

Procedures for Prevention of Duplication of Benefits

Community Development Block Grant
Disaster Recovery (CDBG-DR)



Table of Contents

Change Log	1
Background	2
Overview.....	2
Duplication of Benefits.....	3
Duplication of Benefits Framework	5
Total Need of the Applicant.....	5
Total Assistance Available to the Applicant	5
Total Assistance Considered to be Non-Duplicative	6
Duplication of Benefits and CDBG-DR Award Calculation.....	6
Pre-Award DOB Evaluation Process	7
Post-Award DOB Evaluation Process.....	9
Types of Duplicative Funds	10
FEMA Individual Assistance	10
FEMA Public Assistance Program.....	11
Increased Cost of Compliance	11
Small Business Administration	12
Private Insurance	12
FEMA National Flood Insurance Program Insurance (NFIP Insurance)	13
Other Funds.....	13
Supplanting of Funds.....	13
Exceptions to DOB	14
Funds Provided for a Different Purpose	14
Funds Provided for the Same Purpose and Different Allowable Use.....	14
Funds Not Available to the Applicant	14
Private Loans	15
Declined Loans	15
Canceled Loans	15
Other Assets or Lines of Credit.....	16
Duplication of Benefits Procedures	16
Subrogation Agreement.....	16
Compliance Determination.....	17
Monitoring.....	18

Recordkeeping20

Order of Assistance20

Recapture of Funds20

Change Log

Version	Date	Description
1	7/29/2025	CDBG-DR Procedures for Prevention of Duplication of Benefits

Background

The Stafford Act (42 U.S.C. 5121 et seq.) establishes the federal framework for disaster assistance. The Act includes a prohibition on what is commonly referred to as “duplication of benefits” (DOB) in 42 USC 5155, with the general requirement established in 42 USC 5155(a) as follows:

“The President, in consultation with the head of each Federal agency administering any program providing financial assistance to persons, business concerns, or other entities suffering losses as a result of a major disaster or emergency, shall assure that no such person, business concern, or other entity will receive such assistance with respect to any part of such loss as to which he has received financial assistance under any other program or from insurance or any other source.”

In summary, federal disaster assistance may not be used to address a specific disaster-related loss if that loss has already been covered by another source, such as insurance, another federal program, local/state government assistance, or volunteer organization. If duplication does occur, the Stafford Act requires the agency that provided duplicative assistance to recapture it (42 USC 5155).

This document establishes the County of Manatee’s (“County”) procedures for preventing DOB in the administration of Community Development Block Grant Disaster Recovery (CDBG-DR) funds.

The County will conduct a DOB analysis for each applicant and application to comply with the Stafford Act. For this procedure, an applicant includes any individual, household, local government, or other entity that applies to the County or subrecipient for CDBG-DR assistance, as well as any entities that use CDBG-DR assistance for an activity without submitting an application (e.g. the County as the grantee).

Overview

The County is the recipient of CDBG-DR funds to support long-term recovery efforts following eligible disasters. This funding is being provided through the United States (U.S.) Department of Housing and Urban Development (HUD).

CDBG-DR assistance is intended to supplement, not replace, other sources of recovery funding. For example, if a family's home is damaged and it costs \$100,000 to repair, and the

homeowner has already received insurance proceeds equal to or exceeding that amount, they would not be eligible for additional federal disaster recovery funds for those same purpose. To ensure that CDBG-DR funding is used for eligible activities, the County must verify that assistance addresses only unmet needs (i.e., needs has not already been fully addressed by funds from other sources, either received or anticipated.

A DOB occurs when:

- A beneficiary receives assistance; and
- The assistance comes from multiple sources; and
- The total amount of assistance exceeds the need for a specific recovery purpose.

This document outlines the process the County will follow to verify applications for assistance are reviewed for potential DOB, including those for housing and non-housing projects implemented by contractors and subrecipients. These procedures apply to all grantees and subrecipients and must be incorporated into the design and management of their projects.

The federal regulations concerning the County's procedures for identifying DOB are outlined in HUD's January 8, 2025, [Federal Register Notice \(90 FR 1754\)](#) (Updated March 19, 2025) ("Revised Universal Notice"). The County will update its procedures as needed to align with federal guidance. Program management and project staff shall refer to the Revised Universal Notice as part of the review process to identify DOB. All applications must undergo a DOB evaluation prior to approval and fund disbursement.

Duplication of Benefits

The County will take affirmative steps to ensure that a DOB does not occur in the administration of its federal funding. Subrecipients, contractors, subcontractors, and partners responsible for implementing projects and activities funded by the County's CDBG-DR grants are required to follow the procedures outlined in this document. They must also ensure that their own procedures specifically address the prevention of DOB.

