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Duplication of Benefits (DOB)



STATE OF MISSOURI CDBG POLICY STATEMENT

IN EFFECT FOR ANNUAL GRANTS:

Year	Award Number
2015	B-15-DC-29-0001
2016	B-16-DC-29-0001
2017	B-17-DC-29-0001
2018	B-18-DC-29-0001
2019	B-19-DC-29-0001
2020 (CV)	B-20-DW-29-0001
2020	B-20-DC-29-0001
2021	B-21-DC-29-0001

IN EFFECT FOR GRANTS:

DR-4317	B-18-DP-29-0001
DR-4317 Infra	B-19-DP-29-0001
DR-MIT	B-18-DP-29-0002
DR-4451	B-19-DF-29-0001

POLICY CHANGES OR UPDATES TABLE

ACTION	VERSION #	CHANGE #	PAGE #	SUMMARY OF ACTION	APPROVAL DATE
Approval	1.0	0	Entire document	Creation of DOB Policy	10/01/2021
Amend	1.1	1	1	Added policy applicability for annual grants, CDBG-MIT, and DR-4451	6/01/2022
		2	Entire Document	Changed from Chapter 10 to Chapter 7	
Amend	1.2	1	1	Added applicability to DR-4317 Infrastructure grant	12/15/22
Amend	1.3	1	4	Added applicability to buyouts in Section 7.1.4	2/28/23
Amend	1.3	2	18	7.4.1.1 Added guidance for	2/28/23

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				project cap when using CDBG funds as match to other federal funds.	

7.1 Introduction

This policy addresses the prevention of a Duplication of Benefits (DOB) and lays out steps that must be taken to prevent fraud, waste, and abuse of the allocation of funds received by the State of Missouri from Housing Urban Development (HUD), Community Development Block Grant-Disaster Recovery (CDBG-DR) Program, and Community Development Block Grant-Mitigation (CDBG-MIT) Program. DOB can occur at any time during the grant cycle; therefore, before a grant can be closed, other assistance received or determined to be reasonably available must be identified, documented, and then deducted from eligible CDBG project costs. Duplicative funds may also be subject to recovery after the grant, if received at a later date.

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7.1.1 Definition

A Duplication of Benefit (DOB) occurs when:

- A person, business, or other entity receives assistance from more than one source for the same purpose, or
- A beneficiary receives assistance from multiple sources for a cumulative amount that exceeds the total need for a particular recovery purpose, or
- When an agency provides assistance which is the primary responsibility of another agency ahead of when the primary agency later provides assistance.

The prohibition on DOB ensures that federal assistance serves only to supplement insurance and other forms of disaster assistance. The evaluation of a DOB shall not preclude any additional eligible Federal assistance where there has been receipt of partial benefits but where there is need remaining attributed to the loss suffered by the disaster (unmet need).

DOB can occur at any time during the grant cycle; therefore, before a grant can be closed, other assistance received or determined to be reasonably available must be identified, documented, and then deducted from eligible CDBG project costs. Duplicative funds may also be subject to recovery after the grant, if received at a later date.

7.1.2 Parties Involved

The different parties' involved in the DOB Process include The State of Missouri, Community Development Block Grant-Disaster Recovery (CDBG-DR) Program, and Community Development Block Grant-Mitigation (CDBG-MIT) Program (CDBG), (Grantee); The Missouri Department of Economic Development (DED); The US Department of Urban Development (HUD); Unit of Local Government (UGLUG) (Subrecipient), the Person applying for benefits pre-award (Applicant), and the Person applying for benefits post award (Beneficiary).

7.1.3 Applicable Law

Section 312 of The Robert T. Stafford Disaster Relief and Emergency Assistance Act as amended, 42 U.S.C. §§ 5121-5207, (the "Stafford Act") and the "necessary and reasonable" cost principles in 24 CFR part 570, 2 CFR part 200 and in OMB Circulars form the foundation for the prohibition of DOB. The DOB requirement in the

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Stafford Act applies to all Federal agencies administering a disaster recovery program providing financial assistance, including HUD and CDBG.

The Federal Register Notice entitled “*Clarification of Duplication of Benefits Requirements under the Stafford Act for Community Development Block Grant (CDBG) Disaster Recovery Grantees*,” published Nov. 16, 2011, ([76 FR 71060](#)) clarifies the DOB requirements under the Stafford Act for all active CDBG-DR grants, and all future CDBG-DR grants. A Subsequent Federal Register Notice entitled “*Updates to Duplication of Benefits Requirements under the Stafford Act for Community Development Block Grant (CDBG) Disaster Recovery Grantees*” was published June 20, 2019, ([84 FR 28836](#) and [28848](#)) and further clarifies requirements for disasters declared between 2015 and 2021. This update does not apply to grants under the State CDBG program.

7.1.4 Areas of Applicability

Applicable Funds:

DOB rules apply to all eligible activities under CDBG/DR/MIT. While no project funded with CDBG, CDBG-DR, or CDBG-MIT allows the same costs paid for with other funds, this policy is applicable to those projects funded with either Disaster Supplemental CDBG funds (CDBG-DR), Development Block Grant Mitigation (CDBG-MIT), or regular CDBG funds under the Emergency category **and**

Buyouts.

Applicable Projects (Typical, not all inclusive):

- 7.1.4.1 Housing
 - 7.1.4.1.1 Housing rehabilitation
 - 7.1.4.1.2 Buyouts
 - 7.1.4.1.3 Housing finance
 - 7.1.4.1.4 New housing construction
 - 7.1.4.1.5 Replacement
- 7.1.4.2 Infrastructure
 - 7.1.4.2.1 Roads
 - 7.1.4.2.2 Bridges
 - 7.1.4.2.3 Levees and dams (water control facilities)
 - 7.1.4.2.4 Buildings
 - 7.1.4.2.5 Equipment (integral to the operation as eligible)
- 7.1.4.3 Utilities
 - 7.1.4.3.1 Water systems
 - 7.1.4.3.2 Sewer systems

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- 7.1.4.3.3 Power (Electric, Gas, Other)
- 7.1.4.4 Communications
 - 7.1.4.4.1 Parks
 - 7.1.4.4.2 Recreational facilities
 - 7.1.4.4.3 Other facilities
 - 7.1.4.4.4 Demolition and Debris Removal

Applicable Types of Beneficiaries:

- 7.1.4.5 Persons
 - 7.1.4.6 Households
 - 7.1.4.7 Local Governments
 - 7.1.4.8 Businesses
 - 7.1.4.9 Non-Profits
 - 7.1.4.10 Organized Districts

7.2 Determination of Duplication of Benefits (DOB)

For each beneficiary, the Missouri Department of Economic Development (DED) CDBG staff or its designees must determine if there is any DOB using the best and most recent data. The law prohibits blanket determinations or exclusions of duplication for any beneficiaries under a program.

7.2.1 Subrogation Agreement

To calculate DOB, Subgrantees are required to identify "total assistance". Total assistance includes all reasonably identifiable financial assistance available to a Beneficiary. During the intake process Beneficiaries "self-certify" to what potential DOB sources they may have legal access to or are still under consideration for. In order to avoid subsequent DOB, Beneficiaries are required to execute a [Subrogation Agreement](#) (Appendix 1) that requires Beneficiaries to repay funds they collect after they have received a CDBG award for the same purpose.

7.2.2 Due Diligence

CDBG must have a method of assessing whether the use of the funds will duplicate financial assistance that is already received or is likely to be received (such as insurance proceeds) by acting reasonably to evaluate the need and the resources available to meet that need. CDBG will conduct due diligence including, but not limited to:

1. Reviews of original source documentation, or

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2. Verification of payments made to applicants by private parties to access potential DOB,
 - a. Insurance benefits,
 - b. Gifts from charities and foundations, or
3. Other federal assistance.
 - a. The CDBG staff or its designees must verify through data/information sharing access agreements (ISAA) with federal, state, and other entities as required, to verify benefits paid from FEMA, SBA, NFIP, State programs or other HUD programs to recipients.

