

# DISASTER RECOVERY PROGRAM HANDBOOK

## SMALL BUSINESSES AND LANDLORDS



## About this handbook

This handbook explains the disaster recovery programs offered by the Government of Alberta through the Alberta Emergency Management Agency. This handbook has been developed specifically for *small businesses* and *landlords*. If you belong to one of the other groups, please refer to the appropriate handbook.

Similar handbooks are available for:



homeowners  
and  
tenants



agricultural  
operations

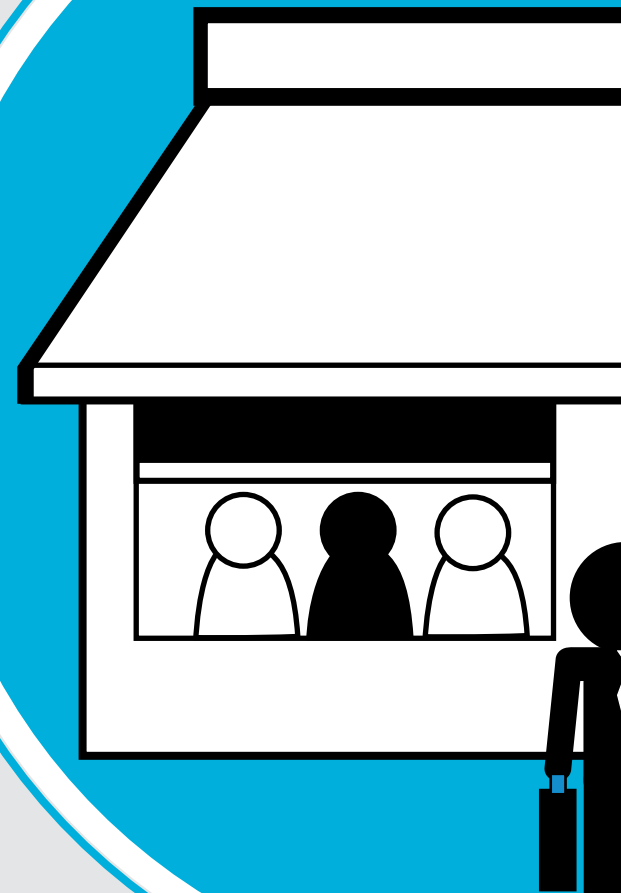


not-for-profit  
organizations,  
institutions  
and condo  
associations

## Other resources

This handbook only covers basic information. Funding decisions are based on the detailed information included in the *Alberta Disaster Assistance Guidelines*. For a copy of this document and application forms, visit the [www.aema.alberta.ca](http://www.aema.alberta.ca) website.

How can I request assistance?  
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## Is your small business or rental property eligible?

To be eligible for our disaster recovery programs, your small business or rental property must:



- Have yearly gross revenues between \$6,000 and \$15,000,000, as reported for income tax purposes;
- Employ no more than 20 full-time employees or the equivalent;
- Be an owner-operated business in which owners act as the day-to-day managers; and
- Provide at least 50% of the owners with 20% of their gross personal income.

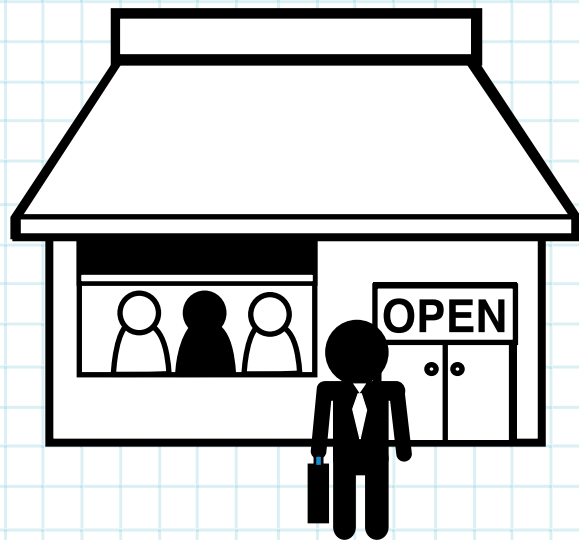
For information about disaster recovery resources other than our programs, refer to the last page of this handbook.