The County's Grants Administration Division, located within the Government Relations Department, is responsible for DOB compliance.

Contact Information for Lead Department

Department	Grants Administration Division
------------	--------------------------------

Email	cdbg.dr@mymanatee.org
Phone	(941) 742-4787

To be eligible for CDBG-DR funds, all applications for assistance are subject to a DOB verification process, which will include documentation provided by the applicant as well as relevant third-party data from sources such as the Federal Emergency Management Agency (FEMA), Small Business Administration (SBA), and insurance providers where available. The County has formal data-sharing agreements with FEMA, SBA, and the FEMA National Flood Insurance Program (NFIP) for timely DOB verification. These data sets are exchanged on a scheduled basis and accessed by program staff to perform a DOB review as part of applicant eligibility verification.

The DOB verification procedure must be outlined in Program Guidelines to detail the specific types of DOB checks and analyses performed for each project (e.g., verifying FEMA Individual Assistance for housing projects or FEMA Public Assistance for public infrastructure projects). This ensures that all potential disaster recovery and/or mitigation funding sources are considered when processing applications for assistance.

CDBG-DR funds generally serve as the funding source for unmet recovery activities. The County will verify that CDBG-DR funds are not used for activities that are made available and reimbursable by or for which funds are provided by Insurance, FEMA, the United States Army Corps of Engineers (USACE), or other sources. If FEMA or USACE funding is received after the use of CDBG-DR to pay for the same costs, CDBG-DR funds will be recaptured in the amount that duplicates assistance received from FEMA or USACE. In cases where no insurance claim has been filed, the applicant must submit a claim to their insurance provider.

Common sources of disaster assistance include, but are not limited to:

- FEMA;
- SBA;
- NFIP;
- HUD;
- USACE;
- Increased Cost of Compliance (ICC);
- Private Insurance;
- Private and nonprofit disaster assistance; and
- Other public or private source.

Applicants will be required to submit supporting documentation, as available, including award letters, denial letters, and other relevant materials that detail the amount, sources, and uses of funding received or declined to assist in the completion of activities related to their CDBG-DR application.

Duplication of Benefits Framework

The County and program subrecipients must identify the:

1. Total need of the applicant;
2. Total assistance received by or available to the applicant; and
3. Total assistance considered to be non-duplicative (also known as exclusions)

Total Need of the Applicant

The County and/or subrecipients will assess the applicant's total unmet need, regardless of program-specific assistance caps. The result reflects the current need at the time of the analysis. If the applicant is seeking reimbursement for eligible CDBG-DR costs incurred prior to the applicant applying for assistance, the total need will also include these costs.

Total Assistance Available to the Applicant

The County or subrecipients will determine the total amount of assistance received or available to the applicant, including cash awards, insurance proceeds, grants, and subsidized loans.

According to Appendix C of the Revised Universal Notice, assistance is available if an applicant:

1. Would have received it by acting in a reasonable manner, or in other words, by taking the same practical steps toward funding recovery as would disaster survivors faced with the same situation but not eligible to receive CDBG DR assistance;
2. Has received the assistance and has legal control over it; or
3. Anticipates receiving assistance that has been awarded and accepted but has not yet been received.

Assistance is still considered available if awarded to the applicant but managed or disbursed by another party. For example, if an entity providing homeowner rehabilitation assistance pays a contractor to complete the rehabilitation, the assistance is still considered available to the applicant.

Alternatively, funds that are not available to an applicant and/or funds that the applicant does not have legal control of when they are received will be excluded from the final award calculation.

Total Assistance Considered to be Non-Duplicative

The County or subrecipients will identify and exclude non-duplicative amounts (“exclusions”) from the applicant’s total assistance. These include funds that are:

1. Provided for a different purpose than the CDBG-DR assistance; or
2. Provided for the same purpose as the CDBG-DR assistance, but for a different, allowable use.

The “purpose” refers to the intent for which the original assistance was provided. Further guidance on exceptions is provided in the *Exceptions to DOB* section of this document.

Duplication of Benefits and CDBG-DR Award Calculation

Total DOB is calculated by subtracting non-duplicative assistance from the total assistance received or available. In accordance with federal law and guidance, any DOB must be deducted from the final award provided by the project.

To determine each applicant’s total post-disaster need, the County, including implementation contractors, subrecipients, or authorized representatives, will develop cost estimates based on documented damage assessments and scopes of work that reflect necessary recovery or mitigation activities. This total need is determined irrespective of any suspected duplicative funds or program caps. After the total need is calculated, any duplicative assistance is subtracted out, and any applicable caps and cost reasonableness standards are applied to determine the maximum CDBG-DR award amount. In some cases, the total eligible need may exceed the funding available under the program, resulting in remaining unmet needs that are not covered by the CDBG-DR award.

