



Business Recovery Guide

Brought to you by:

Washington State Military Department
Emergency Management Division

Washington State
Department of Commerce

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GETTING & SAVING MONEY

FEDERAL AND STATE TAX RELIEF

DID YOU KNOW?

No area is disaster proof. Every county in the state has been included in at least one presidentially - declared disaster since January 1996.

FEDERAL:

If you experienced a loss from a federally declared disaster, you can deduct that loss from your federal income tax return. You may even file amended returns for past years and the Internal Revenue Service (IRS) can expedite your refund, providing you with a quick source of cash that does not have to be repaid. For details, download the Disaster Loss Kit for Businesses Publication 2194-B or contact the IRS Special Disaster Hotline at (866) 562-5227, option #2 or your [local IRS office](#).

STATE:

Property Tax Relief — Any real or personal property that has been damaged or destroyed is eligible for a reduction of assessed value that would result in lower property taxes and possible refunds. Property in a declared disaster area may also be eligible for a reduction in taxable value, even if it was not damaged, if its true market value was reduced by more than 20 percent due to negative local economic conditions. An application must be filed within three years of the date of destruction or reduction in value. Property owners may apply for relief at the county assessor's office or by downloading these forms on the [WA Department of Revenue website](#).

- Taxpayer's Claim for Reduction of Assessments Resulting from Destroyed Real or Personal Property or Loss of Value in a Declared Disaster Area
- Petition for Property Tax Refund

Excise Tax Return Extensions — The Department of Revenue may give excise tax return filing extensions in the event of natural disasters. Extensions must be requested by the due date, and if an extension is more than 30 days, you must pay an amount equal to the estimated tax liability for the reporting period you receive the extension.

Penalty Waivers — The Department of Revenue may also waive late return penalties under limited circumstances. To learn more, visit www.dor.wa.gov and type "penalty waiver request" in the search field or call (800) 647-7706.

Damaged Timber Adjustment — This tax adjustment is for people harvesting trees due to unforeseen natural disasters. To qualify you need to make an application prior to harvest. To apply, complete the damaged timber adjustment application. To learn more, visit www.foresttax.dor.wa.gov or call (800) 548-8829.

DISASTER UNEMPLOYMENT ASSISTANCE

Disaster Unemployment Assistance (DUA) is an unemployment program administered by the state and funded by the federal government that provides benefits to workers for up to 26 weeks who have become unemployed as a direct result of a disaster and are not eligible for regular unemployment benefits. In general, people who are eligible for disaster unemployment assistance are:

- Out of work because of the disaster,
- Self-employed or a migrant / seasonal worker with income substantially affected due to the disaster,
- An employee not covered by any other unemployment compensation, or
- A survivor who, because of the disaster, becomes head of household.

If a natural disaster occurs, the Governor must request special assistance from the President. The President must then approve and sign a declaration. To find out more, contact the Employment Security Department at www.esd.wa.gov or call (877) 416-7274.

FEDERAL ASSISTANCE

SMALL BUSINESS ADMINISTRATION LOANS

Following a declared disaster, the Small Business Administration (SBA) provides low-interest disaster loans to homeowners, renters, businesses of all sizes, and private, nonprofit organizations to repair or replace real estate, personal property, machinery, and equipment, inventory and business assets damaged or destroyed in a declared disaster. Small businesses, small agricultural cooperatives, small businesses engaged in aquaculture, and most private, nonprofit organizations of all sizes suffering substantial economic injury may also be eligible for an Economic Injury Disaster Loan (EIDL) to meet necessary financial obligations – expenses the business would have paid if the disaster had not occurred. The maximum amount for any business disaster loan (physical and EIDL) is \$2 million. SBA disaster loan proceeds can also be used to cover the insurance deductible of a related insurance claim.

Applicants may apply online using [the Electronic Loan Application \(ELA\)](#) via SBA's secure website.

Additional information about the SBA's disaster loan program is also available from SBA's Disaster Customer Service Center by calling toll-free at (800) 659-2955, emailing disastercustomerservice@sba.gov, or visiting [SBA's website](#). Hearing impaired individuals may call (800) 877-8339.

ECONOMIC DEVELOPMENT ADMINISTRATION

The Economic Development Administration (EDA) Economic Adjustment program provides grants to help communities and regions address sudden and severe economic dislocations, including those caused by disasters. Following major disasters Congress will often appropriate funds for EDA to use for this purpose. EDA posts Federal Funding Opportunity (FFO) announcements in the Federal Register and on their website: www.eda.gov.

