

## GENERAL RULES FOR SMALL BUSINESS CLAIMS

The Newfoundland and Labrador Disaster Assistance Program is based on the Government of Canada's Disaster Financial Assistance Arrangements (DFAA) Program.

**The program is not an insurance program and only allows for compensation for items that are deemed essential.** Compensation will not normally be paid on items that are insurable.

As applications are received at Fire & Emergency Services – Newfoundland and Labrador (FES-NL) they will be reviewed and then assigned to an Adjuster who will contact the business owner to make arrangements to visit your business.

Once the Adjuster has completed their assessment of the damages, a written report will be forwarded to FES-NL with their recommendations.

In determining the value of the loss, FES-NL will take into consideration the Adjuster's Report, the Contractor's Estimate and any other information provided by the Adjuster that is required to assess the value of the building, equipment, inventory, etc. If the situation warrants and upon the request of the Adjuster, outside consultants may be required to further assess damages. In some instances the Assessed Value of the property may be applied.

1. For the purposes of DFAA, a small business is an enterprise with yearly gross revenues as reported for income tax purposes of **at least \$10,000.00 but not more than \$2 million** and employing not more than the equivalent of 20 full-time employees. It also must be other than a "hobby business" and be an owner-operated enterprise where the individual owner-operator is acting as a day-to-day manager and owns at least 50% of the business. Self-employed fishers, farmers, trappers, loggers and other harvesters of natural resources are included.
2. Proof of ownership of the small business is required. Ownership is usually demonstrated by owning at least 50% of the business. We will require incorporation documents, etc. or a letter from a **lawyer** stating the amount of shares owned by the claimant.
3. Small business owners depending on the type of business will be required to provide copies of their T1/T2 General, T4/T4A Summaries, Financial Statement for the business or Financial Statements submitted with T2 General. This information is required for the year preceding the disaster. Statement of Business Activities Form (T2125) may also be required.
4. If the claimant owns multiple businesses and all have sustained damage, one claim may be made per business. However, number one (1) above must apply.
5. Claimants should document all damage through photographs, home videos, etc. **Damaged items must not be disposed of until they have been assessed by an Adjuster. They can be removed from the property and placed outside. Please take photos of the items before you remove them from the damaged property.**

6. The damage suffered must not have been reasonably insurable. As some insurance providers do offer insurance to cover flood damage to small business, an explanation must be provided if insurance is not carried. If insurance is covered please have the Confirmation of Insurance Form completed by your insurance provider and forwarded to our office at your earliest convenience. If the insurance policy only covers a portion of the damaged business an explanation as to why insurance was not carried on the entire loss is required.
7. Financial assistance is based on the total loss, including loss or damage to fixed or removable assets, the cost of measures to limit damage during the disaster and generally, costs associated with restoring the business.
8. No compensation will be paid for loss of business income or loss of opportunity.
9. Proof of property ownership is required (i.e., copy of deed).
10. If applying for lost or damaged inventory/stock, etc., the small business owner must provide proof of original purchase of same. These receipts will be required in order to process the claim. If the documentation is not available, the items **can not** be claimed.