Note: Due to timing and if new programs and grant award opportunities are included later through an action plan amendment, DOB analysis may need to be updated and include earlier CDBG related program awards or assistance, for the same applicant. In particular any reimbursement payments that could precede a program such as a buyout or acquisition could be considered a DOB depending on if, when, and how such a reimbursement was awarded and used.

7.2.3 Hierarchy of Disaster Assistance

FEMA regulation ([44 CFR 206.191](#)) establishes a hierarchy of delivery that determines the order in which beneficiaries should receive Federal assistance. The order is based on which agency has the primary responsibility for providing assistance following a disaster, not which agency actually delivers the assistance first.

The delivery sequence parallels the disaster response and disaster recovery continuum. For example, CDBG-DR is a long-term recovery funding tool. Although activities occurring earlier in the disaster continuum (emergency response) may be eligible for existing CDBG program assistance, the CDBG-DR program cannot be used ahead of the appropriate funding agency. The table below shows the delivery sequence established for Missouri's various programs:

Rank	Individuals and Households	Local Governments, Organized Districts, and Non-Profits	Levee Districts	Private Businesses

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1	Volunteer agencies emergency assistance	Voluntary agencies emergency assistance, as applicable	Voluntary agencies emergency assistance, as applicable	Insurance
2	Private insurance, including flood insurance	Insurance, including flood insurance	Insurance	SBA loans
3	FEMA Housing assistance (Individual Assistance)	FEMA Public Assistance	US Army Corps of Engineers levee repair program (for member levees)	Other subsidized loans (federal or state)
4	SBA and USDA / Farm Service Agency disaster loans	U.S. Economic Development Administration (EDA)	USDA NRCS levee repair program (for member levees)	
5	FEMA "other needs" assistance	Other state funds		
6	Volunteer agencies "additional assistance programs"			
7	The "Cora Brown Fund"			
8	Other state funds			

The delivery sequence established for the CDBG Program for **local governments, organized districts, and non-profits** (infrastructure and debris removal) is:

1. Voluntary agencies emergency assistance, as applicable
2. Insurance, including flood insurance
3. FEMA Public Assistance
4. EDA
5. Other state funds
6. Missouri CDBG Program

The delivery sequence established for the CDBG Program for **levee districts** is:

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1. Voluntary agencies emergency assistance, as applicable
2. Insurance
3. US Army Corps of Engineers levee repair program (for member levees)
4. USDA NRCS levee repair program (for member levees)
5. Missouri CDBG Program

The delivery sequence established for the CDBG Program for **private businesses** is:

1. Insurance
2. SBA loans
3. Other subsidized loans (federal or state)
4. Missouri CDBG Program

7.2.4 Use of Funds

CDBG disaster recovery funds must be used for eligible purposes of the program or activity for which they have been provided. That is, CDBG funds provided for the sole purpose of repairing a home should be used strictly for the repair of that home. They should not be used for any other purpose. Similarly, funds provided to a business for equipment replacement, or structural repair, should be used only for those purposes. While some business assistance programs may provide for-profit entities with working capital, this purpose should be clearly identified from the outset of the program so as not to duplicate other programs or working capital assistance.

To ensure recovery funds are used for eligible purposes, the CDBG Program will require the following:

- A. The homeowner must provide a signed Self-Certify Statement that documents in detail all labor and/or repairs made to the damaged property following the disaster event; and
- B. During the housing inspection process, the inspector must determine with reasonable assurance that the repairs were made after the disaster event. The inspector will use an estimated unit price for material and labor and assign the estimate as a "credit" towards offsetting the verified repairs or expenses; and
- C. The Inspector will document, through photographs, the repairs that were made.

Receipt review may be used as a contested method when the homeowner does not agree with the inspector's estimates. The applicant must provide a signed Self-Certify statement that documents in detail all labor and/or repairs made to the damaged

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property following the disaster event and include all receipts/invoices as supporting documentation. The receipts/invoices must clearly indicate the cost for labor and/or materials used for repair with an explanation of the work performed and the date. The maximum contested amount cannot be more than 10% above the inspector's estimate. Any contested amounts more than 10% above the inspector's estimate must go through an appeals process.

Funds used for non-permanent repairs (such as water or mold removal following the disaster) may not be verifiable during the inspection. The homeowner may provide receipts to validate. If unable to provide receipts, the homeowner may sign a self-certify statement detailing the labor and/or materials used for the repair and the inspector may determine a reasonable cost for the work.

7.2.4.1 Funds Not Used for Intended Purposes

Funds received from other sources, such as insurance or FEMA to repair damages to a home that are used for a purpose unrelated to the specific repair may represent a duplication. As part of the DOB review, how other funds were expended will be verified through the review of receipts, contract records, insurance records, and written determinations by inspectors.

Buyout/Acquisition projects: When a damaged property is being acquired and the purchase price is based on the pre-disaster FMV, the property owner must demonstrate that any insurance or other assistance received for repairs to the damaged structure was used for that purpose; otherwise the amount of repair assistance will be deducted from the purchase offer.

Rehab/Reconstruction projects: Unused insurance or other repair or mitigation assistance will result in a DOB if these funds duplicate eligible CDBG-DR project costs for rehabilitation, reconstruction, elevation, etc.

If funds were not used as intended, there are likely no receipts. The applicant will need to rely on other sources to cover this DOB "gap". Applicants may be referred to non-profit / philanthropic organizations when gaps occur to help provide assistance so that the applicant can still participate in the program.

Funds provided by the applicant to cover the DOB "gap" must be escrowed and used first towards the project costs.

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Property owners may provide receipts demonstrating funds were used for their intended purpose so that they may be deducted from the DOB analysis as eligible expenses or repairs.

7.2.4.2 Addressing Changes in Unmet Need

Long-term recovery is a process, however, disaster recovery needs are calculated at points in time. As a result, a subsequent change in circumstances can affect need. If, after needs are initially calculated and/or a CDBG award has been made, an applicant for CDBG disaster recovery assistance can demonstrate a change in circumstances, such as vandalism, contractor fraud, an increase in the cost of materials and/or labor, a change in local zoning law or building code, or subsequent damage to a home or business that was partially repaired, the grantee may subsequently reevaluate the calculation of the award by taking into account the increased need. However, any reevaluation must be done before the initial need for which the assistance was granted has been fully met (e.g., before the damaged house is fully repaired). In effect, once the house is fully repaired, the need resulting from the disaster impact will have been fully met; but actual costs to the point of completion are eligible.

7.2.4.3 Initial Verification of Benefits and Re-Verification of Benefits Timing

The initial verification of benefits should be conducted at the time that total unmet need and scope of need (including remediation) is determined but prior to determining and executing an award. If more than four months occurs from initial award determination to a change in award or actual award agreement execution occurs it is strongly recommended that a re-verification of benefits is conducted to ensure no changes to benefit amounts has occurred that could impact a need to adjust the award. In addition, at time of project completion but prior to closeout a final verification of benefits is strongly recommended to ensure no subrogation clause needs to be invoked.

Once construction is complete, a financial analysis must be completed to determine whether the original award amount was increased due to change orders, or reduced because the actual cost of repairs was less than the grant amount. Any balance of funds remaining must be de-obligated through a grant amendment. The funds can be used towards the next applicant in the program or can be used for another eligible program use. These funds are not considered program income.