Eligible applicants for disaster recovery funding include cities, counties, states, and non-profit organizations. Even though businesses are not eligible applicants for these grants, they can benefit from them. EDA-funded disaster recovery efforts often include the repair and replacement of critical infrastructure, such as roads, water delivery and wastewater treatment systems, all of which are vital for communities and businesses to function. Grants may also be used to support other eligible activities, such as the establishment of disaster-recovery coordinators, business incubators or accelerators, revolving loan funds, and comprehensive recovery strategies. They may also be used to enhance disaster resiliency by supporting business continuity planning and economic diversification.

One of the basic requirements of EDA disaster recovery grants is that proposed projects have a connection to the catastrophic event in question, and that they contribute meaningfully to the improvement of economic conditions in the affected area. EDA has field representatives in every state who are qualified to assist potential applicants with concept development and the preparation of sound applications for assistance.

WORKING WITH FEMA

The Federal Emergency Management Agency (FEMA) can connect you with disaster recovery resources and can assist with emergency preparedness. However, FEMA is not generally a direct provider of disaster recovery assistance to businesses.

FEMA provides a web portal, www.DisasterAssistance.gov where you can go to learn about the types of federal assistance you may be eligible for and to register for benefits online. The online process takes approximately 20 minutes. You can also register over the phone at (800) 621-FEMA (3362).

USDA FARM SERVICE AGENCY ASSISTANCE PROGRAMS

The following disaster programs are available to assist farmers and ranchers who suffer damage due to a natural disaster. For some programs, funds may be limited. For more information or to apply for these programs, contact your local USDA Farm Service Agency (FSA) office by [clicking on the appropriate county](#) or visit: www.fsa.usda.gov.

DID YOU KNOW?

[Disaster](#)

[Assistance: A](#)

[Guide to Recovery](#)

[Programs \(FEMA-](#)

[229\)](#) contains brief

descriptions and

contact

information for

93 Federal

programs that may

be able to provide

disaster recovery

assistance to

eligible

applicants.

Emergency Conservation Program

This cost-share program pays up to 75 percent of the cost to implement emergency conservation practices as determined by FSA county committees. Practices include debris removal, grading, silt incorporation, fence repair and repair to certain conservation practices. County committees approve individual or cumulative requests for cost sharing of up to \$200,000 per person per disaster.

Tree Assistance Program

This program compensates specialty crop farmers to replant trees and vines destroyed by a natural disaster.

Non-Insured Crop Disaster Assistance Program (NAP)

NAP provides financial assistance to producers of non-insurable crops when low yields, loss of inventory or prevented planting occur due to natural disasters. NAP coverage must be purchased prior to program closing dates and prior to a natural disaster occurring. Producers with losses and NAP coverage should contact their FSA office within 15 calendar days after one of the following:

- Natural disaster occurrence,
- Final planting date if planting was prevented by the natural disaster, or
- Date damage to the crop or loss of production becomes apparent to you.

Supplemental Revenue (SURE) Assistance Payment Program

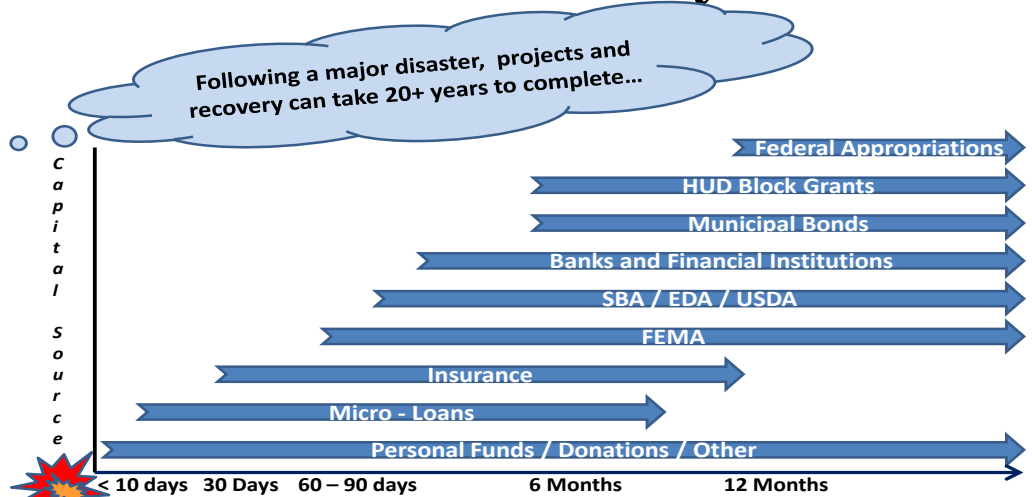
SURE payments are made when there is a farm revenue loss resulting from a natural disaster. Payments are made when there has been a production or crop quality loss. The payments are in addition to crop insurance or NAP payments (see above). To be eligible for SURE, a producer must have purchased crop insurance or NAP coverage on all crops prior to the disaster.