## Getting back to normal after a disaster

### Disaster Recovery Programs Help People Like You

Recovering after a disaster can be difficult. Whether you've experienced flooding, a tornado or some other disaster, the event has impacted your life. All you likely want now is to get back to normal. To do that, you will need to clean, repair and replace your essential business assets. The following stories illustrate how our disaster recovery programs help people like you get back to normal after a disaster.

## A Small Business' Story



Steve and Janice own a small golf course in the country. During heavy rainfall last spring, a nearby stream flooded the golf course and caused damage. They applied to the disaster recovery program set up for the area. After meeting the eligibility criteria for a small business, they received some funds for repairing two fairways, one green and the clubhouse basement. These funds helped with the costs of re-seeding parts of the fairway and green, removing debris from the cart paths, and repairing a cart bridge. In addition, the funds helped pay for replacing carpet, drywall, baseboards and rental golf bags that were stored in the clubhouse.

## A Landlord's Story

An avid golfer, Ms. Levelle lives next to the golf course. The home is her principal residence and she owns another home three doors down that she rents. Since she is both a homeowner and a landlord, she had to submit two applications to the disaster recovery program. As a homeowner, she applied for help with the cost of replacing the washer and dryer in her home. As a landlord, she applied for help with the cost of the damaged furnace, floors and walls in the rental property. The tenant applied separately for help with the cost of replacing personal furniture that was damaged.

## What is a disaster recovery program?

### Financial Help for Albertans

Our disaster recovery programs offer financial help to small businesses and landlords who have property that was damaged as the result of a disaster. The intent of our programs is to help return essential property to its basic function. We are not able to provide financial assistance for items that can be covered by another means, such as insurance. If your assets were recently damaged in a disaster, check our website at [www.aema.alberta.ca](http://www.aema.alberta.ca) to find out if a disaster recovery program has been put in place to help.

## How a Disaster Recovery Program Is Started

When a disaster occurs, the local government applies for a program on behalf of its citizens. If the province approves the request, a disaster recovery program is set up. Each program helps people whose property within a specific geographical area was damaged during a specific period of time.

The province only approves requests for a disaster recovery program if:

- The event is considered extraordinary;
- Insurance is not available to cover all damages and losses; and
- The event is widespread.

## What types of damage and loss may qualify?

### Recovering Essential Assets

Our disaster recovery programs offer funding to help you clean, repair and replace essential assets. To help you understand what this means, here are a few examples:

- As a small business, the desk and chair in your office may be considered essential. Obsolete inventory in storage may not be.
- While a photocopier that was working before the flood may qualify for funding, a photocopier that was already broken when the flooding occurred will not.

## Qualification Criteria ↷

In order to be considered for funding from a disaster recovery program:

- The damages and losses must have been caused by the disaster;
- The damages and losses must have occurred during the dates and in the location defined by the program;
- The damages and losses must be uninsurable; and
- The assets must be essential to your small business or rental property.

Examples of items that typically qualify are provided later in this handbook under *Stage 4: Finish repairing or replacing damaged items*. For a detailed explanation, refer to the *Alberta Disaster Assistance Guidelines* on the [www.aema.alberta.ca](http://www.aema.alberta.ca) website.

## What types of damage and loss do not qualify?

### Non-Essential Items and Improvements Do Not Qualify

The Alberta Emergency Management Agency disaster recovery programs are not the same as insurance. Our programs offer funds to help you clean, repair and replace essential assets. The maximum we might cover is the value of the item before the disaster occurred. We do not necessarily cover damages at their replacement value.

We help you return assets to their basic function. This means we do not cover the cost of returning items to a standard above basic, nor do we cover the extra cost of making improvements. For example, if you had carpet in your offices and you replaced it with hardwood, we may only cover what it would have cost to install basic carpeting.