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I. Specific to DR-4317 and DR-4451:

Applicants that have received disbursements from an SBA loan must provide documentation that all disbursed funds have been or will be used toward a loss suffered as a result of the disaster event, DR-4317 (declared June 2, 2017, and is a DRRRA qualifying disaster), or DR-4451 (declared July 9, 2019). When the applicant can document that the SBA loan Proceeds were used for their intended purpose, the DRRRA exception applies and the SBA loan funds are not included in total assistance received and do not need to be considered in the DOB analysis.

II. Loans

As described in [84 FR 28836](#), published June 20, 2019, a *subsidized* loan (such as SBA loan) that is declined or cancelled is not considered a DOB. To exclude declined or cancelled subsidized loan amounts (“loans”) from the DOB calculation, the program must document that all or a portion of the loan is cancelled or declined. Private or other non-subsidized loans without use restrictions that would otherwise create a potential programmatic DOB are not subject to DOB.

The program is required to document declined loans only if available information (such as the data received from FEMA, SBA, or other sources) indicate the applicant received an offer for subsidized loan assistance, but the data does not indicate if the applicant declined the loan. A written certification from the applicant stating they did not accept the subsidized loan by signing loan documents and did not received the loan is sufficient documentation of a declined loan.

III. Subsidized Short Term Loans

In some instances, and depending on program design, a subsidized short-term loan may or may not constitute a DOB. Generally, the term “subsidized short-term loan” applies to loans subsidized by a government program, such as SmallBusiness Association (SBA).

As described in the Federal Register, Vol. 76, No. 221, November 16, 2011, if the SBA has approved loan funds, the assistance is considered a DOB, and the amount of the loan must be deducted from the disaster assistance award. However, Section 1210 of the Disaster Recovery Reform Act (DRRA) states that a loan is not a prohibited duplication of benefit under Section 312 (b)(4)(C) of the Stafford Act, as amended, provided that all federal assistance is used toward a loss suffered as a result of a major disaster or emergency. The DRRA amendments apply only to major disasters or emergencies declared between January 1, 2016 and December 31, 2021 (DRRA qualifying disasters). The DRRA provides that the

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amendment sunsets on the date that is 5 years after the date of the DRRRA's enactment, therefore, the exception for DRRRA qualifying disasters may not apply after October 5, 2023.

IV. SBA Loans

SBA loan amounts will be verified by DED through the SBA database. If CDBG is unable to verify the SBA qualifying loan amount through the SBA database, the program will use the qualified loan amount provided by the applicant at the time of application. If an applicant is able to provide documentation demonstrating that the SBA amount provided by the SBA database includes amounts for a purpose other than home repair, the program will use the documentation provided by the applicant to adjust the SBA loan amount in the DOB calculation. Only repair assistance should be considered as DOB for repair/reconstruction of a home. The documentation provided by the applicant must come from SBA and it will be included in the applicant file.

V. Cancelled Loans

Cancelled loans are loans (or portions of loans) that were initially accepted, but for a variety of reason, all or a portion of the loan amount was not disbursed and is no longer available to the applicant. The cancelled 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.

The following documentation is sufficient to demonstrate that any undisbursed portion of an accepted subsidized loan is cancelled and no longer available. Option A. is the preferred method because Option B. requires additional monitoring to ensure the agreement was upheld prior to closeout of the grant award.

- A. A written communication from the lender confirming that the loan has been cancelled and undisbursed amounts are no longer available to the applicant; or
- B. A legally binding agreement between the local government or Subrecipient administering the CDBG-DR assistance and the applicant that indicates that the period of availability of the loan has passed and the applicant agrees not to take actions to reinstate the loan or draw any additional undisbursed loan amounts.

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The documentation must be maintained in the applicant's file for a period of 5 years after the closeout of the project. Without this documentation, any undisbursed portion of a subsidized loan must be included in the final calculation of the total assistance amount unless another exception applies. For cancelled SBA loans, the program must notify SBA that the applicant has agreed to not take any actions to reinstate the cancelled loan or draw any additional undisbursed loan amounts.

7.3 Guidance for Agreements with Local Governments

All Subrecipients will be required to adopt the CDBG "DOB Policy" for use in their awarded projects.

7.3.1 Applications and Guidelines

1. All grant applications with CDBG funding shall include a section on DOB for Subrecipients to identify any potential sources of duplication.
2. All grant applications with CDBG funding for assistance for projects owned by the local government must include proof of DOB at the time of the application (e.g. infrastructure, debris removal, buildings and facilities). The guidelines shall list acceptable means of documentation.
3. All grant applications with CDBG funding for assistance made by local governments on behalf of non-profits or organized districts must include proof of DOB at the time of the application (e.g. levee repairs, facilities, buildings). The guidelines shall list acceptable means of documentation.
4. All grant applications with CDBG funding requesting assistance paying the local match for other federal funds must include proof of the determined cost share for the specific disaster and project. (i.e. 80/20; 75/25, etc.)
5. Intake applications at the beneficiary level shall include a series of questions for applicants designed to recognize and identify any DOB. Applicants must agree to and sign the [Consent and Release for Nonpublic Personal Information](#) (Appendix 2), which allows their personal information to be shared with third parties for the purpose of verifying information, including duplications, and the Subrogation Agreement, which provides provisions for recapture of any duplicative funds.

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7.3.2 Application Review

1. Application checklists used to evaluate the applications for assistance must include a review and approval of the documentation used to address DOB or the proposed plans to address DOB.
2. Applications lacking sufficient evidence regarding DOB shall be declared deficient and denied or shall not be provided awards until such time that adequate proof or plans are provided.

7.3.3 Funding Approvals and Grant Agreements

1. The funding approval and grant agreement used to award Supplemental CDBG Disaster Funds or CDBG Emergency funds shall contain a clause defining the responsibility of the local government to comply with the rules related to identifying and accounting for DOB and their responsibility to require and compel any sub-grantee or Subrecipient to also comply.
2. The funding approval and grant agreement must also contain the responsibility of the local government to recapture any funds identified to be a duplicated benefit in a manner consistent with this policy and in a timeframe consistent with this Policy.

7.3.4 Calculation of Disaster Recovery Awards

The following example represents the basic framework for how the DOB calculation would be completed:

HUD's DOB Calculation	Amount
1. Identify Applicants Total Need	\$100,000
2. Identify All Potentially Duplicative Assistance (e.g. received \$50,000 from insurance but \$20,000 was for personal property)	\$50,000
3. Deduct assistance determined to be duplicative	\$30,000
4. Maximum eligible award (item 1 minus item 3)	\$70,000
5. Program cap (if applicable)	\$50,000
6. Final award (lesser of items 4 and 5)	\$50,000

In addition to using this framework, CDBG will follow the process outlined below to determine DOB:

- All applicants will be required to sign the [Subrogation Agreement](#) at the time of application, agreeing to disclose, and to repay any

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additional funds received as compensation for damages from the declared disaster for which assistance has been provided.

- Obtain a copy of any prior assistance received for the same event (insurance settlement, SBA, FEMA, etc.) through data feeds, data sharing agreements, and standardized forms to request verification.
- Complete the [“DOB Worksheet”](#) to determine any DOB. A separate worksheet must be completed for each project.
- Retain all documents in files that are specific to each property.

7.3.5 Project Monitoring

- The monitoring checklist shall include a section on evaluating and ensuring review of documentation and procedures related to identifying and accounting for DOB at the end of the project
- The Subrecipient must provide the information required for a DOB review and submit to CDBG for determination.
- The monitoring shall require a review for DOB for each benefit provided. A sampling is not considered compliant monitoring.