Emergency Loan Program

Low-interest loans are available to restore or replace essential property, pay all or part of production costs associated with the disaster year, pay essential family living expenses, reorganize the farming operation, and refinance certain debts.

Producers can borrow up to 100 percent of actual production or physical losses, to a maximum amount of \$500,000 provided certain criteria are met. Applications for emergency loans must be received within eight months of the county's disaster or quarantine designation date.

How does the money flow ?



Time approximations are highly dependent on disaster magnitude and other variables.

INSURANCE CLAIMS

Report the loss right away to your insurance carrier. If possible, have your policy number handy and provide a general description of damages. [Getting Back to Business](#) walks through the steps that small business owners should take following a disaster, including the steps you should take if your insurance includes a business interruption clause. You should also consider Business Interruption Insurance, Business Continuity, Extra Expense Insurance, Flood and Earthquake Insurance.

If you have purchased flood insurance through the National Flood Insurance Program, you should immediately report the loss to the insurance company or agent who wrote the policy. You must file proof of loss, a sworn statement that substantiates the insurance claim, within 60 days of the loss. The adjuster assigned to your claim should be able to provide you with this form. Your payment for loss will not exceed the value of the covered loss minus your deductible, up to the amount of insurance purchased.

The Office of the Insurance Commissioner provides information on a variety of insurance topics. Visit www.oic.wa.gov or call the 24-hour consumer hotline at (800) 562-6900.

Why flood insurance?

Of Washington's 43 Presidential disaster declarations, 31 involved flooding. Business owners can buy flood insurance coverage on both contents and qualifying structures as long as their community participates in the National Flood Insurance Program (NFIP). To find a list of agents who sell coverage in your area, call (888) 379-9531 or visit www.floodsmart.gov.

FINANCIAL INSTITUTIONS

Banks and credit unions are in business to make money. It is important to have an established relationship with a financial institution prior to a disaster or emergency. The following best practices may help

- Have a plan - the [Open for Business Toolkit](#) is free to Washington residents.
- Talk to your financial institution about limited emergency funding.
- As much as possible have the information necessary to submit a successful SBA, USDA, or other program loan application.

Emergency micro-loan programs are a recognized best practice -- Small amounts, low interest, simple collateral requirements, and quick lending decisions. You should check with your financial institution or local / regional economic development group for details, if available.

You may also want to research Community Sourced Capital opportunities.

SHORT-TERM IMPACTS TO OPERATIONS AND SALES

Your short-term operations and sales could be impacted even if you did not experience direct damage to your facility. Possible impacts could include:

- Perception from your customers that your business is closed,
- Inability to access your business,
- Loss of critical suppliers, or
- Change in short-term buying habits (for example, more building or repair purchases and less discretionary spending).

If you experienced damage, you may need to temporarily relocate or cease operations. If so, you may need to report this to a variety of state and local agencies. For help, call the Governor's Office for Regulatory Assistance Innovation and assistance at (360) 407-7037 or (800) 917-0043.

REPAIR & CLEANUP

CHOOSING A CONTRACTOR

After a disaster, dishonest contractors may come into an area seeking to profit from the misfortune of others through fraudulent intentions. To ensure that you do not become a victim of fraud, make sure the contractor you use is registered, actively licensed, with a bond and insurance, and an electrician, plumber, elevator mechanic or manufactured home installer is certified (licensed) in Washington. Visit www.HiringaContractor.Ini.wa.gov or call (800) 647-0982.

Agriculture business?

*The Washington
Department of
Agriculture has a
[comprehensive list
of information and
resources for
Farmers and
Ranchers.](#)*

DID YOU KNOW?

You can register to provide emergency response services such as clean up, supplies, hot meals or medical services at [WEBS](#), the state's online bid notification system

Before proceeding, you should ask for a written estimate clearly stating the work to be performed and the costs. Avoid making on-the-spot cash payments or paying before the work is completed, permitted, and inspected where required. A reputable contractor should not pressure you if the job is not completed properly.

