA, Private Insurance, NFIP, EWP, etc.) When 3rd party verification is not available, document in the file the reason it was not available.
 - c. Recording the information in the DOB Calculation Worksheet, determine which funding sources to include in or exclude from the unmet need calculation (based upon guidance in Fed. Reg. 71,060 – 71,066 (November 16, 2011)) and deduct assistance determined to be duplicative
 - d. Apply program cap, if applicable
 - e. Arrive at maximum DR assistance award amount
 - f. Execute grant/loan agreement with recipient/beneficiary, including provision that all additional funds received will be reported to the State or subrecipient program administrator within 15 calendar days. If the additional funds are determined to be duplicative, the award will be reduced and/or the recipient/beneficiary will be required to repay any disbursed duplicative benefit.
2. Upon completion of activity for which funds were awarded:

Require recipient/beneficiary to report and certify whether additional funds were received for disaster-related expenses, the amount, and when funds were received. If additional funds were received that are determined to be duplicative, require repayment.

3. One year after completion of activity for which funds were awarded or upon project closeout if closeout occurs after September 13, 2016 (three years post event):

Require recipient/beneficiary to report and certify whether additional funds were received for disaster-related expenses, the amount, and when funds were received. If additional funds were received that are determined to be duplicative, require repayment.

DOCUMENTATION

Each beneficiary or project file must contain the following:

- a) Duplication of Benefit calculation worksheet form to include:
 - a. Identification of unmet need
 - b. Identification of all sources of assistance provided to applicant
 - c. Identification of those sources that are duplicative (with comments as needed)
 - d. Final award calculation
- b) Any required 3rd party verifications of assistance and/or certifications as follows:
 - a. FEMA programs: letter/s from FEMA and/or data provided by FEMA
 - b. Insurance: letter from insurance company and/or data if available
 - c. SBA: letter/s from SBA and/or data provided by SBA
 - d. Other program documentation
- c) Certification that no additional benefits have been received. This can be a signed affidavit from the beneficiary or other form as created by the program.
- d) A signed subrogation agreement from the recipient

Note: Items (c) and (d) can be on the same form.

Additionally, at the program level each implementing agency must have the following:

- a) A description/definition of Duplication of Benefit and likely sources within their program guidelines or in their application and
- b) Recapture policies and procedures

REQUIRED VERIFICATION BY PROGRAM AREA

Source	Program Area					
	Housing	Infrastructu re	Ec Dev	Agriculture	Watershed	Planning
Insurance	X	X	X	X	X	
NFIP	X		X	X		
SBA	X	X*	X	X		
FEMA IA	X					

FEMA PA		X			X	
FSA (USDA)				X		
FHA/CDOT		X				
EWP/CWC B					X	X
Other**	X	X	X	X	X	X

*Applies to private households or businesses (i.e. acquisitions and buyouts)

**Includes charitable resources, local government programs donations of easements or land, other federal funds (CDBG/HOME), or State programs such as Impact grants or Disaster Emergency Fund, etc.

ADMINISTRATION AND RESPONSIBILITY

The DOLA CDBG-DR Director or his/her designee is responsible for ensuring that duplication policies and procedures are available for all CDBG-DR funded programs and that State Partner Agencies, Subgrantees and Subrecipients are monitored for compliance with this policy.

State Partner Agencies and Subgrantees are responsible for developing and implementing DOB policies and procedures for programs under their purview.

Subgrantees and Subrecipients directly serving beneficiaries are responsible for ensuring that DOB procedures are followed and DOB calculations and certifications are available on file for all beneficiaries. All subgrantees and subrecipients must have recapture procedures in place and in writing within all grant agreements in accordance with 31 U.S.C. Chapter 37 for the return of any identified Duplication of Benefit.

The DOLA CDBG-DR Director is responsible for the administration, revision, interpretation, and application of this policy. This policy will be reviewed annually and revised as needed to address State and Federal requirements.

Approval: /signed David J Bowman/
CDBG-DR Director

Date: 10/3/2016