7.3.6 Recordkeeping

- Each master CDBG file shall contain a document or documents indicating sufficient identification and accounting for any DOB.
- Each local project file maintained at City Hall or the County Courthouse shall contain documents indicating sufficient identification of accounting for any DOB. Documents containing personal beneficiary information shall be kept confidential consistent with state and federal laws. If requested, all protected information shall be redacted in the same manner as the regular CDBG program requirements.
- Recordkeeping for DOB is equally important to document when nothing is found as it is to document and account for when duplications are found. Compliance with DOB requires documented proof regardless of the finding.

For example, proof of finding a DOB may be access to copies of the public assistance reports generated for projects by the Federal and State Emergency Management PA staff. Those PA reports for projects for permanent work in any community may be used to show that duplication existed, or one did not. Reports

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generated by other federal and state agencies and insurance companies provide the best documentation for CDBG project files.

7.3.7 Repayment of Duplication of Benefits

All CDBG grant agreements shall include a clause regarding the requirements of ensuring no DOB occurs and shall require CDBG's Subrecipients to actively pursue any identification of and repayment of any funds duplicated. The requirement for repayment is often referred to in a Subrogation clause of an agreement.

In the event CDBG funds are discovered to have created a DOB, the repayment of those funds shall be accomplished by:

- Written notification to the Subrecipient
- Written notification to the Subrecipient's beneficiary, as applicable
- The written notice shall include:
 - A clear explanation of the DOB with documentation
 - A specific amount of the duplication
 - A date for required repayment of the duplication
 - An acknowledgement by the person or entity of the duplication
 - A reasonable repayment method shall be based upon a percentage of monthly income after expenses but with a term that should not exceed 5 years.
 - A means for response to contest the finding and provide proof of error.

7.3.8 Appeals Process

If a Beneficiary disagrees with a determination made by the Grantee related to DOB, a written appeal must be sent to the Grantee within 15 business days of notification of the determination that includes pertinent documentation to support the appeal. The Grantee will respond in writing within 15 business days of receipt of the written appeal.

7.3.9 Privacy Act

To ensure compliance with the Privacy Act, the Grantee must notify each property owner that information they disclose regarding other sources of assistance received may be shared with CDBG, SEMA, FEMA, other federal agencies, insurance companies, or other relevant public or private entities for purposes of verifying this information. The following information should be provided to property owners as part of the application / award process:

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AUTHORITY: Sections 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, 42 U.S.C. § 5155, and applicable necessary and reasonable cost principles 24 CFR part 570 and in OMB Cost Circulars (codified in title 2 of the CFR).

PRINCIPAL PURPOSE(S): This information is being collected for the primary purpose of determining eligibility for and administering Missouri Department of Economic Development (DED) / CDBG-Disaster Recovery grant programs.

ROUTINE USE(S): The information regarding your property may be shared under 5 U.S.C. § 552a(b) of the Privacy Act of 1974. This may include sharing with custodians of property records such as other Federal or other governmental agencies, insurance companies, or any public or private entity for the purposes of ensuring that the property has not received money that is duplicative of any possible CDBG-DR grants received.

DISCLOSURE: DED hereby notifies you that the disclosure of your property information to the State is voluntary; however, failure to provide the information requested may delay or prevent this project from receiving CDBG-DR funds.

7.4 DOB Workbook

CDBG utilizes the “DOB Workbook to collect data and perform calculations related to duplication of benefit determinations. There should be one workbook file for each property address. This provides storage for necessary documentation in an organized manner for subsequent review.

7.4.1 Overarching Framework to Determine and Prevent a Duplication of Benefit

The CDBG Duplication of Benefits Policy establishes the following framework to avoid a DOB:

7.4.1.1 Determination of Need:

Total need is calculated based on the need estimates at a point in time. While total need must consider in-kind donations of materials or services at time of the cost estimate for needs assessment, in-kind donations are not

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“financial assistance” that create a DOB. However, these materials and/or services should be considered in reducing the cost within the unmet need assessment. In other words, in-kind materials, services and labor should reduce the remaining unmet need assessment but not be deducted as a source of DOB.

- A. Cost estimates: For housing construction related projects, total cost estimates should not only include damage assessment and verification, but a detailed scope of work write up necessary to meet code as based on the level of disaster damage repairs still needed.
- B. Cost reasonableness: It is also advisable to include an industry standard percentage amount for a contingency budget line item in the estimated cost to repair. This will help address any actual scope increases due to project bid results for profit and overhead fees, approved change orders or other unforeseen eligible expenses. It will also help ensure that CDBG, CDBG-DR, and CDBG-MIT award calculations sufficiently include all potential pre-construction and construction scope of work items that are CDBG-DR and CDBG-MIT eligible and necessary to complete construction to meet a national objective.
- C. Program thresholds and caps (as applicable): Any reported eligible repairs and in-kind materials or services still available should be verified to assist in the total estimate and DOB calculation prior to establishing the final eligible award amount. In addition, if the program will include environmental remediation or other design and engineering services directly as a service excluded from the applicant award cap, they do not need to be factored in the award analysis. However, if the selected construction contractor scope will be responsible for these items, the total unmet need and cost estimate for the applicant should also consider them in the unmet need. If these types of services are not other services and expenses that the grantee or subrecipient will fund directly as an activity delivery expense, they should be incorporated so as to not require ongoing adjustments to the total determination of need in support of an award determination. **When using CDBG as matching funds to other federal funds, such as a FEMA buyout, the cap should be the maximum of the cost share ratio of CDBG funds going into the project.**

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7.4.1.2 Identifying Total Assistance

Assistance includes all benefits available to the person, including cash and other resources such as insurance proceeds, grants, and SBA loans. Grantees should also identify reasonably anticipated assistance, such as future insurance claims or approved SBA loan Proceeds. Reasonably anticipated funds included assistance that has been awarded, but has not yet been received.

The grantee's efforts to identify total assistance must include a review to determine whether the applicant received FEMA, SBA, insurance and any other major forms of assistance (such as State programs) generally available to applicants. Prior to the award of assistance, CDBG will use the best, most recent available data from the identified sources below to prevent DOB. To access such data CDBG will access data feeds, enter into data sharing agreements, and utilize standardized forms for requesting verification.

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Duplication of Benefits (DOB)

- D. Identification of other federal programs, including but not limited to:
 - i. FEMA
 - i. Individual Assistance (IA)
 - ii. Public Assistance (PA)
 - ii. SBA
 - i. Business loans
 - ii. Residential loans
 - iii. U.S. Army Corps of Engineers
 - iv. USDA NRCS
 - v. EDA
 - vi. USDA/Farm Service Agency disaster loans
 - vii. Private insurance
 - viii. National Flood Insurance Program (NFIP) / Increased Cost of Compliance (ICC)
- E. Identification of other state programs
- F. Identification of insurance Proceeds
 - i. When a mortgage lender requires proceeds to be held in escrow until homeowner provides evidence of agreement to sell or repair, these amounts may still be considered a duplicating benefit even though they not available at the time of application review and program award processing.

