

**To: All Local Governments
(Municipalities, Local Service Districts and Inuit Community Governments)**

From: Department of Justice and Public Safety – Emergency Services Division

**Re: Newfoundland and Labrador Disaster Financial Assistance Program (NL-DFAP)
Hurricane Fiona Event 2022
Date occurred: September 23 – September 24, 2022**

The Department of Justice and Public Safety–Emergency Services is responsible for administering the NL-DFAP. This program mirrors the Government of Canada’s Disaster Financial Assistance Arrangements (DFAA) Program.

The enclosed package includes:

1. General Rules for Local Government Claims
2. Claimant Application
3. Confirmation of Insurance Form
4. Information on Government’s Use of Direct Deposit
5. Frequently Asked Questions and Answers

Please complete the enclosed application package and submit it to: Department of Justice and Public Safety – Emergency Services Division, 45 Majors Path, 2nd Floor, P.O. Box 8700, St. John’s, NL A1B 4J6. **The deadline date for submission of applications is January 31, 2023. Late applications cannot be accepted.**

The NL-DFAP provides financial assistance to all local governments to respond to the adverse event to help restore essential services and to repair or replace local government infrastructure and equipment to pre-disaster condition. This program is not an insurance program and will not cover all damages that would normally be covered under an insurance policy.

Once Emergency Services has received the application, your local government will be contacted by this office, or the Department of Justice and Public Safety (JPS), and arrangements will be made to visit the local government to assess the damage.

You must include with your claim application any pictures of the initial damage as well as an explanation of the repairs completed. All invoices and verification of payment must be submitted with your application. Please take photos of all damaged infrastructure, including damaged equipment if applicable.

If your local government requires further information, please contact our NL-DFAP line at 1-888-395-5611.

**Jamie Kennedy
Director of Emergency Services**

(Rev. 09/2022)

General Rules for all Local Governments

When adverse events are deemed eligible for financial assistance under the NL-DFAP, the following process must be followed for the restoration of local government infrastructure:

1. The restoration process may consist of two separate and distinct phases – Response and Recovery.
2. Response phase costs include but are not limited to:
 - a. Delivery of emergency services;
 - b. Incremental costs incurred to provide essential services; and
 - c. Short-term costs for setting up and operating emergency operation centers.
3. Recovery phase costs include but are not limited to:
 - a. Repairs or replacement to pre-disaster condition of the local government infrastructure and related equipment;
 - b. Restoration, replacement of, or repairs to infrastructure directly related to the provision, distribution and treatment of potable water and/or sanitary sewage disposal; and
 - c. Making safe public infrastructure and public facilities which constitute a threat to public safety.
4. Response and recovery will be the responsibility of the owner of the infrastructure (local government) unless otherwise instructed by JPS and/or Department of Transportation and Infrastructure (TI). All recovery work will be overseen by TI officials including reviewing and recommending tender documents and verifying that the repairs are completed. TI's role in the recovery phase under the NL-DFAP will be similar to their role in the administration of the Municipal Capital Works Program.
5. The objectives of the response phase will be to:
 - a. Mitigate or remediate threats to public safety;
 - b. Restore the availability of basic essential services;
 - c. Preserve and protect local government infrastructure from further damage; and
 - d. Provide a comprehensive assessment of the scope, extent and location of damages, the cost to remediate them, and recommendations for the division of remediation into the response and recovery phase. This will typically be undertaken by an engineering consultant engaged by the owner of the infrastructure.

6. The owner of the infrastructure will undertake the response work using its own forces, local contractors and/or engineering consultants as may be deemed necessary and appropriate. The recovery phase work will be undertaken in consultation with TI officials.
7. The owner of the infrastructure will bear primary responsibility for the initiation and oversight of the response work. The owner will ensure compliance with NL-DFAP eligibility and the required documentation to substantiate the claim. They will also be responsible for compliance with regulatory requirements, including (but not limited to) those of environmental, fisheries and public tendering matters. Infrastructure owners should be aware that such legislation may contain provisions for urgent work which may be applicable to the response phase. Recovery phase work will be undertaken in consultation with TI officials.
8. Staff from TI Regional Offices or from Emergency Services will endeavour to assist the infrastructure owners as needed on matters of interpretation and application of these provisions.
9. Compensation for the out-of-pocket costs to local governments for the response and recovery phases work are eligible for consideration in accordance with the process outlined hereafter. It is the local government's responsibility to make a fully compliant and substantiated application as stipulated.
10. Work required which falls outside the parameters for response will be classified as recovery phase work. The recovery phase work will, for the most part, be managed by the local government as the Contracting Authority, in consultation with TI.
11. Only costs associated with repairing or restoring the area to pre-disaster condition is eligible under the NL-DFAP. Mitigative enhancements, such as installing larger culverts, etc., must be discussed with TI and/or the NL-DFAP staff, where appropriate before work commences. Mitigative enhancements will require approval from the DFAA manager. Final approval on all mitigative enhancements will be required from Public Safety Canada obtained through the DFAA manager.