Assistance is considered available even if it is awarded to the applicant but administered by another party instead of being directly deposited with the applicant. For example, if an entity providing homeowner rehabilitation program assistance pays a contractor directly to complete the repairs, this assistance is still considered available to the applicant.

In contrast, funds that are not available to an applicant must be excluded from the final award calculation. For example, insurance or rehabilitation assistance received by a previous

owner of a disaster-damaged housing unit is not considered available to a current owner who acquired the property through sale or transfer (including a current owner that inherited the unit as a result of the death of the previous owner), unless the current owner is a co-recipient of that assistance.

Additionally, funds are not available to an applicant if the applicant does not have legal control of the funds when they are received. For example, if a homeowner's mortgage requires insurance proceeds to be applied to reduce the unpaid mortgage principal, the lender or mortgage holder has legal control over those funds. In this case, the homeowner is legally obligated to use insurance proceeds solely for the purpose of reducing the unpaid mortgage principal and for no other purpose, such as rehabilitation. Under these circumstances, insurance proceeds do not reduce CDBG-DR rehab assistance eligibility. Alternatively, if a lender requires use of insurance for rehabilitation, or a homeowner facing unmet disaster needs chooses to apply insurance proceeds received for damage to the building to reduce an unpaid mortgage principal, these insurance proceeds are treated as a DOB and reduce the amount of CDBG-DR funds the grantee may provide for rehabilitation.

All DOB calculations must be fully documented, using standardized forms and supported by verifiable records such as insurance statements, FEMA award letters, SBA loan documents, cost estimates, benefit certifications, agency communications, and any other relevant funding documentation. A DOB analysis must be included in each applicant's file and subject to review by County staff prior to obligation of funds. Subrecipients must submit their DOB calculations to the County for review and approval upon request.

To prevent a DOB, it is essential to maintain thorough and organized record-keeping practices. This includes documenting all forms of assistance received, such as grant agreements, insurance payments, and any other relevant support. Accurate tracking of how each dollar is spent ensures that funds are used for their intended purposes and helps maintain transparency. Additionally, timely and precise reporting to FEMA and other agencies is crucial to avoid overpayments and to remain in compliance with grant requirements.

Pre-Award DOB Evaluation Process

Households, local governments, or other CDBG-DR eligible entities must submit an application as required for each individual project. During the intake and application process, applicants must disclose all sources of disaster recovery assistance received or are reasonably available, such as FEMA, SBA, and insurance proceeds. Applicants are required to provide supporting documentation for each type of assistance received and must sign a

declaration under the penalty of perjury affirming that no other disaster recovery funds have been received or are available.

Supporting documentation may include, but is not limited to, benefit determination letters, payment statements, correspondence with agencies, and insurance settlement documents. Project staff will verify assistance amounts using applicant-provided documentation and, where applicable, external databases or municipal confirmations.

Prior to executing a grant agreement, a formal DOB review must be conducted:

- Housing Programs: The County will verify assistance by querying the best, most recently available data received from FEMA, SBA, and NFIP. If prior or current assistance is identified, the applicant will be asked to submit documentation for each identified source. The CDBG-DR award will be adjusted accordingly to account for any duplication.
- Infrastructure Programs: The County will confirm potential duplications of assistance directly with the municipal applicant through a written verification form. Any confirmed duplicative funding will result in a reduction of the CDBG-DR award.

All applicants are required to sign a Subrogation Agreement as part of the grant agreement, acknowledging their obligation to repay any future duplicative assistance received after the CDBG-DR award is issued, which is further outlined in the document below.

The formal pre-award DOB evaluation process used to determine unmet needs includes, at a minimum, the following steps:

1. Identify the Total Need: The total need for assistance is determined based on damage assessments, scopes of work, cost estimates, appraisals, or other project-specific methods.
2. Identify All Assistance Received or Available: This includes a review of the best, most recent data available and received from FEMA, SBA, and NFIP to determine all disaster-related funding sources provided to or on behalf of the applicant.
3. Determine Assistance Not Available to the Applicant: This includes:
 - a. Assistance for a different purpose;
 - b. Funds used for a different, eligible purpose;
 - c. Funds legally unavailable to the applicant (e.g., lender-controlled insurance proceeds);
 - d. Private loans not guaranteed by SBA (unless forgivable);
 - e. Exceptions related to subsidized loans;
 - f. Other assets or lines of credit not accessible to the applicant.
4. Calculate the Total Funds Available from Other Sources: Total assistance minus non-duplicative or unavailable amounts equals the amount considered duplicative and available for the specific activity.