Chapter 7

Duplication of Benefits (DOB)

- ii. Beneficiaries without insurance will be required to provide an [attestation](#) (Appendix 3), to this effect.
- G. Identification of private or nonprofit funds that are restricted to a use that may be duplicative of the assistance provided by the CDBG-DR program

Identification of assistance that does not represent a duplication of benefit

- H. Funds received for other or general non-specific purposes
 - i. Any funds provided for a different purpose, or a general, non-specific purpose, may be excluded from the final award calculation if they were not used by the applicant for the same purpose as CDBG funds. For example, if FEMA funds were eligibly used for interim housing and CDBG funds were provided for home rehabilitation, there is no DOB regarding those funds because the funds were provided for a different purpose. However, any FEMA funds eligibly used for housing replacement or rehabilitation must be considered for that purpose.
- I. Funds received but used for a different eligible purpose
 - i. In some instances, funds provided for the same general purpose as the CDBG disaster recovery funds will have been used by the applicant for a different specific eligible purpose. In these circumstances, if the applicant can document that the funds received were used for a different, eligible purpose, then the funds are not duplicative. Because FEMA may allow its recovery funds to be used for multiple purposes, CDBG disaster recovery funds may not duplicate the ultimate use of FEMA funds. Acceptable documentation may include receipts as well as sworn statements and certifications that can be verified or substantiated.
- J. Funds not available or denied:
 - i. Funds that are not available to an applicant may also be excluded from the final award calculation. For example, if a homeowner's mortgage requires any insurance Proceeds to

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Duplication of Benefits (DOB)

be applied to reduce the lien balance, then the bank / mortgage holder (not the homeowner) has legal control over those funds. 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 a house. Under these circumstances, insurance Proceeds do not reduce assistance eligibility. However, if a disaster-affected homeowner chooses to apply insurance Proceeds to reduce an existing mortgage, insurance Proceeds reduce the amount of disaster assistance eligibility. In addition, if a mortgage requires insurance Proceeds to be used for rehabilitation of the property, those Proceeds must be considered as assistance for that purpose.

1. Funds not available may include funds provided but restricted for another purpose.
 2. Funds conditionally available but not currently available may still be considered a duplicating benefit.
- K. Forced mortgage payoffs
- L. Private loans such as home equity loans and/or not guaranteed by SBA or other federal/state program.
- i. Private loans are not provided under a government program and do not need to be considered as potentially duplicative assistance.
- M. Any other asset or line of credit available to the applicant
- i. Other assets or lines of credit available to a homeowner or business owner need not be included in the award calculation. This includes, but is not limited to, checking or savings accounts, stocks, bonds, mutual funds, pension or retirement benefits, credit cards, mortgages or lines of credit, and life insurance.
- N. Funds provided for interim purposes
- i. Interim purposes may be temporary housing for individuals or may be emergency protective work or non-permanent work

Chapter 7

Duplication of Benefits (DOB)

paid for to stabilize the infrastructure or facility until the permanent work can be completed.

7.4.1.3 Determination of the Award

- A. Total project costs (need) that include all costs if not paid directly by the program and to be included and paid through the applicant award that may include: elevation certs, remediation, site work including private drives for ingress/egress, accessibility modifications, utility connections, zoning and permits, architectural or engineering fees.
- B. Less eligible repairs or expenses offsets that are verified by unit pricing or receipt review methods within each program
- C. Less verified amounts of duplicating benefits
- D. Maximum award amount
- E. Compare maximum award amount to program cap or program thresholds
- F. Determine final award as lesser of maximum possible request or program cap
 - ii. If the final award amount is not sufficient to complete the project, determine if the scope of work can be reduced or modified to result in a lower cost estimate. If not possible to reduce the scope of work cost estimate, the applicant will need to obtain funds to make up the difference.

7.4.1.4 DOB Monitoring.

DOB will be monitored for at the following intervals:

- A. Pre-award
 - iii. If beneficiary does not receive funds within 12 months of award, a second pre-award DOB monitoring will be conducted.
- B. Project Closeout

Attachment 1:



Missouri Department of
Economic Development

Community Development Block Grant Disaster Recovery and Mitigation Duplication of Benefits Procedures

Purpose

The purpose of the procedures contained herein are to provide guidance on properly assessing and determining the potential DOB for beneficiaries of CDBG programs that align with the policies set out in this document,

Explanation of Roles

CDBG-DR and MIT Compliance Specialists (DED) – The CDBG-DR Compliance Specialists and their representatives gathers input information from FEMA, SBA, and NFIP; utilize calculators, forms, instructions on DOB calculations; and monitor insurance and receipt calculations. When monitoring for DOB, DED completes a spot check to ensure that calculations were completed correctly using risk assessment procedures, and if necessary, will complete a comprehensive monitoring.

Subrecipients – Subrecipients and their representatives gathers input and documentation from applicants; ensure accurate completion of required forms and documentation; and complete third party Insurance verification and receipts tracker for each applicant. Subrecipients are notified of discrepancies of reported award information and information verified by third parties, and will ensure all documentation is collected. Once the receipts calculation and Insurance verification have been completed with all documentation accounted for, CDBG will provide Subrecipients with a final eligible award amount for each applicant after final DOB calculations.

Applicants – Applicants of CDBG-DR funds are expected to comply with all DOB processes and procedures in cooperation with the project subrecipients in accordance with Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act. The Stafford Act prohibits any person from receiving assistance with respect to any specific loss that he/she has received previous financial assistance. Applicants must sign a subrogation agreement at application Intake and agree to comply with DOB protocols and return funds that are a DOB and exceed final award determination. 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.

Duplication of Benefits (DOB) Procedures

Step 1:

Start a new [DOB Workbook](#).

Rename the file “DOB Workbook Property Address_Grantee_Project Number”. For example, “DOB Workbook_301 W High Street_Jeff City_20_MO_01”. There will be a separate workbook for each property address.

Step 2:

Determine the total need for the applicant or project.

This is based on the following depending on the program type:

- a) Buyout/Acquisition – appraised property value (for DR-4317, this is the pre-flood value).
- b) Repairs/Rehabilitation – cost estimate for rehab (based on inspection), that includes all costs if not paid directly by the program and to be included and paid through the applicant award that may include: elevation certs, remediation, site work including private drives for ingress/egress, accessibility modifications, utility connections, zoning and permits, architectural or engineering fees.
- c) New construction – cost estimate for new construction of housing or infrastructure.

Step 3:

Identify the total assistance available to the applicant from FEMA, Insurance, and SBA.*

A: Verification of FEMA funds - Obtain potential DOB sources from FEMA

1. Review FEMA Information Sharing Access Agreement (ISAA) and identify FEMA contact.
2. Email the FEMA contact a password protected copy of applicant information by creating a spreadsheet which includes applicant name and address of damaged dwelling. Include the copy of the FEMA ISAA in your email.

NOTE: The password should be sent in a separate email.

3. FEMA will provide the following information to CDBG:
 - a. NFIP Policyholder data
 - Date of Loss
 - Data as of (date of report)
 - Claim Status (closed or open)
 - Close Date (date case closed)
 - Building Damage/Building Paid (Amount Paid)
 - Policy Information: Amount Premiums Due or Up to Date
 - b. Individual Assistance recipient data
 - Applicant Name
 - Address of Damaged Dwelling
 - Registration Number/OD

- Disaster Number
 - HA (Housing Assistance) status
 - Assistance Categories:
 - Emergency Home Repair (Amount paid)
 - Rental Assistance (Amount paid)
 - Approved (Yes/No)
 - Eligibility Date
 - Amount
 - Disbursement Date
4. If there is a difference in amounts provided by the applicant versus the information provided by FEMA, CDBG should notify the Subrecipient in order to verify with the applicant to account for the discrepancy.

B. Verification of SBA funds – obtain potential DOB sources from SBA

1. Review SBA MOU and identify SBA point of contact.
2. Email the SBA contact a password protected copy of applicant information by creating an Excel spreadsheet formatted with column separated data identifying the following information:
 - Names of grant/loan recipients
 - Amount of award
 - Disaster damaged address
 - Purpose of funds
 - SBA Application number, FEMA Registration number, etc.

NOTE: The password should be sent in a separate email.

3. SBA will provide information to CDBG
4. If there is a difference in amounts provided by the applicant versus the information provided by SBA, CDBG should notify subrecipient in order to verify with the applicant to account for the discrepancy.

*Due to PII concerns, exact award data from FEMA, SBA, and NFIP will not be shared with subrecipients.

Step 4:

Verify insurance payments: Obtain potential DOB sources from Insurance companies

1. In order to verify insurance information, all applicants should fill out the [Insurance Attestation Form](#) (Appendix 3).

