



## City of Lorain Duplication of Benefits Policy and Process

### City of Lorain Duplication of Benefits Policy

The City of Lorain Small Business Stabilization Program is funded through CDBG-CV funds allocated under the 2020 CARES Act and governed by the Federal Register Notice FR-6218-N-01-CDBG-CV, dated August 7, 2020.

All CDBG-CV grantees are required to complete duplication of benefits analysis for assisted activities to demonstrate that no financial assistance has been received or is available to pay costs charged to a CDBG-CV grant. To comply with this requirement, the City of Lorain, and its sub-recipient(s) will demonstrate that no other funds are available for activity by maintaining records of compliance with mandatory duplication of benefits requirements described in the Federal Register Notice of August 7, 2020.

A CDBG-CV grantee is required to develop and maintain adequate procedures to prevent a duplication of benefits that address (individually or collectively) each activity or program. A grantee's policies and procedures are not adequate unless they include, at a minimum: (1) a requirement that any person or entity receiving CDBG-CV assistance must agree to repay assistance that is determined to be duplicative; and (2) a method of assessing whether the use of CDBG-CV funds will duplicate financial assistance that is already received or is likely to be received by acting reasonably by evaluating the need and the resources available to meet that need. It is the intent of this document to present the City of Lorain's policy to uphold, enforce and document conformance with the duplication of benefits requirements that cover the use of its CDBG-CV funds.

### City of Lorain Duplication of Benefits Process

All applications to the City's Small Business Assistance Fund are required to complete a Duplication of Benefits Affidavit as part of the application process. This affidavit acknowledges the City's requirement that any person or entity receiving CDBG-CV assistance must agree to repay assistance that is determined to be duplicative.

To meet HUD's requirements, the City has developed a method of assessing whether the use of CDBG-CV funds will duplicate financial assistance that is already received or is likely to be received by acting reasonably in evaluating the need and the resources available to meet that need.<sup>1</sup>

This assessment process is as follows:

1. Upon receipt of the completed application packet, [*Insert Name of Business*] reviews the Duplication of Benefits Affidavit to determine if the applicant has reported receiving any potentially duplicative assistance.

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<sup>1</sup> The City anticipates additional guidance in this regard will be forthcoming from HUD and will review its process to ensure compliance at that time.

2. If so, [*Insert Name of Business*] may request additional information from the applicant, including:
  - a. Dates funds were received
  - b. Specific uses of funds received, including receipts and dates as appropriate.
3. Based on a review of this information, [*Insert Name of Business*] may:
  - a. Determine that there is no duplication and proceed with consideration of the application for the full amount requested.
  - b. Determine that there is a partial duplication and proceed with consideration of the application for an amount that reduces the request by the DOB amount
    - i. Amount Requested – Amount of DOB = Eligible Amount
  - c. Determine that there is a complete duplication and deny the application
4. If an application moves forward and is approved, in whole or in part, the applicant will be required to sign a Subrogation Agreement to address concerns around the potential for future duplication (for example a PPP application was made and was not denied but the applicant has not heard back).
5. If an application is approved in part, the [*Insert Name of Business*] will also include in the funding documents specific information around what the funds may be spent on to avoid duplication of benefits.
6. [*Insert Name of Business*] will require all successful applicants to provide documentation as to how funds are expended and will review this documentation to ensure no duplication has taken place.

All application documents, including the Affidavit and Subrogation Agreement, shall be retained in compliance with HUD's record retention requirements.