5. Apply Award Cap and Cost Reasonableness Standards: If applicable, an award cap is used to limit the maximum amount of assistance. Total eligible assistance is calculated by subtracting available funds from total need and comparing that amount to the program's cap.
6. Determine Final Award Amount: The lesser of the calculated eligible assistance or the applicable award cap is entered as the maximum award.

All DOB calculations and decisions must be documented in the applicant's file, supported by verifiable records, and reviewed by program staff prior to fund obligation.

Example 1

1	Identify Applicant's Total Need Prior to Any Assistance	\$150,000
2	Identify Total Assistance Available	\$100,000
3	Identify Non-Duplicative Amounts	\$80,000
4	Determine Total DOB Amount (Item 2 minus Item 3)	\$20,000
5	Determine Maximum Eligible Award (Item 1 minus Item 4)	\$130,000
6	Identify Award Cap	\$120,000
7	Final Award (lesser of Items 5 and 6)	\$120,000

Example 2

1	Identify Applicant's Total Need Prior to Any Assistance	\$200,000
2	Identify Total Assistance Available	\$30,000
3	Identify Non-Duplicative Amounts	\$10,000
4	Determine Total DOB Amount (Item 2 minus Item 3)	\$20,000
5	Determine Maximum Eligible Award (Item 1 minus Item 4)	\$180,000
6	Identify Award Cap	\$175,000
7	Final Award (lesser of Items 5 and 6)	\$175,000

Post-Award DOB Evaluation Process

In the event of a change in project scope, increased cost, or identification of additional assistance after the initial award, the County must conduct a Post-Award DOB Evaluation. This ensures continued compliance with federal DOB requirements and program policies.

This process includes the following steps:

1. Review Original DOB Calculation: Reassess the original total need and assistance amounts as documented during the pre-award evaluation.
2. Identify New Assistance Received or Made Available: Conduct an additional review of the best, most recently available data received from FEMA, SBA, and NFIP, in addition to any new sources of assistance received by the applicant from the initial award for the same purpose.
3. Determine Which Funds Are Not Available or Are Non-Duplicative: Apply the same exclusions as in the pre-award process for funds not legally available or for a different purpose.
4. Calculate Revised Total Funds Available: Subtract any new excluded assistance from total additional funds received to determine the revised DOB amount.
5. Calculate Revised Maximum Award: Add any newly documented unmet need (e.g., from a change order or updated scope) to the original unmet need.
 - a. Subtract updated total available assistance from the revised total need.
 - b. Compare this value to the program cap (if applicable) and determine the lesser of the two.
6. Document and Approve Adjustments: All adjustments must be fully documented, supported by updated damage assessments or scopes of work, and approved by County staff before processing any change order, supplemental disbursement, or final closeout action.

At closeout, an additional DOB review must occur:

- Homeowner Programs: FEMA, SBA, and NFIP databases are rechecked to identify any new sources of assistance since the original award. Any newly discovered duplication must be reconciled.
- Infrastructure Programs: The County includes a DOB Certification in the project closeout package, confirming that no outstanding duplications exist.

All Post-Award DOB Evaluations must be maintained in the applicant's files and included in any final compliance review.

Types of Duplicative Funds

FEMA Individual Assistance

FEMA Individual Assistance (IA) may have been provided to applicants for CDBG-DR eligible activities who sustained losses as a direct result of a federal disaster declaration. This assistance may include support for renters with damage to their home, vehicle, personal

property or business; grants to help pay for temporary housing, emergency home repairs, uninsured and underinsured personal property losses, and medical, dental, and funeral expenses caused by the disaster, among others. To be clear, the use of IA funding for many of these expenses is unlikely to duplicate uses of CDBG-DR funding.

Cases where applicants have received FEMA IA for the same purpose as the CDBG-DR funded activity, such amounts will be considered a DOB. FEMA IA will be determined and verified by the County, an implementation contractor, a subrecipient, or its authorized representatives through FEMA-provided datasets or through applicant-provided information originating from FEMA, such as a FEMA Award letter.

FEMA Public Assistance Program

The FEMA Public Assistance (PA) Program provides supplemental grants to states, local governments, municipalities, and certain types of private non-profits so that communities can quickly respond to and recover from major disasters or emergencies.

Cases where eligible entities have received FEMA PA assistance for the same purpose as the CDBG-DR funded activity, such amounts will be considered a duplication of benefits. FEMA PA will be determined and verified by the County, an implementation contractor, a subrecipient, or its authorized representatives through applicant-provided information originating from FEMA, such as a FEMA Award letter, or FEMA-provided datasets.