NOTE: The applicants' responses on Appendix 3, in addition to documents submitted during intake, will determine which of the below documentation should be collected.

2. The following documents should be collected for each applicant based on their insurance, claim, and settlement status:

Insurance Status	Claim Status	Settlement Status	Documents Needed
Applicant did not have insurance			Insurance Attestation
Applicant had insurance	Applicant filed a claim	Applicant received a settlement	Insurance Attestation, Insurance Policy, copy of claim, copy of settlement/Letter of Indemnity (LOI), copy of check* / Documentation showing amount received, receipts demonstrating use of funds/indemnity**
Applicant had insurance	Applicant filed a claim	Applicant did not receive a settlement	Insurance Attestation, Insurance Policy, copy of claim, copy of Denial Letter***
Applicant had insurance	Applicant did not file a claim		Insurance Attestation, Insurance Policy, proof of ineligibility

* If Letter of Indemnity does not give fund amount

** If unavailable, the full indemnity will be deducted as a DOB

*** Even if not accepted, documentation of efforts to secure an indemnity is required

3. Once documentation is collected from applicant, subrecipient must verify settlement/indemnity total with insurance company and relay any additional documentation provided to DED.
4. If applicant's insurance policy indicates there is assistance available that the applicant did not actively pursue, then the applicant will need to file an insurance claim.
 - a. If time elapsed from time of impact to filing disqualifies applicant from being eligible to file a claim, the applicant must pursue and receive a

notice from the insurance agent confirming that they cannot file a claim any longer on the disaster and as a result it will not be counted as a DOB.

Step 5:

Verify of other sources of funds: DOB verification of any other source of funds that could be considered a DOB when using CDBG-DR, CDBG-MIT.

1. Identify the total assistance available to the applicant from charitable organizations, other state programs, and any other sources that are restricted to a use that is duplicative of the assistance provided by the CDBG-DR program
2. Obtain the following information from the applicant (as applicable):
 - a) Award letter or documentation of awarded amount
 - b) Denial letter
 - c) Copy of check / documentation showing amount of funds received
 - a. If award letter does not specify amount
 - d) Receipts demonstrating that funds were used for their intended purpose or other eligible use. [See Policy Section 3 §b\(i\) above](#)
 - a. If unavailable, the full award will be deducted as a DOB.
 - e) The subrecipient should verify award / denial amounts with organization and inform DED.

Step 6:

Determine and exclude any non-duplicative amounts from the DOB analysis.

See Appendix 4 and DOB Workbook for further instructions for making final DOB calculations for each Applicant.

1. NFIP net building payment and IA home repairs are duplicative forms of assistance.
2. Non-duplicative forms of assistance:
 - a. IA rental assistance (when CDBG funds are not used for rental assistance)
 - b. NFIP total premium plus FPF (Federal Policy Fee)
 - c. Net contents payment
 - d. Net ICC payment (Increased Cost for Compliance)
 - e. Total Net payment
 - f. Funds received for other or general non-specific purposes
 - g. Funds received but used for a different eligible purpose
 - h. Funds not available or denied
 - i. Forced mortgage payoffs
 - j. Private loans such as home equity loans and/or not guaranteed by SBA or other federal/state program

- k. Any other asset or line of credit available to the applicant (checking or savings accounts, stocks, bonds, mutual funds, pension, or retirement benefits, credit cards, mortgages or lines of credit, and life insurance)
 - l. Funds provided for interim purposes (temporary housing, emergency protective work, non-permanent work)
3. Insurance
- a. Real property settlements must be considered for DOB
 - b. Personal property/contents settlements are not considered a DOB
 - c. All insurance Proceeds received must be validated and verified it was [used for its intended purpose](#) (i.e. housing repair), which can offset the amount of DOB.
4. For rehabilitation projects:
- a. The homeowner must provide a signed self-certify statement that documents in detail all labor and/or repairs made to the damaged property following the disaster event; and
 - b. During the housing inspection process, the inspector must determine with reasonable assurance that the repairs were made after the disaster event. The inspector will use an estimated unit price for material and labor and assign the estimate as a "credit" towards offsetting the verified repairs or expenses; and
 - c. The inspector will document, through photographs, the repairs that were made.
 - d. Receipt review may be used as a contested method when the homeowner does not agree with the inspector's estimates. The applicant must provide a signed self-certify statement that documents in detail all labor and/or repairs made to the damaged property following the disaster event and include all receipts/invoices as supporting documentation. The receipts/invoices must clearly indicate the cost for labor and/or materials used for repair with an explanation of the work performed and the date. The maximum contested amount cannot be more than 10% above the inspector's estimate. Any contested amounts more than 10% above the estimate must go through an appeals process.
 - e. Funds used for non-permanent repairs (such as water or mold removal following the disaster) may not be verifiable during the inspection. The homeowner may provide receipts to validate. If unable to provide receipts, the homeowner may sign a self-certify statement detailing the labor and/or materials used for the repair and the inspector may determine a reasonable cost for the work.
5. For buyout projects:
- a. The homeowner must provide receipts/invoices of all purchases and repairs made and subrecipients must verify (by using the Receipts Tracker)

that materials and repairs were for their intended purpose(s) and that the receipts/invoices total the amount of assistance provided.

- i. Purchases that cannot be verified by receipts/invoices will be considered DOB.

Step 7:

Calculate DOB (Total assistance minus non-duplicative amounts)

1. Total assistance = total of funds received from all sources (including homerepairs plus rental assistance) + all forms of assistance received to date:
 - i. FEMA Individual Assistance for structure (IA)
 - ii. National Flood Insurance Program (NFIP) and/or IncreasedCost of Compliance (ICC)
 - iii. Small Business Administration (SBA)
 - iv. Private Insurance
 - v. Charitable Organizations
 - vi. Any other funding source that may duplicate assistance
2. Subtract all assistance determined to be non-duplicative.
3. All disaster-related assistance received from other sources must be validated and verified that it was used for its intended purpose. Funds from other sources that were used for their intended purpose (i.e. housingrepair) can offset the amount of DOB.
4. [*Specific to DR-4317 and DR-4451](#): SBA loan Proceeds used for their intended purpose are not included in the total assistance received and do not need to be considered in the DOB analysis.

Step 8:

Determine final award.

1. The total determination of the award should be calculated as follows:
 - a. Total need (see Section I)
 - b. Total amount of duplicative assistance.
 - c. Equals maximum eligible award amount.
 - d. Compare maximum award amount to the program cap or any applicable program thresholds, and determine the final award as the lesser of the maximum possible request or program cap.
 - i. In rehabilitation projects, if the final award amount is not sufficient to complete the project, determine if the scope of work can be reduced or modified to result in a lower cost

- estimate. If not possible to reduce the scope of work cost estimate, the applicant will need to provide funds to make up the difference.
- ii. The final award is the lesser of the maximum eligible award and the program award cap.

Example:

HUD's DOB Calculation	Amount
1. Identify Applicants Total Need	\$100,000
2. Identify All Potentially Duplicative Assistance (e.g. received \$50,000 from insurance but \$20,000 was for personal property)	\$50,000
3. Deduct assistance determined to be duplicative	\$30,000
4. Maximum eligible award (item 1 minus item 3)	\$70,000
5. Program cap (if applicable)	\$50,000
6. Final award (lesser of items 4 and 5)	\$50,000

Step 9:

CDBG-DR and MIT Compliance Specialists (DED) Conduct Monitoring

- a. Duplication of benefits will be monitored by CDBG at the following intervals:
 - i. Pre-award
If applicant does not receive funds within 12 months a second pre-award DOB monitoring will be conducted.
 - ii. Project closeout
- b. When monitoring for DOB, CDBG will complete a spot check to ensure that calculations were completed correctly using risk assessment procedures, and if DED finds it necessary, will complete a comprehensive monitoring. CDBG will sign the DOB Workbook after calculations have been completed.