## Damages and Losses Covered by Other Resources Do Not Qualify

Our programs do not pay for property damages and losses that could be covered by:

- Another government program;
- Legal action; or
- Insurance.

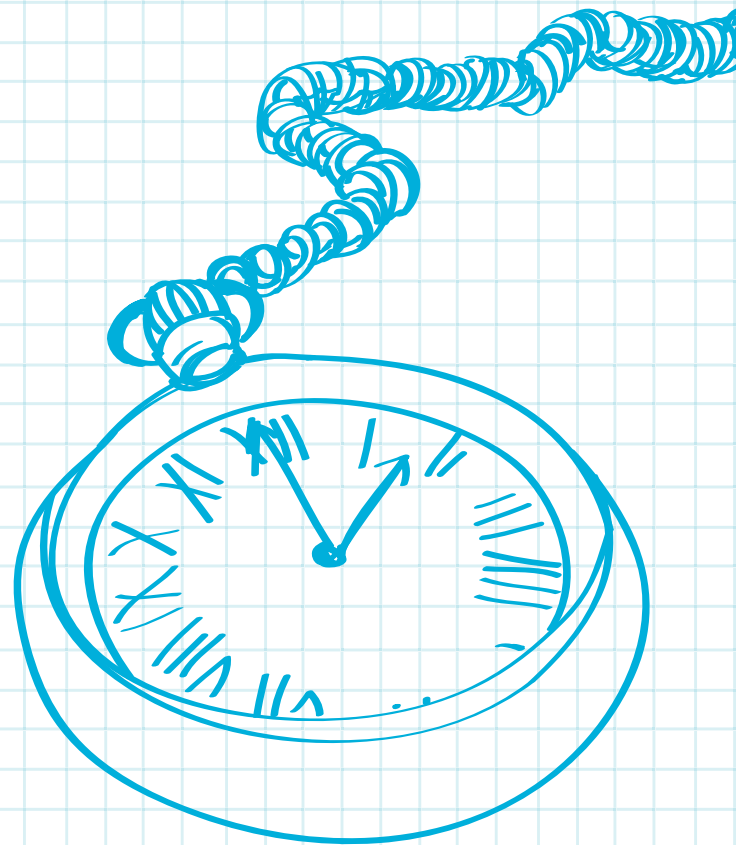
Sometimes insurance does not cover all of the causes of damages and losses. When this is the case, partial assistance may be available from our programs.

To help you understand what this means, here are a few examples of damages and losses that do not qualify:

- Items that are not an asset of the business
- Luxury items like art

## Time Spent on Clean-Up ↗

We may be able to help you with part of the cost of your time spent on clean-up. However, our program is not able to pay you for lost income or wages.



## Who manages the programs? ↗

### **Alberta Emergency Management Agency**

The Alberta Emergency Management Agency manages the disaster recovery programs. Part of Alberta Municipal Affairs, the Alberta Emergency Management Agency:

- Provides application forms and program information
- Evaluates applications
- Decides which damages and losses will be funded
- Issues payment if approved

We were given the authority to do this in the Alberta Regulation 51/94 of the *Alberta Emergency Management Act*. Our disaster recovery programs ensure that all Albertans share the costs of disasters.



## Contact ↷

You can contact us and submit applications by mail, phone, fax or email:

### Disaster Recovery Programs

Alberta Emergency Management Agency

14515 – 122 Avenue NW

Edmonton, Alberta T5L 2W4

Phone: 1-888-671-1111 (toll-free) or 780-422-0300 (in the Edmonton area)

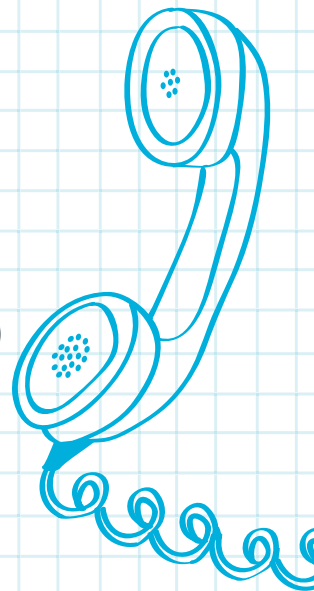
Fax: 780-427-1262

Email: [drpinfo@gov-services.ca](mailto:drpinfo@gov-services.ca)