Increased Cost of Compliance

Increased Cost of Compliance (ICC) coverage is one of several resources for flood insurance policy holders who need additional assistance after a flood and is a part of most standard flood insurance policies available under the NFIP.

ICC insurance coverage provides for a claim payment to pay qualifying homeowners' cost to elevate, demolish, relocate, or flood-proof (non-residential buildings only) after a flood. The maximum amount of ICC available is \$30,000. ICC participants cannot receive federal or state assistance for work also covered by the available ICC benefits.

To determine DOB regarding ICC funds provided by NFIP, the projects will identify and confirm payments to applicants under ICC policies through the NFIP database, via direct inquiry to the NFIP using an applicant's written consent form, or through verifiable documentation supplied by the applicant. The documentation must be in sufficient detail to be considered a verifiable independent source.

Small Business Administration

Federal regulations deem Small Business Administration (SBA) loans for a CDBG-DR funded activity to be a DOB unless an exception applies. The County will collect SBA information provided by the applicants through the application process. The County will collect specific information from SBA that breaks out the approved SBA loan amounts into the different assistance categories (e.g., real property, personal property, vehicles, etc.). SBA Loan amounts and assistance categories will be determined and verified by the County, an implementation contractor, a subrecipient, or its authorized representatives, through SBA-provided datasets or through applicant-provided information originating from SBA, such as an SBA Award letter or loan agreement.

Per Appendix C of the Revised Universal Notice, the County will not consider declined subsidized loans, including declined SBA loans, as a DOB. The County may collect documentation regarding declined loans only if the SBA, FEMA, or other data sources indicate that an applicant received an offer for subsidized loan assistance, and the County cannot determine from that data if the applicant declined the loan. If documentation regarding the declined loan is not available to the applicant, the County may accept a written certification from the applicant indicating that the applicant did not accept the subsidized loan by signing the loan documents and did not receive the loan.

Private Insurance

If disbursed for the same purpose of the CDBG-DR funded activity, all property, flood, or casualty insurance settlement amounts for loss will be deducted from the applicant's funding assistance award. Private insurance payments for contents or other expenses are not deducted from the applicant's funding assistance award. Insurance proceeds are initially determined by the County through information provided by the applicant. Applicants will authorize the County to contact third-party private insurance providers to verify information provided by the applicants within their applications. Third-party verification will only occur if the applicant self-attests a claim was filed and cannot provide a claim summary. If the insurer is unresponsive or declines to release the requested documentation, the County will make a reasonable effort to obtain the records. If verification cannot be completed, the County may base the DOB determination on available documentation, a signed applicant attestation, and/or a reasonable estimation of likely proceeds. Applicants who had insurance coverage at the time of the disaster, but did not make an insurance claim, must make a claim and receive a settlement determination from their insurance company prior to being eligible for assistance through the County's CDBG-DR funded programs.

Insurance proceeds taken by a mortgage company as a forced-mortgage payoff will not be counted as a DOB as long as the applicant provides adequate documentation. The applicant will need to provide supporting documentation demonstrating the mortgage payment was involuntary, and the County will attempt to verify this information with the applicant's mortgage company. Voluntary mortgage payoff using insurance proceeds is a DOB that will be counted in an applicant's award calculation.

FEMA National Flood Insurance Program Insurance (NFIP Insurance)

Payments for loss to dwellings under NFIP insurance policies will be deducted from the grant amount to be awarded. Payments for contents or other expenses are not deducted from the applicant's funding assistance award. The County will collect NFIP insurance information from the applicant through the application process. In addition, NFIP will be verified by the County, an implementation contractor, a subrecipient, or its authorized representatives through FEMA-provided datasets, applicant-provided information originating from NFIP, or may work directly with NFIP to verify the information provided by the applicant.

Insurance proceeds taken by a mortgage company as a forced-mortgage payoff will not be counted as DOB as long as the applicant provides proper documentation. The applicant will need to provide supporting documentation demonstrating that the mortgage payment was involuntary, and the grantee or the subrecipient must attempt to verify this information with the applicant's mortgage company. Voluntary mortgage payoff using insurance proceeds is a DOB that will be counted in an applicant's award calculation.

Other Funds

Funding received for the same purpose of a CDBG-DR project award, such as funding provided by a non-profit entity or USACE must be reported by each applicant through the application process and must be accounted for and verified by the County. In addition, supporting documentation related to other duplicative funding sources will be provided by the applicant, verified by the County, and applied as a DOB.

Supplanting of Funds

The County and its subrecipients will not use CDBG-DR funds to supplant other funds allocated by State or local governments, designated for the same eligible activities. At any time during the execution of the CDBG-DR eligible activities, the County may request subrecipients submit their internal procedures and documentation to prevent any

supplanting funds issue. Subrecipients must maintain ongoing documentation for the County and HUD monitoring purposes which clearly demonstrates that no supplanting of funds already available to the subrecipients has occurred with the granted CDBG-DR funds.