Please see Appendices A and B, included in this package, for program criteria on the process to be followed and the supporting documentation required to meet the NL-DFAP guidelines for both the Response Phase and the Recovery Phase.

It is imperative that the guidelines outlined in this package be followed. Failure to do so could result in the denial of your claim or delays in receipt of compensation for loss.

If you have any questions with regard to the information contained in this package, please do not hesitate to contact our NL-DFAP line at 1-888-395-5611.

Appendix A – Local Government Response & Recovery Phases

Documentation required on a local government claim for the Response & Recovery Phases of the work is as follows:

1. A completed application including pictures of all areas where damage has occurred is required. If there are pictures of the area before the adverse event, they should also be included in the application. Local governments are encouraged to have pictures taken of its infrastructure to support a potential claim. Pictures of the area after the repairs have been completed are also required. They must be forwarded to Emergency Services once they become available.
2. A segregated account must be set up by the local government to record all expenditures or revenue associated with the emergency response and recovery phase to the adverse event. This segregated account must reconcile to the Audited Financial Statement of the local government. General revenue and expenditures for **regular maintenance** for the local government must not be included in this account. Revenue received from any other source to assist with the loss, including donations, must be recorded. A copy of the general ledger associated with the segregated account, must be submitted to Emergency Services.
3. An Audited Financial Statement is required. The statement must clearly identify the amount the local government has expended for the event plus it must clearly identify the amount received through Emergency Services or other sources. This can be accomplished by advising the company that performs the audit to identify the specific amounts expended or received separately from other expenditures or revenues.
4. If the local government's inventory or stockpiled material is utilized during an emergency response it must be clearly identified and explained, including amounts used and the location. Copies of invoices or standing offer agreements, etc., to verify the cost of the original purchase of the inventory or stockpiled material should be on file. Also include supporting documentation for replenishing same.
5. All invoices submitted for payments must include verification of payments such as a copy of the front and back of the cancelled cheque. If costs are associated with emergency response repairs it should be identified on the invoice. Review all invoices to avoid duplication.
6. Invoices should identify the item, quantity, location, reason required, etc., and should have a subtotal amount, HST amount and a total amount. TI or Emergency Services Officials will adjust the HST portion prior to issuing payment.
7. The local government must provide verification in writing that they were not eligible to receive funding for the damages sustained from the adverse event from other federal or provincial funding programs such as the Gas Tax Program, Municipal Capital Grants, etc.

8. If the infrastructure was insurable and an insurance policy was not purchased by the local government the loss is not covered under the NL-DFAP. A letter is required from the insurance company stating that it does not offer insurance coverage for the type of loss. If the letter is not provided Emergency Services will conclude that insurance was available but the local government chose not to purchase it, therefore all or a portion of the claim may not qualify for assistance.
9. The cost of repairing or replacing structures is not eligible if they are in a location that was designated, recognized or zoned as a flood risk area prior to their construction.
10. Mitigative enhancement projects, including installing larger culverts, are not eligible for funding unless prior approval is received from TI or Emergency Services. If the local government decides to make mitigative enhancements during the response and/or the recovery phase, such as installing larger culverts, the need for this enhancement, the additional cost and benefits of the enhancement must be explained. All mitigative enhancement projects will be considered on a case by case basis and local government entities will be notified in writing by TI Engineers or Emergency Services staff as to the eligibility of the project. Costs associated with mitigative enhancement projects are **not covered under the NL-DFAP without written approval from TI or Emergency Services stating that the enhancement was approved.**
11. Tender processes must be followed where applicable and copies of all tender documents or Form B's must be forwarded to TI or Emergency Services. A Form "B" is required under the *Public Tender Act* when public works are required but the urgency of the work does not allow the opportunity for the local government to issue a formal tender call.
12. If repairs within a local government involve a body of water, proper procedures must be followed to ensure adherence to the rules under federal legislation, provincial legislation, and/or municipal bylaws pertaining to projects in or near water. It is anticipated that proper procedures may not always be followed during **emergency response activities**, but if such is the case an explanation as to why proper procedures were not followed is required.
13. Documentation is required to verify that the local government is the owner of the damaged infrastructure (for example, roads, boardwalks, trailways, etc.) and is responsible for the maintenance of the infrastructure for which payment is being requested. This can be accomplished by providing Limits of Service Agreement, Municipal Boundary Maps, Tangible Capital Assets Inventory list, Crown Land Agreements, etc.
14. Verification of costs incurred by a local government responding to an adverse event (for example, flooding) is required. The local government must ensure that all invoices submitted (from contractors and suppliers) for payment, clearly identifies the following items:

- a. Project title, identify the specific emergency (for example, Hurricane Igor, September 21, 2010 – Rainstorm Damage Repairs);
 - b. The location or job where materials and equipment are used (for example, 8 hrs – 320 Cat Excavator, 15 tonnes Class A, Main Street and community name);
 - c. The documentation used to support the amounts charged for equipment rental rates;
 - d. Invoices and work summaries submitted by the local government for disaster related work performed must not include other regular local government operating expenses (for example, contractor's invoice showing charges for regular road maintenance and flood damage repairs). If such is the case then costs for regular maintenance must be identified and removed from the overall costs; and
 - e. The date of the invoice should be clear and should identify the costs associated with the service (subtotal amount, HST amount and total cost).
15. The local government may claim incremental costs, such as additional costs associated with hiring temporary staff (up to six months), travel claims, equipment usage, etc., provided the following conditions and backup documentation are provided:
- a. Proper time records (which must include the reason payment was made), Attendance Records, and Payroll Journals;
 - b. Records of Employment for new hires (which must include the reason for the new hire, for example, Hurricane Igor, September 2010);
 - c. Overtime pay rates are in accordance with the local government's regular overtime policies;
 - d. Employees must be paid for incurred overtime (proven through pay stubs, etc.) rather than accumulating time for time off in lieu of overtime, provided the employees time is eligible under the NL-DFAP. Other expenses such as employers payroll burden expenses are also eligible (for example, employers CPP, E.I., etc.);
 - e. Travel claims must identify the reason for travel and must include all required back-up documents such as invoices and verification of payment; and
 - f. Time sheets for equipment usage must indicate why it was required and number of hours used.

Note that:

- Employee costs for normal working hours are not eligible; overtime costs are an eligible expense.
- Payroll expenses for employees hired specifically to conduct emergency related duties (administration and construction) may be eligible, provided appropriate back up information can be provided (Records of Employment, etc.).
- Overtime payroll expenses for all employees (regular, temporary, those hired specifically for emergency related duties, etc.) are eligible.

Appendix B – Local Government Claims Process

The following process will take place once an application is received:

1. Engineering staff from the Department of Transportation and Infrastructure (TI) and/or representatives from Emergency Services will visit the local government to assess the damage, determine the cause, and recommend repairs required to return the area to pre-disaster condition.
2. Assessment Reports will be generated from those visits which will verify the damage outlined in the local government's application. It is important to note that funding under the Newfoundland and Labrador-Disaster Financial Assistance Program (NL-DFAP) only provides financial assistance to repair damaged infrastructure back to pre-disaster condition. Mitigative enhancements **must** be discussed with TI and/or Emergency Services, as prior approval is required before any mitigative enhancements are undertaken by the Municipality, LSD or Inuit Community Government. Mitigative enhancement projects undertaken without prior written approval from Emergency Services and/or TI will not be covered under the NL-DFAP. and
3. Local governments will be contacted in writing by Emergency Services or TI as to the eligibility of their claim. Direction will be provided on how to proceed, as well as a list of documentation to be submitted, before financial assistance is approved for the loss (see Appendix A for the list of required documentation). Although this list is comprehensive, other documentation may be required depending on the adverse event.



Newfoundland and Labrador Disaster Financial Assistance Program (NL-DFAP)
Local Government Claim Application
Hurricane Fiona Event 2022
Date occurred: September 23 – September 24, 2022

Event Name: _____ Date of Event: _____

Local government Name: _____

Mailing Address: _____

Community: _____ Postal Code: _____

Street address (if applicable): _____

Name of Local government representative: _____

Position of Local government representative: _____

Office Phone #: _____ Office Fax #: _____

Cell #: _____ E-mail Address: _____

Primary Contact Name: _____ Telephone #: _____

Damages consist of one of the following:

Response work only [] Recovery work only [] Response and Recovery work []

Have you hired additional employees to work this current adverse event? Yes [] No []

If yes, please provide Records of Employment for additional employees hired.

Identify the locations of areas that sustained damage:

1. _____

2. _____

3. _____

4. _____

5. _____

Is there an insurance policy in place to cover the loss? Yes [] No []

If yes, the enclosed Confirmation of Insurance Form must be completed by the insurer.

