



## Duplication of Benefits – Non-Government Funds

### ***Disaster Assistance Policy 9525.3***

I. **TITLE:**Duplication of Benefits – Non-Government Funds

II. **DATE:** July 24, 2007

III. **PURPOSE:**

This policy clarifies the duplication of benefit issues related to grants and cash donations from non-Federal third parties for emergency and permanent work under the Public Assistance Program and the Fire Management Assistance Grant Program. Disaster Assistance Policy DAP9525.2, Donated Resources, addresses donated labor, equipment, and materials.

IV. **SCOPE AND AUDIENCE:**

This policy is intended for Federal Emergency Management Agency (FEMA) personnel in making eligibility determinations for the Public Assistance Program and the Fire Management Assistance Grant Program. It is applicable to all eligible emergency and permanent work done under Public Assistance Program grants, and all eligible emergency work done under Fire Management Assistance Grant Program grants.

V. **AUTHORITY:**

Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), 42 U.S.C. 5121-5206, Section 312; 44 CFR 13.24, 206.226(a), and 204.62(a).

VI. **BACKGROUND:**

- A. Communities and private non-profit institutions often look for assistance from the general public, private institutions, and Federal and State agencies to help rebuild their infrastructure following a disaster. This assistance may come in the form of donations, insurance proceeds, volunteer work, or grants. With multiple entities providing assistance, it is possible for different sources to allocate funds to repair the same project. This action may constitute a duplication of benefits.
- B. Section 312 (a) of the Stafford Act, as amended states that no entity will receive assistance for any loss for which financial assistance has already been received from any other program, from insurance, or from any other source. The use of Federal and/or State funds granted for the same purpose clearly constitutes a duplication of benefits. Grant or cash donations provided by a third party also may constitute a duplication of benefits.
- C. Part 13.24 of 44 CFR allows, *but does not require*, applicants to use the credit of third party donations, such as cash and grants, designated solely for eligible work, to reduce the non-Federal share of project costs. Designated third party funding that is not used towards reducing the non-Federal share will be considered a duplication of benefits and will be used to reduce total project cost.

VII. **POLICY:**

A. **Grants and cash donations designated for specific eligible work.**

1. Grants and cash donations from non-Federal sources designated for the same purpose as

Federal disaster funds generally are considered a duplication of benefit. However, these funds may be used for the non-Federal cost-share. All costs to be applied to the non-Federal cost-share must be for eligible work under the program.

2. If the grants and cash donations from non-Federal sources designated for specific eligible work exceed the amount of the non-Federal obligation, they should be used to reduce the total project cost. FEMA headquarters will provide the methodology for calculating the adjusted project cost and adjusted Federal and non-Federal share.

- B. **Grants and cash donations not designated for specific eligible work.** Unless otherwise prohibited, grants and cash donations received for unspecified purposes (e.g., "for disaster recovery/relief efforts"), or for work not eligible for FEMA assistance, do not constitute a duplication of benefits.
- C. **Insurance.** Disaster assistance will not be provided for damages covered by insurance. Disaster assistance provided by FEMA is intended to supplement assistance from other sources; therefore, insurance proceeds should be an applicant's first alternative for disaster assistance. For further guidance, refer to Disaster Assistance Policy Fact Sheet DAP9580.3, Insurance Considerations for Applicants.
- D. The retention of duplicated funds is illegal. Duplicated funding received from FEMA must be returned to FEMA (Section 312).

VIII. **RESPONSIBLE OFFICE:** Disaster Assistance Directorate (Public Assistance Division).

IX. **SUPERSESSSION:** This policy supersedes Recovery Policy RP9525.3 Duplication of Benefits - Non-Government Funds, published October 30, 2000.

X. **REVIEW DATE:** Three years from date of publication.

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