If you suspect you have been defrauded, or to report contractor violations, visit www.fraud.lni.wa.gov or call the fraud phone line at (888) 811-5974.

FEMA and the Washington Emergency Management Division (EMD) do not recommend or endorse any contractors. Be cautious if any contractors claim they are authorized by FEMA or EMD. They are not.

ELECTRICAL INSPECTIONS

If your facility's electrical system has been submerged in water, be sure to have an electrical inspection before turning your power back on. Even if your electricity is currently working, water or debris could create a fire hazard months or even years later.

The Department of Labor and Industries (L&I) in conjunction with local governments and utilities will conduct inspections post disaster. This initial inspection is free. (If additional work is needed, fees will be charged for subsequent inspections). If electrical problems are found, you:

- Will be given a list of what must be repaired,
- Must get a normal electrical permit, make the repairs, and get an L&I approval inspection.

You can get an electrical permit at any L&I office or [online](#).

As soon as the inspector determines your electrical system is safe, L&I will notify your electrical utility that it is okay to turn your power on.

OTHER INSPECTIONS

If your facility has been damaged, you should have it inspected before reentering. You may also need to have it inspected after certain repairs are completed or after installing appliances such as water heaters or furnaces. To request an inspection, contact your local building department. For disaster damaged elevators or conveyances, you should make sure they are safe to operate by having them inspected and repaired by your servicing elevator contractor prior to use by employees or the public.

Your HVAC system should be inspected before turning it on because it could be contaminated. Recommendations for cleaning and remediation of HVAC systems can be found at the [CDC's website](#).

If you don't know who to contact regarding inspections, call the Governor's Office for Regulatory Innovation and Assistance Information Center at (360) 407-7037 or toll free at (800) 917-0043.

During times of declared disasters, the Department of Labor and Industries' Factory Assembled Structures Program is called upon to assist local municipalities, along with FEMA, in assessing manufactured and mobile homes that have incurred damage from a disaster. Call (360) 902-5225 for additional information.

DEBRIS & HAZARDOUS MATERIALS CLEANUP

Potential chemical hazards may be encountered during repair and recovery efforts. Wind storms, earthquakes, floods, and automobile accidents could move containers of hazardous substances from their normal storage places.

Do not try to remove any propane tanks — they represent a real danger of fire or explosion. The U.S. Environmental Protection Agency (EPA) urges you to call the fire department to report locations of tanks. If you find any materials that present an imminent threat to public health or the environment, [report a problem online](#) or call the Duty Officer at (800) 258-5990.

For information on how to dispose of unknown substances or hazardous materials, contact your [local health department](#) or [local emergency management office](#).

Any type of business may have hazardous waste after an emergency or accident. Retailers might have to dispose of damaged hazardous products such as garden pesticides or pool chemicals. For guidance on what to do after a flood or storm visit the WA Department of Ecology's [website](#) for descriptions of what to look for, how to protect yourself from debris, and contains a directory of businesses that can help you dispose of your waste properly.

The [Washington Commission for National and Community Service](#) may be available to communities to assist in supporting disaster preparedness, response, and recovery efforts. For more information, call (360) 902-0656.

PROTECTING YOURSELF AGAINST MOLD

If your facility has water damage and closed for several days, you should assume it has been contaminated with mold. If you plan to be inside the building for a while or to clean up mold, buy an N95 mask from a building supply store and wear it in the building.

The Washington State Department of Health website entitled “Mold” offers information and a video on mold and how to clean up:

<http://www.doh.wa.gov/CommunityandEnvironment/Contaminants/Mold.aspx>.

The EPA offers a guide titled *Mold Remediation in Schools and Commercial Buildings*. You can access the guide online at www.epa.gov/mold/mold_remediation.html or request a free copy by calling (800) 490-9198 and using document number EPA 402-K-01-001.

BE CAREFUL:

Mold is a major health risk that should not be taken lightly!

People with certain health issues may be particularly susceptible to its harmful effects.

REBUILDING YOUR BUSINESS

If your property is damaged by a disaster, you will need to get the proper permits before rebuilding. This ensures that the proposed work complies with current codes, standards, building ordinances and recommended construction techniques. The permit includes an elevation certificate, which provides a permanent record of compliance with applicable elevation and / or retrofitting requirements. This is necessary for a flood insurance rating.