If no, an explanation is required as to why insurance is not carried:

Have you received, will you receive or, is funding available for this loss from an insurance payout, and/or other federal/provincial funding programs such the Gas Tax Program, Municipal Capital Grants, etc.? Yes No

If yes, please provide the name of the program, project details, and amount received or expected:

Have you received funding from fundraising events such as those undertaken by organizations such as the Canadian Red Cross or The Salvation Army? Yes No

If yes, what is the name of the source: _____

How much did you receive and identify the reason for the funding: _____

Are any of the damages located in an area that was designated, recognized or zoned as a flood risk area? Yes No

If yes, please identify the location(s): _____

What year was the area designated: _____ What year was the infrastructure constructed: _____

The following documentation is required for local government claims and must be included with your application. Failure to provide same could result in the denial of your claim:

- Detailed initial damage report including a list of damaged items (if applicable) on the sheets provided.
- List of local government staff involved in the emergency, hours worked and their function.
- Letter from your insurance company and the Confirmation of Insurance Form completed.
- Verification of ownership of the damaged infrastructure; this can be accomplished by providing an official list of local government infrastructure owned and maintained by the local government such as a Limits of Service Agreement, Boundary Maps, etc.
- Letter stating that there are no other financial programs available to assist with this loss.

Please describe how the damage occurred and the extent of the damage on the sheets provided.

Name/Title

Signature

Date Submitted

Applications must be forwarded to:

**Department of Justice and Public Safety - Emergency Services
Division
45 Major's Path, 2nd Floor, P.O. Box 8700,
St. John's, NL A1B 4J6**

Toll Free: 1-888-395-5611 Fax: (709) 729-2524

Initial Site Damage Report (to be completed by local government officials)

Local government Name: _____ Date of Event: _____

Cause of damage: _____

Estimated cost to repair the damage(s) back to pre-disaster condition: _____

If repairs are completed please identify the actual cost to repair the damage back to pre-disaster condition(s): _____

If improvements are made, please provide details of the improvement, the cost to repair it back to pre-disaster condition and the final cost with the improvement included:

Please identify the location and extent of damage(s) below:

Please provide a description of the area prior to the adverse event: _____

Signature/Title

Date

Identify any damaged equipment/items and the original cost. Verification of the original purchase is required. Please enclose pictures of damaged items.

1. _____ Original Cost: _____
2. _____ Original Cost: _____
3. _____ Original Cost: _____
4. _____ Original Cost: _____
5. _____ Original Cost: _____
6. _____ Original Cost: _____
7. _____ Original Cost: _____
8. _____ Original Cost: _____
9. _____ Original Cost: _____
10. _____ Original Cost: _____
11. _____ Original Cost: _____
12. _____ Original Cost: _____
13. _____ Original Cost: _____
14. _____ Original Cost: _____
15. _____ Original Cost: _____
16. _____ Original Cost: _____
17. _____ Original Cost: _____
18. _____ Original Cost: _____
19. _____ Original Cost: _____
20. _____ Original Cost: _____
21. _____ Original Cost: _____
22. _____ Original Cost: _____

**Confirmation of Insurance Form
 (To be completed by the Applicant's Insurance Company)**

Local Government Name: _____

Contact Person: _____

Local Government Address: _____

Type of Policy Carried: _____ Policy Number: _____

Name of Insurer: _____

On the date of the recent adverse event, _____, did the following apply to the insured:

Date of adverse event

- | | | | | |
|--|-----|--------------------------|----|--------------------------|
| 1. Sewer Backup Endorsement: | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| 2. Water Extension Endorsement: | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| 3. Any form of Flood Coverage: | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| 4. If yes is answered to question 1, 2, or 3 above, a claim must be presented under the policy. Was a claim presented? | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| 5. If yes, was the claim denied? | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |

Why was the claim denied: _____

6. Do you offer a policy for flood damage coverage to local governments for the following:

- | | | | | |
|--|-----|--------------------------|----|--------------------------|
| • Infrastructure such as roads, bridges, etc., | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| • Buildings | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |

7. If yes, was this policy available to the local government listed above Yes No

8. Did the local government avail of the policy? Yes No

9. If no, please explain why the policy was not purchased: _____

10. Was the policy holder paid a settlement for the damages caused by the recent adverse event? Yes No

11. If yes, what was the amount of the payout: \$_____

12. How much is the deductible: \$_____

13. Please provide any other details related to the applicant's insurance policy that may assist FES in processing your client's claim:

Signature of Agent

Date

Please print Agent's Name

Agent's Phone Number

Provide a copy of your company's stamp here, if one is available:

Thank you for completing the form. Please submit it directly to the following address:

Provincial Government Increases Use of Direct Deposit for Payments

In an effort to process payments in a more cost-effective manner and to reduce the costs associated with cheque processing, the Provincial Government has increased its use of direct deposit and has phased out government-issued cheques. Direct deposit is the preferred payment method for all payments since December 31, 2016.