## About Our Website ↷

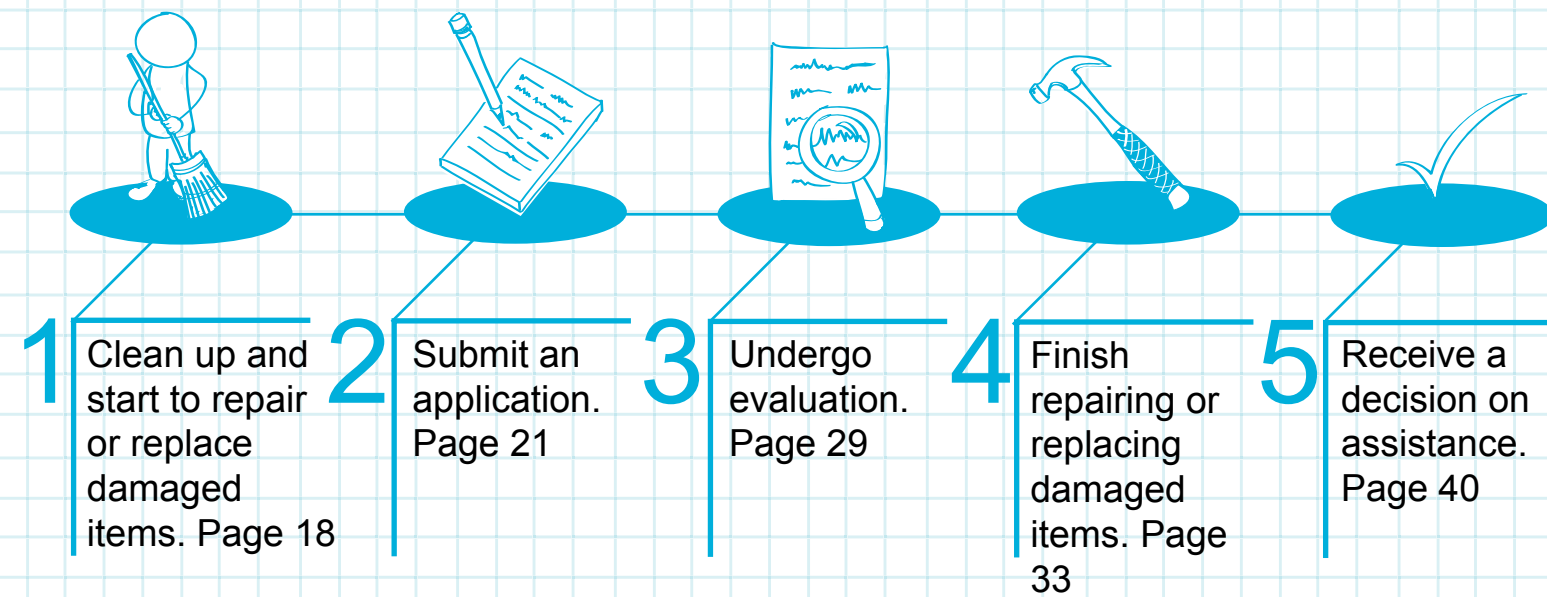
Visit our [www.aema.alberta.ca](http://www.aema.alberta.ca) website to:

- Find out if a disaster recovery program has been set up in your area.
- Obtain application forms.
- Learn more about the types of damages and losses that qualify.
- Read advice on what you can do to recover after a disaster.



## How can I request assistance?

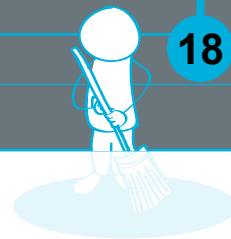
As you seek help through a disaster recovery program, you will progress through the following stages:



## Stage 1:

Clean up and start to repair or replace damaged items.

