

Business Disaster Recovery Programs Equipment Reimbursement Assistance Program Guidelines

Purpose

The purpose of the disaster recovery equipment reimbursement assistance program (ERAP) is to provide financial assistance to businesses that (1) owned their own building, or (2) leased rental space, during the 2008 natural disaster(s). The building or rental space must have sustained physical damage to machinery, equipment, furniture, inventory or supplies. Awards are limited to 75% of replacement cost, not to exceed a total amount of \$75,000 per business. Any business awarded funds must be located in a presidentially-declared county at the time assistance is provided. Businesses eligible under the Business Rental Assistance Program (BRAP), will not be eligible for additional assistance under this element. Additionally, in-home businesses are not eligible for assistance.

Definitions

- “*Administrative entity*” means the direct applicants for this activity who are the cities of Cedar Falls, Cedar Rapids, Des Moines, Iowa City and Waterloo, and “lead” counties applying on behalf of the six Disaster Recovery Areas designated by IDED.
- “*Business*” means a corporation, a professional corporation, a limited liability company, a partnership, a sole proprietorship, or a nonprofit corporation.
- “*Department*” or *IDED*” means the Iowa department of economic development.
- “*Disaster –damaged space*” means a business space that was physically damaged by the 2008 natural disaster(s). This definition includes upper stories of a building that was physically damaged in the basement or ground floor, or both, as well as a building constructed at the same site to replace a building that was destroyed due to damage resulting from the 2008 natural disaster(s). In-home businesses are not eligible for assistance.
- “*Equipment*” – means both machinery and equipment.
- “*Physically damaged*” for the purpose of this program means physical damage caused by flooding including overland flow, or physical damage caused by tornado. Damage caused by sanitary or storm sewer backup is not included unless the department determines that such damage was a direct result of the 2008 natural disaster(s).

Eligible Business for Business Equipment Reimbursement Program

- Equipment Reimbursement Assistance Program (ERAP) provides financial assistance to a business that owned their own building or leased rental space at the time of the 2008 natural disaster(s).
- The building or rental space has sustained physical damage to equipment, furniture, inventory or supplies.
- Business is located in a 2008 presidentially-declared county at the time assistance is provided.
- The business was open and operating at the time of the 2008 natural disaster(s) and at the time of the application.
- Business can document a loss resulting from damage to machinery and equipment, office equipment, furniture, supplies and/or inventory, as a result of the 2008 natural disaster(s).
- Business can document a loss for which business did not receive private/business insurance, federal funding, state or local grants, forgivable loans or private bank loans for the purpose of replacing machinery and equipment, furniture, supplies and inventory physically damaged by the 2008 natural disaster(s).

Ineligible Business for Equipment Reimbursement Assistance Program (ERAP)

- Businesses eligible under Expanded Business Rental Assistance Program (EBRAP) are not eligible for additional assistance under the Equipment Reimbursement Assistance Program.
- Businesses located on the upper floors of disaster impacted buildings that did not sustain any physical damage to equipment are not eligible.

Eligible maximum amount of assistance

- Equipment Reimbursement Assistance Program (ERAP) awards are limited to 75% of replacement cost, not to exceed a total amount of \$75,000 per business.

Ineligible Program Expenditures

- Construction/maintenance/leaseholder expenses, purchase/lease of vehicles and leased equipment are not eligible for reimbursement.
- Items permanently attached to the building, which are considered structure, will not be eligible for reimbursement.

Duplication of Benefits

- Business has completed and submitted the required Consent and Release Form, Subrogation Agreement, and Duplication of Benefits Affidavit. A business cannot receive assistance for any loss for which financial assistance has already been received from any program, insurance, or other sources.

Distribution of funds to administrative entities

- Funds will be awarded to administrative entities on a first-come, first served basis. This will be based on amount needed for business applications approved and forwarded to IDED.
- An administrative entity shall award funds to an eligible business in the form of a grant for reimbursement for replacement costs for equipment fully paid for by December 31, 2010.
- An eligible business must apply to the administrative entity by December 31, 2010.
- Funds for this activity are available through June 30, 2011.
- Application period may be terminated if funds are not sufficient.

Program administration; reporting requirements

- Each local administrative entity shall enter into a contract with an eligible business to provide assistance under this program. The contract will include terms and conditions that meet the requirements of these guidelines and include provisions requiring repayment if funds are not used in compliance with the program guidelines.
- Each administrative entity will provide oversight and administration to ensure that the recipients of the program funds are meeting the contract requirements. Each administrative entity will collect data and submit reports to the department about the program in the form and content required by IDED.