

City of Fort Lauderdale
Policies and Procedures for the Prevention of Duplication
of Benefits (DOB)

DOCUMENT REVISION HISTORY

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Document reversion history is tracked in the table below, with notes regarding version changes. Substantive changes in this document that reflect a policy change will result in the issuance of a new version of the document. Non-substantive changes such as minor wording and editing or clarification of existing policy that do not affect interpretation or applicability of the policy will be included in minor version updates denoted by a sequential number increase behind the primary version number (i.e., Version 2.1, Version 2.2, etc.).

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I. Overview

This policy establishes the framework by which the City of Fort Lauderdale (City) will ensure compliance with the Stafford Act and HUD requirements to prevent Duplication of Benefits (DOB) in the use of (CDBG-DR) funds. The policy outlines the procedures for identifying and verifying all sources of disaster assistance received by applicants, calculating unmet needs, and ensuring that CDBG-DR funds are only used to address eligible costs not already covered by other funding sources. Through consistent screening, documentation, and monitoring, the City will safeguard federal funds, protect program integrity, and ensure fair and equitable assistance to beneficiaries.

II. Applicability

This policy applies to all CDBG-DR programs administered by the City, including housing, infrastructure, economic development, and public service activities. It applies to all applications for assistance (households, businesses, nonprofits) and City departments or subrecipients carrying out projects.

III. APPLICABLE REGULATION

- Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5155),
- Universal Notice, Section II.A.1.e and Appendix C,
- HUD Federal Register Notices governing duplication of benefits, and
- 2 CFR Part 200 – Cost Principles and Uniform Requirements.

IV. Purpose

The City must ensure that federal disaster recovery funds are not used to duplicate assistance provided by other sources for the same recovery purpose thus providing total assistance received that is more than the total need. This policy establishes a uniform process to prevent duplication of benefits, determine unmet needs, ensure compliance with federal law, and safeguard CDBG-DR funds from improper or duplicative use.

V. Scope

This policy applies to all CDBG-DR funded programs, activities, subrecipients, contractors, and beneficiaries to ensure compliance with the Robert T. Stafford Act and HUD requirements for preventing Duplication of Benefits (DOB). It establishes the City's

procedures for identifying, documenting, and preventing potentially duplicative assistance from federal, state, local, and other sources before disbursing CDBG-DR funds. The policy covers all stages of program administration—including application intake, eligibility determination, award calculation, and monitoring.

VI. Definitions

Duplication of Benefits (DOB): Financial assistance that is provided for the same purpose as another source of funding and that exceeds the total need for that purpose.

Assistance: Any funds, benefits, or resources provided to an applicant from federal, state, local, nonprofit, or private sources to address disaster-related needs.

Total Need: The full cost necessary to repair, replace, or address an eligible disaster-related loss or need.

Unmet Need: The portion of total need remaining after accounting for all assistance already received or reasonably anticipated.

Subrogation Agreement: A legally binding document signed by the beneficiary agreeing to repay funds if a duplication of benefits is later identified.

Reasonably Anticipated Assistance: Any funding or benefit that an applicant is expected to receive, but has not yet received, at the time of application review.

Benefit: Any financial or in-kind support received to address the same disaster-related purpose, including insurance proceeds, FEMA assistance, SBA loans, charitable donations, or other federal/state/local programs.

Policy

The City will implement the following:

- Establish and apply a uniform DOB evaluation process for all programs and applicants before committing CDBG-DR funds.
- Require applicants to disclose all forms of disaster assistance received or available from FEMA, SBA, insurance, USACE, other federal, state, local, or charitable sources.
- Determine unmet need before committing funds by subtracting other assistance reasonably available for the same purpose.
- Require all beneficiaries to sign a Subrogation Agreement (repayment agreement), which includes HUD's required fraud warning language.
- Confirm that CDBG-DR funds are not used for activities reimbursable by FEMA or USACE.
- Use the best, most recent available data from FEMA, SBA, insurance companies, and other sources before awarding assistance.
- Monitor compliance with subrogation agreements for a period commensurate with risk (generally up to three years after award for homeowner and business programs, or until project closeout for infrastructure).

VII. Procedures

To effectively implement this policy, the City will follow the procedures outlined below.