Direct deposit is a secure, reliable and cost-effective way to deliver payments, and governments, business and individuals are moving away from traditional forms of payment and instead using electronic payments.

To register for direct deposit as it relates to the Newfoundland and Labrador – Disaster Financial Assistance Program (NL-DFAP), please complete the information below and return it with your application.

Claimant Name: _____

Mailing Address: _____

Bank Institution Number: _____ Bank Transit Number: _____

Bank Account Number: _____

Please provide a copy of a void cheque or have your bank provide the required information

Privacy Notice: *This personal information is being collected for the purpose of facilitating payment of the NL-DFAP under the authority of Section 61(c) of the Access to Information and Protection of Privacy Act. If you have any questions relating to the collection of this personal information please contact the DFAA Manager at the contact number and address indicated below.*



Newfoundland and Labrador Disaster Financial Assistance Program (NL-DFAP)

Frequently Asked Questions and Answers

What is the NL-DFAP?

The NL-DFAP is a basic financial assistance program intended to help individuals, small business owners (including farmers), not for profit organizations (including not for profit business cooperatives), and local governments meet the cost of disasters which exceed what they might reasonably be expected to bear on their own.

A disaster is defined as an abnormal event, such as a storm surge, flooding, landslide, hurricane or tropical storm that occurs in a defined geographical area and results in widespread damage that threatens the necessities of daily living and represents a burden to the affected communities and the province. It is not the result of negligence or deterioration of property and infrastructure.

The NL-DFAP must be read in combination with the federal government's Disaster Financial Assistance Arrangements (DFAA) Program which can be located at: [Public Safety Canada DFAA Guidelines](#) .

Who can apply?

Individual homeowners, tenants, small business owners, not for profit organizations, local governments and provincial government departments can apply. See program criteria/guidelines included in the application package for more information on eligibility requirements and documentation required.

What does the NL-DFAP cover?

The program only covers essentials. The program covers costs associated with re-instating the necessities of life, including help to repair and restore damaged homes and replacing essential items such as appliances, etc. The program helps re-establish or maintain the viability of small businesses and working farms and repair, rebuild and restore public works and essential community services.

What is not covered under the NL-DFAP?

As the program only covers essentials, the list of what is not covered can be extensive. The following list while not exhaustive provides some general direction on what is **not** covered:

- Damage/loss which was reasonably insurable;
- Non-primary residence, such as summer homes, cabins;
- Recreational equipment, such as campers, travel trailers, ATVs, etc.;
- Private roads unless they provide access to a primary residence;
- Damage to large business (gross annual revenue greater than \$2 Million);
- Costs that are covered in whole or in part by another government program (e.g. crop insurance);
- Damage to property/structures caused by recurrent erosion; and
- Loss of income.

What is an insurable peril/loss?

Insurable peril/loss is a loss for which an insurance policy can be purchased (for example, sewer back-up, wind damage, food loss due to power outage).

What is an uninsurable peril/loss?

Uninsurable peril/loss is a loss for which an insurance policy cannot be purchased.

How to apply?

Applications can be accessed and completed on line or made available at the local government office. Applications can also be obtained by contacting Emergency Services (see below) and requesting an application to be mailed. It should be noted that applications are only available when Emergency Services has advised that an adverse event has been approved for consideration under the NL-DFAP.

How long does it take to get assistance?

Once an application is received at Emergency Services, it is assessed for eligibility under the NL-DFAP. Eligible private sector applications are then forwarded to the adjusting company that will be responsible for the administration of the claims and are assigned to an insurance adjuster. Local government applications are forwarded to the Department of Transportation and Infrastructure (TI). There are several factors which impact the length of time it takes to process and close a claim. These include but are not limited to:

- severity of the adverse event;
- the number of applications received;
- the availability of the applicant once contacted by the insurance adjuster/JPS/TI; and
- the choice made by the private sector applicant as to whether to take a cash settlement or have repairs completed by a contractor; and
- factors such as the type of repair required, time of year, availability of contractors, etc., may affect all eligible claims.

Emergency Services makes best efforts to process claims in a timely manner.

Who may I contact if I have other questions?

Please contact NL-DFAP at 1-888-395-5611 or e-mail at: NL-DFAP@gov.nl.ca