Exceptions to DOB

There are types of assistance received by an applicant which will not constitute a duplication of benefits. The County will allow for reductions of DOB totals if applicants can prove that the use or control of the funds meet certain criteria. In accordance with Appendix C of the Revised Universal Notice, the County's DOB calculation may exclude assistance that was: (1) provided for a different purpose; (2) provided for the same purpose (eligible activity), but for a different, allowable use (cost); (3) not available to the applicant; (4) a private loan not guaranteed by SBA; (5) a cancelled loan that is no longer available to the applicant; or (6) any other asset or line of credit available to the applicant. Each of these categories is further described below.

Funds Provided for a Different Purpose

Any assistance provided for a different purpose than the CDBG-DR eligible activity, or a general, non-specific purpose and not used for the same purpose must be excluded from total assistance when calculating the amount of the DOB.

Funds Provided for the Same Purpose and Different Allowable Use

Funds received for the same purpose as the CDBG-DR assistance but were used by the applicant for a different allowable use, may be excluded from the final award calculation. In some instances, funds provided for the same general purpose as CDBG-DR funds may have been used by the applicant for a different allowable use. In these circumstances, if the applicant can document that the funds received were used for a different but eligible use, the funds are not duplicative. In these instances, the applicant may provide documentation, such as receipts or paid invoices, demonstrating that funding was spent on a different eligible use.

Funds Not Available to the Applicant

Funds that are not available to an applicant may also be excluded from the final award calculation. Funds are not available to the person or entity if the person does not have legal control of the funds when they are received and are used for a non-duplicative purpose. For

example, if a homeowner's mortgage requires any insurance proceeds to be applied to reduce the lien balance, the bank/mortgage holder (not the homeowner) has legal control over those funds. Therefore, the homeowner is legally obligated to use insurance proceeds for that purpose and does not have a choice in using them for any other purpose, such as to rehabilitate the house. Under these circumstances, insurance proceeds do not reduce assistance eligibility. Alternatively, if a disaster-impacted homeowner chooses to apply insurance proceeds to reduce an existing mortgage, or requests that the lender demand payment, insurance proceeds reduce the amount of disaster assistance eligibility. If a mortgage requires insurance proceeds to be used for property repairs, those proceeds must be considered assistance for that purpose. A homeowner does not need to possess cash assistance to be considered as being in legal control over receiving benefits for a particular purpose.

Private Loans

Unlike SBA loans (or any other subsidized loan or Federal loan guarantee program that provides assistance after a major disaster or emergency), private loans not guaranteed by SBA are not considered duplicative assistance. Private loans are loans that are not provided by or guaranteed by a governmental entity and require the applicant to repay the full amount of the loan under typical commercial lending terms. Because private loans are not provided under a federal, state, or local government program, they are not considered duplicative assistance.

Declined Loans

Pursuant to Appendix C of the Revised Universal Notice, the County will not consider declined subsidized loans as a DOB. The County will collect documentation regarding declined loans only if the SBA data or other verifiable sources indicate that an applicant received an offer for subsidized loan assistance, and the County cannot determine from that data if the applicant declined the loan. If documentation regarding the declined loan is not available to the applicant, the County may accept a written certification from the applicant indicating that the applicant did not accept the subsidized loan by signing the loan documents and did not receive the loan.

Canceled Loans

Canceled loans are loans (or portions of loans) that were initially accepted, but for a variety of reasons, all or a portion of the loan amount was not disbursed and is no longer available

to the applicant. The canceled loan amount is the amount that is no longer available. The loan cancellation may be due to default of the borrower, agreement by both parties to cancel the undisbursed portion of the loan, or expiration of the term for which the loan was available for disbursement.

To demonstrate that any undisbursed portion of an accepted subsidized loan is canceled and no longer available, applicants must provide documentation that that loan has been canceled, and undisbursed amounts are no longer available.

This documentation must be maintained by the County or its subrecipient. If an applicant is unable to provide this documentation, any approved but undisbursed portion of a subsidized loan must be included in the County's calculation of the total assistance amount unless another exception applies. For canceled SBA loans, the grantee must notify the SBA that the applicant has agreed to not take any actions to reinstate the canceled loan or draw any additional undisbursed loan amounts.

Other Assets or Lines of Credit

Other assets or lines of credit available to a property owner or a business owner are not included in the award calculation. This includes checking or savings accounts, stocks, bonds, mutual funds, pension or retirement benefits, credit cards, mortgages or lines of credit, and life insurance.