Uniform DOB Determination Process

- Applicant Disclosure: Every applicant must complete a DOB certification form that identifies all disaster assistance received or anticipated.
- Data Verification: Disclosures will be cross-checked against external data sources, including but not limited to: FEMA Individual Assistance, SBA disaster loans, National Flood Insurance Program (NFIP), private insurance claim summaries, state/local programs, charitable assistance.
- Supporting Documentation: Applicants must provide supporting documentation (e.g., FEMA award letters, SBA loan documents, insurance settlement statements).
- Calculation of DOB: The City will calculate DOB by subtracting all duplicative assistance for the same purpose from total verified need. Only unmet need is eligible for CDBG-DR.
- In determining duplicative costs, all costs must be necessary and reasonable per 2 CFR 200.404.
- Award Determination: Awards are limited to the lesser of (a) the calculated unmet need or (b) maximum limits.
- Example DOB determination (**Table 1**):

Table 1: Example DOB Determination Calculation

Steps	Stage in Process	Amount
1	Identify Applicant’s Total Need	\$250,000
2	Identify Total Assistance Already Received and/or Available (e.g.: insurance proceeds, FEMA, SBA)	\$35,000
3	Identify and Exclude Non-Duplicative Amounts (Portion of assistance designated for a different use, if applicable) *	\$5,000
4	Identify Total Duplication of Benefit (Line 2 minus Line 3)	\$30,000
5	Calculate the Maximum CDBG Award (Line 1 minus Line 4)	\$220,000
6	Program Award Cap (If Applicable)	\$500,000
7	Final Award (Lesser of Lines 5 and 6)	\$220,000

*NOTE: An example of an Exclude Non-Duplicative Amounts, a portion of the applicant’s insurance proceeds was for contents, not the structure.

Determination of Unmet Need

- Unmet need is defined as total eligible costs minus all reasonably available assistance received or anticipated for the same purpose.
- The City’s DOB methodology will rely on HUD DOB guidance, including Appendices to Universal Notice.
- In the case of multiple disaster events in the same location, the City will use HUD guidance under the Universal Notice, Appendix C.
- Program-specific policies and procedures will contain standardized DOB worksheets and calculation templates.

Subrogation and Repayment Agreements

- Prior to disbursement, beneficiaries must sign a Subrogation Agreement requiring repayment of any duplicative assistance received or reported later for the same purpose.
- Agreements will include the following HUD-mandated language:
 - *“Warning: Any person who knowingly makes a false claim or statement to HUD or causes another to do so may be subject to civil or criminal penalties under 18 U.S.C. 2, 287, 1001 and 31 U.S.C. 3729.”*
- The City will monitor compliance for a reasonable period commensurate with risk, generally:
 - **Homeowner & business programs:** 3 years after assistance award.
 - **Infrastructure programs:** Until final project closeout and audit clearance.

- The City will track ongoing sources (e.g., pending insurance claims, FEMA appeals) and pursue recovery if duplication occurs.

FEMA and USACE Verification

- Before committing funds, the City will confirm whether:
 - FEMA or USACE application periods are open for the activity or
 - Costs are reimbursable under FEMA or USACE programs.
- Documentation of this verification will be kept in the project file.
- CDBG-DR funds will not be used for costs that are or could be reimbursed by FEMA or USACE.

Use of Best, Most Recent Data

The City will use the most current available data at the time of DOB evaluation, including:

- FEMA data feeds,
- SBA loan records,
- Insurance settlement documentation,
- State, local, and charitable program records, and
- Internal audit staff will periodically sample files to confirm DOB calculations use current and accurate data.

Monitoring Compliance

- Ongoing Monitoring: The City will periodically review files, cross-check with FEMA/SBA/insurance updates, and confirm no new duplicative assistance was received.
- Corrective Action: If duplication is identified, the City will demand repayment consistent with the Subrogation Agreement.
- Documentation: All DOB determinations, agreements, monitoring records, and recovery actions will be retained in the file per HUD retention requirements.

Enforcement

- Any duplicative assistance must be repaid as required by federal law.
- If repayment is not made, the City may pursue collection actions, offset future assistance, or refer cases to HUD for enforcement.
- Fraudulent misrepresentation of assistance may be referred to HUD OIG for investigation and may be punishable with potential civil or criminal penalties.