APPENDIX 1
MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT
COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY (CDBG-DR) PROGRAM
SUBROGATION AND ASSIGNMENT AGREEMENT

This Subrogation and Assignment Agreement (“Agreement”) is made and entered into on this day of _____, 20_____, by _____, (“Applicant”) with the address of _____(street, city county, state)

1. Assignment Relating to Funds Received under CDBG-Disaster Recovery Program

(a) Applicant enters this Agreement in consideration of the evaluation by the City/County of _____ (“Subrecipient”) and the Missouri Department of Economic Development (DED) CDBG-DR Program of its application for disaster assistance funds, monies, or other benefits (“Benefits”) or its receipt of benefits under the CDBG-DR Program (“Program”).

(b) Applicant acknowledges that the Program is subject to the provisions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, 42 U.S.C. §§ 5121-5207, (the “Stafford Act”). Under the Stafford Act, Applicant may receive assistance only to the extent that it has a disaster recovery need that is not full met by insurance or other disaster assistance. Applicant further acknowledges that this Agreement is intended to ensure that it does not receive Benefits that duplicate benefits available for the same purposes from another source. Applicant promises to reimburse the Subrecipient for the full amount of any Benefits that Applicant previously received, Subsequently receives, or (with reasonable effort would be) eligible to receive for the same purposes for which the Benefits are awarded.

(c) Applicant subrogates and assigns to the Subrecipient all of its future rights to reimbursement and all payments or Proceeds determined to be a Duplication of Benefits (“DOB”), as provided in this Agreement. This includes, but is not limited to, payments or Proceeds received from any grant, subsidized loan, insurance policies of any type or coverage, or under any reimbursement or relief program related to or administered by the Federal Emergency Management Agency (“FEMA”) or the Small Business Administration (“SBA”) (each, singularly, a “Disaster Program” and collectively, the “Disaster Programs”) to the extent such payments and/or Proceeds, in the sole discretion of the Subrecipient or its designated agency and/or Missouri DED CDBG-DR, constitute a DOB. Payments and Proceeds referred to in this paragraph, regardless of DOB or source, shall hereafter be referred to as “Proceeds”, and any Proceeds that are a DOB shall hereafter be referred to as “DOB Proceeds”.

(d) Applicant agrees to immediately notify the Subrecipient upon receiving any Proceeds not previously disclosed in connection with their Application. The Subrecipient will thereafter determine, in its sole discretion, whether any or all such Proceeds constitute DOB Proceeds. Applicant must pay all DOB Proceeds to the subrecipient, as provided in Section 3 of this agreement.

2. Cooperation and Further Documentation

(a) Applicant agrees to assist and cooperate with the Subrecipient, if the Subrecipient pursues any claims for reimbursement Applicant has, or may have, against insurers. Applicant's assistance and cooperation includes, but is not limited to allowing suit to be brought in Applicant's name(s) and providing any additional documentation with respect to such consent, giving depositions, providing documents, producing records and other evidence, testifying at trial, and any other form of assistance and cooperation the Subrecipient reasonable requests. Applicant also agrees to assist and cooperate with the Subrecipient to attain and collect any DOB Proceeds available to Applicant under any applicable Disaster Program.

(b) Applicant agrees to execute additional documents and instruments upon Subrecipient request to further and better subrogate and assign to Subrecipient (to the extent of Program Benefits Applicant received) any amount received under the disaster programs that are DOB Proceeds and any rights thereunder. Applicant further agrees to take all actions and to do all things requested by the Subrecipient to make the agreement effective.

(c) Applicant expressly authorizes each of its insurers; any entity to which Applicant applied for storm recovery assistance or from which it received, is now receiving, or is eligible to receive disaster recovery benefits, including FEMA, SBA, and any other entity, to release upon Subrecipient request, any nonpublic or confidential information the Subrecipient finds useful to effect the rights subrogated and assigned by Applicant.

3. Agreement to Turn Over Proceeds; Future Reassignment

(a) If Applicant receives any Proceeds, or any notice that he/she is scheduled to receive Proceeds, and such Proceeds have not been previously disclosed in connection with its application ("Subsequent Proceeds"), Applicant must immediately notify the Subrecipient and provide the Subrecipient with copies of any communications concerning the Subsequent Proceeds.

(b) Upon receipt of such notice from Applicant, the Subrecipient will determine the amount of the Subsequent Proceeds that constitute DOB Proceeds (the "Subsequent DOB amount") and thereafter provide Applicant with notice of its determination (the "DOB notice"). Upon receipt of any such DOB notice, Applicant hereby agrees to proceed as follows:

- i. If Applicant has received all of the Subsequent Proceeds, Applicant must surrender the Subsequent DOB amount to the Subrecipient, within three (3) business days of Applicant's receipt of its DOB notice.
- ii. If Applicant has received only part of the subsequent proceeds, but more than the Subsequent DOB amount identified in the DOB notice, then Applicant shall surrender the Subsequent DOB amount to the Subrecipient, within three (3) business days of Applicant's receipt of its DOB Notice.

- iii. If Applicant has received part of the subsequent proceeds, but less than the subsequent DOB amount, Applicant shall surrender to the Subrecipient all of the subsequent proceeds it has received, within three (3) business days of Applicant's receipt of its DOB Notice. Upon Applicant's receipt of any further subsequent proceeds, Applicant shall, within three (3) business days, surrender to the Subrecipient the outstanding balance of the subsequent DOB amount.
- iv. If Applicant has not yet received any subsequent proceeds, Applicant shall notify the Subrecipient of this fact, within three (3) business days of Applicant's receipt of its DOB notice. Thereafter, Applicant shall notify the Subrecipient within three (3) business days of its receipt of any or all of the subsequent proceeds and proceed as instructed by the Subrecipient.

4. Certification

(a) Applicant represents that all statements and representations made by Applicant regarding proceeds received by Applicant shall be true and correct as of this date.

(b) In any proceeding to enforce this agreement, the Subrecipient shall be entitled to recover all costs of enforcement, including actual attorney's fees.

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, 3571 and 31 U.S.C. 3729.

EXECUTED this day of _____, 20_____

Applicant Signature: _____

Co-Applicant Signature: _____

Application Number _____

**Missouri Department of Economic Development
Community Development Block Grant-Disaster Recovery (CDBG-DR) Program
Consent and Release for Nonpublic Personal Information**

CONSENT AND RELEASE:

I _____, do hereby consent to, and authorize, Missouri Department of Economic Development CDBG-DR Program (including the subrecipient I am applying to, partners, affiliates, agents, and contractors), to request, review and/or share any and all information received with respect to my application for the Program ("Nonpublic Personal Information" or "NPI"), whether provided by me or by third parties with whom I may or may not have a relationship, as needed to determine my eligibility for the Program and otherwise process the amount of assistance under the Program. I understand and acknowledge that Missouri Department of Economic Development CDBG-DR Program (including the subrecipient I am applying to, partners, affiliates, agents, and contractors), may obtain, use and disclose any NPI it receives with certain third parties (including certain financial institutions, insurers, other government agencies and credit bureaus) in connection with its processing of my application and determination of eligibility for assistance under the Program.

I agree to hold Missouri Department of Economic Development CDBG-DR Program, including the subrecipient I am applying to, partners, affiliates, agents, and contractors, harmless from and against all claims, actions, suits or other proceedings, and any and all losses, judgments, damages, expenses or other costs (including reasonable counsel fees and disbursements), arising from or in any way relating to any disclosure of my NPI.

I understand that I may revoke or terminate this consent and release at any time by giving written notice to Missouri Department of Economic Development CDBG-DR Program. I further understand and acknowledge that any such revocation (ending) of this Consent may affect my ability to receive assistance under the Program.