Duplication of Benefits Procedures

Subrogation Agreement

All duplicative assistance received by an applicant must be accounted for and remitted to the County or its subrecipient, regardless of when an applicant receives it. For example, if an applicant receives additional funding for the same purpose as the CDBG-DR funded activity (e.g., for repairs to disaster-damaged property) even after the award has been executed, the applicant is required to report the additional funding to the County or its subrecipients.

All recipients of CDBG-DR funds will be required to sign a Subrogation Agreement as part of or separately from the award agreement prior to the disbursement of any CDBG-DR assistance to the applicant.

If the County determines that the CDBG-DR award will not be a DOB, a grant agreement will be executed. The agreement for assistance will contain the following provisions:

I/We agree to notify the County of Manatee within five (5) business days of any additional or new payments, loans, grants, or awards by HUD, FEMA, the Small Business Administration, the state, or any other entity I/we have not specifically disclosed in this application.

Further, I/we understand and acknowledge the County of Manatee or its subrecipient's right and responsibility to enforce this requirement by recapturing all or a portion of the CDBG-DR award if the funds I/we receive are determined to be a duplication of the CDBG-DR benefit I/we are applying for with this application.

If a duplication of benefits is found, I/we will be required to pay back the CDBG-DR Assistance received within 30 days of receipt of the identified duplicative payment.

"Warning: Any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18 U.S.C. 287, 1001 and 31 U.S.C. 3729."

By accepting the award, applicants or subrecipients agree that they will report any duplicative funds to the County or its subrecipient whenever they are received. Upon receiving a report that additional assistance has been received, the County or the program implementation subrecipient will recalculate the applicant's award and provide instructions as to whether such funds must be used for the same purpose as the CDBG-DR-funded activity prior to expending additional funding by the County or whether the applicant must remit such amounts as a reimbursement.

Compliance Determination

The County will be responsible for ensuring compliance by subcontractors and subrecipients. In addition to the procedures below, all grant agreements must contain language indicating that any duplication of benefit received post-award will require repayment.

All proposals/applications that are considered for funds provided by federal pass-through entities shall be assessed by how they address a community need and to what extent they prevent, prepare for and/or respond to the disaster. Additionally, documentation must be submitted with the proposal/application to demonstrate whether any other funds were received for the project.

All applicants are required to identify all sources of funding received and reasonably anticipated and provide supporting documentation of such sources (e.g., FEMA Award Letters, SBA loan documents, insurance checks, etc.). The applicant must certify that all assistance is reported. Whenever possible, the County will attempt to obtain third-party verification/documentation for all sources of assistance.

To assist in determining the unmet need, all expenses for which the applicant requests reimbursement will be entered into a DOB Worksheet. All payments received or anticipated for the expenses will also be entered. The difference between the total expenses and total payments received or anticipated will be the maximum amount of federal financial assistance that may be awarded.

Example

If a local government is applying for CDBG-DR funds from the County to repair a roof that was damaged during a Hurricane, the local government must provide documentation of the FEMA assistance, insurance settlement, or other financial assistance received to assist with the roof repairs. If the cost of the repairs is \$5,000,000, and the local government received \$2,500,000 from FEMA to make roof repairs, but no other funding, there would be no duplication of benefits if \$2,500,000 in CDBG-DR funding were awarded to assist with roof repairs.

Documentation submitted with the proposal/application will be reviewed by County staff or contractors as part of the threshold requirements of the funding process. If it is determined that a DOB exists, the proposal/application will not be formally considered. If there is no duplication at the time of application, the proposal/application may be advanced for formal consideration.

A second duplication of benefits check will occur prior to the execution of a grant/subrecipient agreement. Conditionally selected subrecipients will be required to submit a new DOB form during the agreement drafting process. Staff will review the forms and ensure that there is a continued unmet need and duplication has not occurred. If the funds received from another source are insufficient to fulfill the unmet need, the award amount may be reduced to ensure no duplication of benefits.

Example

Continuing the above example, the local government had not received any settlement from their insurance company. Since receiving notification that the application was conditionally selected for funding, the developer received a \$2,500,000 check from their insurance company. The CDBG-DR funding award must be withdrawn as there is no longer an unmet need to pay for the roof repairs.

Monitoring

If the County determines that the federal funding award will not be a DOB, a grant/subrecipient agreement will be executed. All applicable provisions related to reporting

and recapture of duplicative assistance are outlined in the *Subrogation Agreement* section of this document and are incorporated by reference into all grant and subrecipient agreements.

With each drawdown, subrecipients shall submit an updated copy of the DOB Calculation Worksheet to ensure continued prevention of DOB.