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### Ensure the Safety of Yourself and Others

If the people in your business or rental property have evacuated, do not allow them to return until the authorities indicate it is safe to do so. You must also stay away until you are told it is safe to return. If you are in doubt about the structural safety of your buildings, seek advice from a professional.

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## Reduce Your Losses

After a disaster, you may be feeling overwhelmed. You may think you should wait until you know how much funding you will have. This is not a good idea! The best way you can reduce your losses is to start cleaning up and repairing or replacing damaged items right away.

It is up to you to protect your assets by making the best decisions you can, knowing that all of your costs may not qualify for assistance. If necessary, seek professional advice on what you should do to prevent further damage.

We are not able to provide the money in advance. You will need to pay for clean-up, repairs and replacement of damaged items. If we approve your application, you may receive funding at a later date for some of these expenses.

Not taking action to protect your assets can have far-reaching consequences. If you don't do everything that you can to prevent further damage, we may not cover additional damage that occurs.

## Checklist of Actions

Immediately after the disaster:

- ☐ Contact your insurance company. Ask for a letter indicating your insurance coverage. (The required contents of this letter are explained under *Stage 2: Submit an application.*)
- ☐ Contact your local government and ask about the potential for a disaster recovery program in your area.
- ☐ Photograph all damaged and discarded property. Include both interior and exterior views.
- ☐ Keep samples of discarded carpet and other flooring.
- ☐ Keep copies of all receipts for clean-up, repairs and replacement of damaged items.
- ☐ Record all of the time spent on clean-up.

## Stage 2: Submit an application.



### Obtaining an Application

There are three ways you may apply:

- Visit a local registration centre, if one has been set up in your area.
- Fax or mail an application to our office. Application forms are available on our website at [www.aema.alberta.ca](http://www.aema.alberta.ca). Refer to page 16 for contact information.
- Phone or email our office. We will mail an application to you.

Your local government will decide on the best way to share application information. They may set up a local registration centre or they may provide application forms at their local government office. Local radio stations, television stations and newspapers may also advertise information about the program.

If you are unsure of whether a program has been set up or how to apply, visit the [www.aema.alberta.ca](http://www.aema.alberta.ca) website. Up-to-date information about all disaster recovery programs is posted on this website. You should apply within 90 days of the program being set up. However, if you must apply late, please contact our office.



## **Application Package Contents**

Your application package must include all of the following:

- ☐ Completed application form
- ☐ Landlords who own multiple properties only need to complete a single application. However, they must list all of their properties and the damages that occurred at each location.
- ☐ Proof of ownership or legal responsibility for repair of damaged assets (such as a land title or lease agreement)
- ☐ Current property assessment
- ☐ Letter from your insurance company (explained on page 25 & 26)
- ☐ Signed consent form (explained on page 27)

If we need more information, we will contact you. We are unable to return any of the paperwork you provide. Always keep a copy for your own records.

If your business is home-based, you may need to complete both a Small Business/Landlords application and a Homeowners/Tenants application. If you have tenants, they should submit their own application for damages to their personal property.



## Insurance Letter

The letter from your insurance company must be on official letterhead, signed by an authorized agent, and include the following:

- ☐ Names of the insured policy holders
- ☐ Name and phone number of the insurance broker or agent
- ☐ Date of loss
- ☐ Date on which the broker/agent was notified of the loss
- ☐ Address of the damaged property (a legal land description is required in rural areas)
- ☐ The type of damage or loss
- ☐ The cause of the damage or loss
- ☐ Action taken by the insurance company, including payment

If no action was taken by the insurance company, the letter must state:

- ☐ That the damage or loss is not covered by your policy
- ☐ The reasons why there is no coverage

If you are unable to get the insurance letter before you complete your application, you may give it to the evaluator during the visit to your property.