By completing and signing this form, I acknowledge and agree to the above.

Applicant/Owner/Occupant Signature Date

Applicant/Owner/Occupant Print Name

Applicant/Owner/Occupant Signature Date

Applicant/Owner/Occupant Print Name

 <p>Missouri Department of Economic Development</p>	<p>Community Development Block Grant CDBG-DR Verification of Benefits Insurance Attestation Form</p>
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Subrecipient Name:		Project Number:
Intake Application Number:		
Applicant's Name:		
Co-Applicant's Name:		
Physical Address of Property:		
City:	State: Missouri	Zip Code:

Instructions

Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 1521 *et seq.*) prohibits any person from receiving assistance with respect to any part of a loss resulting from a major disaster for which he/she has received previous financial assistance from any other source, including real property insurance policy proceeds.

To ensure there is no DOB, applicants for CDBG-DR funds must document all real property insurance policies that covered the property from the date of the disaster event until present. Applicants must complete this form in its entirety even if they did not have real property insurance on or after the disaster. Applicants must report whether or not they filed claims or received any payment/settlement from an insurance company for damages caused by the disaster. Payment/settlement amounts also includes payments made directly by the insurance company to a contractor. Applicants must also submit documentation of the claim(s) and/or payment/settlement amount(s), as well as receipts or certification of how the funds were spent.

Certification

At the time of the disaster, did Applicant or Co-Applicant have a homeowner's insurance policy for the property listed above?

- Yes (Must provide copy of policy) No

Has Applicant or Co-Applicant filed a claim with their insurance company for damages caused by the disaster event?

- Yes (Must provide copy of claim)
- (If Applicant's property sustained damage, you must file a claim or show proof of ineligibility)
- N/A

From the date of the disaster event until present, has Applicant or Co-Applicant received a settlement payment from their insurance company?

- Yes (Must provide copy of settlement and receipts documenting how funds were spent)
- No (Applicant is still waiting on payment or claim was denied - provide documentation of claim application and/or denial letter)
- N/A

Signature Clause

I/We acknowledge that the Subrecipient is relying on the information in this form and supporting documents to determine my eligibility for assistance under a program of the U.S. Department of Housing and Urban Development (HUD) for disaster relief (CDBG-DR). I/We certify that all information and answers to the questions are true and complete to the best of my knowledge, and that all copies of documents provided are complete and accurate. I/We consent to release the necessary information to determine my eligibility. I/We understand that providing false information or making false statements may be grounds for denial of my application. I/We also understand that such action may result in criminal or civil penalties.

Applicant Signature

Date

Applicant Printed Name

Co-Applicant Signature

Date

Co-Applicant Printed Name

Appendix 4: **Instructions for Duplication of Benefits (DOB) Workbook**

Instructions for Tab A) Application Information – Completed by Subrecipient

1. Rename the file “DOB Workbook Property Address_Granttee_Project Number”. For example, “DOB Workbook_301 W High Street_Jeff City_20_MO_01”. There will be a separate workbook for each property address.
2. Fill out Tab 1 for each applicant. The applicant information will auto-fill into the rest of the workbook.

Instructions for Tab C) DOB Calculator – Completed by DED

1. Identify total need – Insert Applicant's appraised property value (pre-disaster fair market value) into *Section A*.
2. Identify total assistance – In *Section C*, add all assistance received from all sources. The Total Assistance Received will calculate automatically in *Section I*.
 - a. In *Section D*, identify the purpose of all assistance provided.
 - b. In *Section E*, indicate whether the third party verification of data was provided from all sources. DED will obtain data from FEMA, NFIP, and SBA and subrecipients will ensure all documentation is received to account for any discrepancies in award information. Insurance information and other sources of funds will be collected and verified by subrecipients. Check yes or no if third party verification has been completed.
 - c. In *Section F*, indicate whether receipts were provided to verify that funds were spent for their intended purpose. Cross-reference the Receipts Tracker to check yes or no.
3. In *Section G*, enter amounts for each type of assistance that are not considered duplicative assistance (not considered a DOB). The form will automatically calculate the Duplication of Benefits (DOB) for each type of assistance in *Section H*. The workbook will automatically calculate the Total DOB in *Section J*.
 - a. For more information on what is not considered a DOB, please see *Duplication of Benefits Procedures*.

4. If applicable, enter the program cap (the maximum allowed award amount) in *Section K.5*. The Award Calculation will calculate automatically and auto populate the Final Award Determination in *Section M*.
5. Add any notes, comments, or additional explanation in *Section L*.
6. Enter name and date in *Section N*.

Additional notes:

- Please do not delete or alter the formulas as it will disrupt the automated formulas.
- The cells are colored where data entry is expected or possible. They will turn white once data has been entered.

Instructions for *Tab D) Receipts Tracker - Completed by Subrecipient*

1. Please do not enter anything in Sections B-E, these fields will automatically fill as receipts are recorded in the Receipts Tracker.
2. For each receipt:
 - a. In *Section F*, enter the description of what was purchased.
 - b. In *Section G*, select the Source of Funds which paid for the items purchased.
 - c. In *Section H*, enter receipt or invoice date.
 - d. In *Section I*, number the receipts starting from 1. Label the physical copy of the receipt in dark ink in the top right corner with the corresponding Receipt Tracker number. Order the receipts in sequential order as backup documentation.
 - e. In *Section J*, enter the payee (i.e. Home Depot) or contractor name to whom the purchase was made out to.
 - f. In *Section K*, enter the total amount on the invoice or receipt.
 - g. In *Section L*, enter the total amount of eligible expenses associated with the invoice or receipt.
 - i. Please refer to *Tab E) Eligible-Ineligible Expenses* for clarification on what is considered an eligible expense.
 - h. *Section M* will automatically calculate the amount of ineligible funds associated with the invoice or receipt.

3. Any unaccounted for funds already paid and received for the same purpose in which there are no receipts will be counted as a DOB.
4. Once tabs A and D have been completed for each applicant and all documentation has been collected, upload the DOB Workbook and accompanying documentation as attachments to the intake application for the specific property file in Salesforce and notify DED.

Additional notes:

- Please do not delete or alter the formulas as it will disrupt the automated formulas.
- The cells are colored where data entry is expected or possible. They will turn white once data has been entered.

Appendix B: **Eligible and Ineligible Expenses**

The following types of repairs or expenses are **eligible** items (not salvaged from impacted property). Receipts for these expenses will not be counted as a DOB (list may not be all-inclusive):

- Plumbing, electrical systems, heating, ventilating and air conditioning systems;
- Fuel systems for cooking, septic systems, water wells;
- Windows, doors, roofs, interior floors;
- Stoves and refrigerators, when feasible;
- Emergency access repairs;
- Elimination of health and safety hazards;
- Structural parts of the home (foundation, outside walls, and roof);
- Entrance and exit ways from the home, including privately owned access roads;
- Blocking, leveling, and anchoring of a mobile home and reconnecting or resetting its sewer, water, electrical and fuel lines, and tanks;
- Tool and equipment rental;

- A Forced mortgage pay-off requiring any insurance Proceeds to be applied to the lien first.

The following types of repairs/expenses are **ineligible** items. These items will be counted as a Duplication of Benefit and subtracted from the Award Amount (list may not be all-inclusive):

- Personal Property (vehicles, furniture, goods, clothing etc.);
- Repairs made to nonresidential structures that are not attached to primary residence (i.e. pools, sheds, detached garages);
- Tools and equipment (may be rented not purchased);
- Playground equipment, satellite dishes and security systems;
- Appliances and housing components that are not integral to the structure of the home such as washers, dryers, luxury items, detached garages and carports.