The County will monitor all recipients of CDBG-DR assistance for DOB compliance for a period that is reasonable and commensurate with the risk of noncompliance. The monitoring period will vary based on program type, the nature and amount of assistance provided, and any identified risk factors.

The standard monitoring period is from the initial disbursement of funds or project closeout, whichever is later. This timeframe may be extended if there is a higher risk of duplication or if federal audit requirements necessitate a longer retention or review period.

Monitoring will include, but is not limited to:

- Annual or periodic file reviews;
- Verification of any changes to assistance received post-award;
- Checks against federal and state disaster funding databases;
- Contract with program beneficiaries to confirm information; and
- Review of repayment or recapture activities (if applicable).

During subrecipient monitoring, the County will require all subrecipients to report and certify whether additional funds were received for project related expenses, the amount, and when funds were received. If additional funds were received that are determined to be duplicative, repayment shall be required in accordance with the subrecipient agreement. Subrecipient files must include all DOB documentation, including worksheets, certifications, and third-party verification, for HUD monitoring and audit purposes.

Reviews and audits play a critical role in preventing DOB. Reviews involve examining existing information and procedures to identify whether an applicant has previously received aid, to confirm that the current request addresses an unmet need, and that applicable statutory and regulatory requirements are met. Audits, on the other hand, are more comprehensive evaluations that include detailed testing and verification of financial records and processes. These efforts ensure compliance with DOB regulations; help detect any misuse or improper allocation of funds and support the recovery of incorrectly awarded assistance. Ultimately, both reviews and audits will be conducted and are essential for preventing overpayments, promoting the appropriate use of funds, and enhancing the overall efficiency and effectiveness of disaster relief efforts.

Recordkeeping

The County or its subrecipients will collect sufficient DOB analysis documentation to substantiate all DOB calculations. This documentation may include bank statements, estimates, invoices, receipts, physical inspections, etc. The County will not rely solely on self-certification documents for the applicant unless authorized under Revised Universal Requirements. All records for DOB analyses will be retained by the County or its subrecipient for at least three years after the award has been granted.

Order of Assistance

As signed and certified within the County CDBG-DR Action Plan, the County will comply with the statutory order of assistance listed in Appendix C paragraph 9 of the Revised Universal Notice and will verify if FEMA funds are available for an activity, or the costs are reimbursable by FEMA before awarding CDBG-DR assistance for the costs of carrying out the same activity.

Recapture of Funds

All duplicative assistance received by an applicant or subrecipient must be accounted for and remitted to the County or its subrecipient, regardless of when applicant receives it. For example, if an applicant receives additional funding for the same purpose as the CDBG-DR-funded activity (e.g., for repairs to hurricane-damaged property) even after the project has been completed, the applicant is required to report the additional funding to the County or its subrecipients.

By accepting the award, applicants or subrecipients agree that they will report any duplicative funds to the County whenever they are received. Upon receiving a report that additional assistance has been received, the County will recalculate the applicant or subrecipient's award and provide instructions as to whether such funds must be used for the same purpose as the CDBG-DR-funded activity prior to expending additional funding by the County or whether the applicant must remit such amounts as a reimbursement.

As determined by the County, all recipients of CDBG-DR funds will be required to consent to a Subrogation Agreement as part of the award agreement, or as a separate executed document approved by the County.

Instances may arise where an applicant must return all or part of the awarded funding to the County. The County is responsible for recapturing duplicative funds from applicants or from applicants who become non-compliant. All applicant files will be reviewed and reconciled at

closeout or upon identification of new funding to ensure that DOB did not occur and that the applicant remains in compliance with project requirements and federal guidelines.

If an applicant has been identified as receiving a potential overpayment, the County will document the amount and basis for the repayment in a written notification. Applicants who disagree with a repayment amount determined by the County may challenge the determination in the manner so determined by County CDBG-DR designated program staff.

If the applicant's request is denied, or the applicant fails to contest the determination within the allotted timeframe, the project will proceed with collecting the repayment amount. If the applicant's request results in a revision of the award amount or eligibility, the applicant will sign a revised grant agreement which will outline the requirements related to such changes and the requirements for repaying the remaining overdue amount, if any.

Once it has been determined that the applicant must return funds to the County, the applicant must repay their funds in a timely manner. All repayments shall be expected to be repaid in full, as one lump sum amount, unless otherwise determined by the County. The County may consider alternative repayment plans for applicants facing documented financial hardship.

The County will review any applicant claims of financial hardship and may make limited accommodations on a case-by-case basis. All funds recovered because of this procedure will be tracked in the Disaster Recovery Grant Reporting system (DRGR) and returned to the County's CDBG-DR program account or to the U.S. Treasury if the CDBG-DR grant has been closed out.