## **Consent Form**

It is very important that you include a completed and signed consent form in your application. This form gives us permission to share information about your application with:

- Your insurance company;
- Companies that did repair or clean-up work for you; and
- Other Government of Alberta ministries.

If we do not receive a completed consent form, we will not be able to handle these requests for you. You will have to provide the information to the other parties yourself and the process may take longer as a result.

## Application Review

Once we have your complete application package, we will begin to review it. We will prioritize your application based on the potential impact of the damages and losses.

## Privacy Policy and Release of Information

The financial help provided through our disaster recovery programs is paid in the form of a grant. Therefore, the total amounts of financial assistance provided through the program may be disclosed as explained in the [Freedom of Information and Protection of Privacy Act](#). If asked, we may disclose your name and the total amount you received.

## Stage 3: Undergo evaluation.



### The Evaluation Process

The evaluation consists of the following steps:

1. We ask for copies of personal and corporate tax records to confirm that your small business or rental property is eligible.
2. Once we have confirmed that your small business or rental property is eligible, we assign an evaluator to you.

In some cases, specialist evaluators are required. For example, a specialist evaluator may be required if your building suffered structural damages or you have unique business assets. If necessary, you may have more than one visit from an evaluator.

3. The evaluator makes an appointment with you to visit the damaged property. This usually happens about one month after you submit your application and any required documentation.

4. The evaluator visits your business or rental property to inspect the damages and losses.

If you did not include a letter from your insurance company in the application, you must provide it to the evaluator during the visit. The evaluator may also ask to see receipts, photos and other information. At any time during the evaluation, you may add to your list of damages.

5. The evaluator decides whether to recommend funding for each item of property damage or loss.
6. The evaluator gives you a report that explains the recommendations.



## The Evaluator's Report

The evaluator's report lists the damages and losses for which you are likely to receive payment. It also identifies damages and losses that do not qualify. Although this report gives you a sense of which items may qualify, it is not a final decision. Before a final decision can be made, you must complete all of the repairs, replace all damaged items and send us additional paperwork.

Refer to the next section of this handbook for details.



## Required Actions and Paperwork

After we review the evaluator's report, we will send you a financial assistance summary. This summary lists the estimated funding available for each item and what you must do to receive it.

In order to be considered for financial assistance, you must:

- ☐ Complete all repairs and replace all damaged items.  
More information is provided under *Stage 4: Finish repairing or replacing damaged items*.
- ☐ If we ask for this information, provide copies of quotes for work that will be completed by contractors before the work starts.
- ☐ Provide copies of receipts and paid invoices for all repairs and replaced items.
- ☐ Provide copies of all applicable regulatory approvals, such as permits and inspections.

## Stage 4: Finish repairing or replacing damaged items.



### Receiving Payment

Payment is based on the least amount of money needed to clean, repair or replace essential items. The maximum we might cover is the value of the item before the disaster occurred. We will not be able to cover additional costs if you choose to replace damaged property with items of greater quality or beyond what is reasonably required.

If we approve a quote, you can depend on receiving payment for that item. However, we will not issue payment until the work is complete, and we have received copies of the invoice and any required permits and inspections.

## Quotes

If asked, you will need to send us a copy of quotes for work that will be completed by contractors before the work starts. If we do not get the quotes, you may receive less funding or no funding at all. If the costs are greater than \$5,000, we require quotes from at least two sources. Once we have reviewed the quotes, we will send a written approval that explains how much money the program can provide.

The following are just a few examples of the quotes you may need to provide:

- Furnace repair or replacement
- Hot water tank repair or replacement
- Structural repairs

## Permits and Inspections

Some repairs must meet permit, inspection and other regulatory requirements. When this is the case, we require copies of the permits and inspections. The program can only assist with repairs and replacements that meet current building codes and other regulatory requirements.

The following are just a few examples of the permits and inspections you may need to provide:

- Approval from Alberta Environment and Sustainable Resource Development for repairs involving water, such as a water crossings
- A building permit and post-construction inspection report for structural repairs

## Receipts and Photos

Do not forget to send us copies of receipts for all expenses related to clean-up, repairs and replacing items. You may also be asked to send photos of the completed repairs. If you don't, you may receive less financial assistance.

The following are just a few examples of the receipts you may need to provide:

- Sump pump replacement or repairs
- Shop-vac rental
- Clean-up services provided by contractors (must be itemized)

## Typical Limitations

The following tables provide examples of common items and the amount of funding that may be available. This information is intended only as a guideline. The evaluator determines whether your specific damages and losses should be recommended for funding. We then review those recommendations before making a final decision.

Examples of Typical Limitations for Small Businesses

Item	Amount	Conditions
computers and office equipment	replaced at basic quality; \$1,000 maximum per workstation; other equipment as evaluated	equipment must be actively used in the business; limited to actual replacement cost
furniture	replaced at basic quality; as evaluated	furniture must be actively used in the business; limited to actual replacement cost
supplies and inventory	replaced at basic quality; as evaluated	must be actively used in the business; limited to actual replacement cost

### Examples of Typical Limitations for Landlords

Item	Amount	Conditions
clean-up (completed by applicant)	200 hours maximum per damaged property/unit; 120% of provincial minimum hourly wage	limited to cleaning the inside of buildings; applicant must provide an hourly log of the time spent
clean-up (completed by contractor)	\$3,000 maximum per damaged property/unit	applicant must provide receipts; limited to water removal, furniture removal, and fan and dehumidifier rental in affected areas; does not include demolition, carpet removal or sanitizing
dryer	\$500 maximum per damaged property	limited to actual replacement cost at program rates

floors and walls (removing and replacing damaged areas)	as evaluated based on set rates	limited to actual replacement cost at program rates
landscaping (residential)	\$500 maximum per damaged property	limited to actions taken to remove safety hazards
washing machine	\$700 maximum per damaged property	limited to actual replacement cost at program rates

### The Final Decision-Making Process

Before items can be considered for payment, you must complete all of the necessary repairs and replace all damaged items. Then, once we have the evaluator's report and all your paperwork, we can begin making a final decision. We check that the evaluator's recommendations are consistent with our guidelines and meet our qualification criteria. If you would like to know more about the guidelines and qualification criteria we use, refer to the *Alberta Disaster Assistance Guidelines* on the [www.aema.alberta.ca](http://www.aema.alberta.ca) website.

On average, applicants receive payment within six weeks of completing their repairs and submitting their paperwork. If we decide not to fund any of the major items recommended for funding by the evaluator, we will explain why on a financial assistance summary.

## Payment

Depending on the situation, you may receive payment in a single cheque or in several cheques. In some cases, you will have to take further actions in order to receive the balance of payment. When this happens, the required actions will be explained in a financial assistance summary. We will mail the cheques separately from the financial assistance summaries.

## Requesting a Review

You may ask to have the funding decision on your application be reviewed if you believe it was not in keeping with the *Disaster Assistance Guidelines*. A copy of the guidelines and the application for requesting a review are available on the [www.aema.alberta.ca](http://www.aema.alberta.ca) website.

Other resources may be available to you, such as those listed below:

For information about	Contact
Loans for small businesses	<b>Industry Canada</b> Canada Small Business Financing Program Phone: 1-866-959-1699 (toll-free) <a href="http://www.ic.gc.ca/eic/site/icgc.nsf/eng/home">www.ic.gc.ca/eic/site/icgc.nsf/eng/home</a>
Loans for small businesses	<b>Business Development Bank of Canada</b> 1-877-232-2269 (toll-free) <a href="http://www.bdc.ca/EN/solutions/financing">www.bdc.ca/EN/solutions/financing</a>
Insurance	<b>Insurance Bureau of Canada</b> Regional Office: Alberta and The North Phone: 1-800-377-6378 (toll-free) or 780-423-2212 (Edmonton) <a href="http://www.ibc.ca">www.ibc.ca</a>

You may also want to refer to the *Frequently Asked Questions* posted on our website at [www.aema.alberta.ca](http://www.aema.alberta.ca).

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