The Governor’s Office for Regulatory Innovation and Assistance Information Center can answer questions about local, state, and federal permits and regulatory requirements or connect you with the people who can. Call (360) 407-7037, toll free at (800) 917-0043 or online at www.oria.wa.gov

WORKER RETRAINING

Disaster Impacted Workers may be eligible for [Worker Retraining Services](#). This means that workers whose employment situation was affected by storms and other disasters and people who need new skills in order to be employed in disaster recovery can obtain financial assistance for retraining at local community and technical colleges.

In response to dramatic changes in the structure of Washington's economy, the layoffs of thousands of workers in major industries, and the long-term need for training programs for Washington citizens, the legislature enacted the Workforce Employment and Training Act in 1993.

Worker Retraining can help pay for training expenses for individuals who lost their jobs due to economic changes and for those receiving Unemployment Insurance (UI) benefits.

Washington's community and technical colleges, as well as licensed private schools, receive Worker Retraining funding to improve programs that prepare people for work. Based on input from local employers, government, and community, these funds are used to update equipment, revise curriculum, and develop work experience opportunities.

OTHER CONSIDERATIONS

REPAIRING ESSENTIAL RECORDS

Reconstructing records can be an expensive and time-consuming process. However, this is essential for receiving certain benefits and getting back on your feet. The best protection for records is duplication at an alternative location. If your essential records are damaged and you don't have backups or a way to get copies, you will want to develop a plan and act quickly to recover those records. Essential records can be on any media and either document legal authorities, rights, responsibilities, and financial status or are necessary to resume and restore operations.

Water-damaged paper records can either be air dried or frozen. When materials are slightly damp, and the quantity is considered manageable, air-drying may be considered. If the material is soaked, it should be frozen, regardless of the quantity. Freezing and then drying with a thermal vacuum process can have several advantages but is also more expensive. [Washington State Archives disaster recovery publications](#) provide more detail about this and other record recovery methods.

Although these publications are designed for government agencies, they provide detailed information that could also be applied to business records recovery.

OBTAINING COPIES OF RECORDS

The IRS can provide copies of previously filed tax returns. Generally, there is a fee for copies. If your main home, principal place of business, or tax records is in a federally-declared disaster area, the fee will be waived if the **name of the disaster is written in red across the top of Form 4506**, Request for Copy of Tax Return. The IRS will provide disaster victims or their return preparer with an expedited tax return transcript free of charge. Use Form 4506-T, Request for Transcript of Tax Return to request a transcript. You may download these forms from the [IRS website](#) or order them by calling (800) 829-3676. These forms may also be available at your local IRS office. Signing up for online banking could allow you to access banking records remotely if they have been destroyed. Most financial institutions now offer this service.

REMEMBER **THIS:**

*Even in the
midst of chaos
reports are still
due and
licenses need to
be renewed.*

EMPLOYEE SUPPORT

Since employees who will rely on you for support after an emergency are your most valuable asset, consider the services that you could provide or arrange. These include:

- Cash
- Salary continuation
- Flexible work hours
- Reduced work hours
- Crisis counseling
- Care packages
- Day care
- Housing Relocation

REMEMBER THIS:

Take care of yourself! Visit the Emergency Management Division's [website](#) for information on personal as well as business recovery.

OPPORTUNITIES TO PROVIDE SERVICES

You can register to provide emergency response services at [WEBS](#), the state's online bid notification system. If you wish to provide clean up, supplies, or hot meals, choose commodity code 97911 as well as any other codes that apply to you. Emergency medical services providers would select commodity code 97101. Telephone: (360) 902-7400.

Advice from a small business owner

- Have a plan in place to before a flood happens to raise inventory, computer equipment, and valuable paper and records above the water line.
- Flooded papers can be saved if carefully separated and dried on a flat surface. Then copy them and toss them; these papers get mold on them.
- Realize that you can salvage inventory and at least get your cost out of lots of flooded goods. Time is of the essence. You must act quickly. Do not underestimate the damage flood water can do.
- Don't be afraid to ask for help; friends and relatives will amaze you.

This advice comes from a Lewis County small business owner who recovered from flooding.

HELPFUL CONTACTS

FEDERAL AGENCIES

| | |
|--|----------------|
| FEMA Disaster Helpline: | (800) 621-3362 |
| FEMA Fraud Detection: | (800) 323-8603 |
| <u>National Flood Insurance Program:</u> | |
| Obtain policy / information: | (888) 379-9531 |
| Policyholders / claims: | (800) 767-4341 |
| <u>Internal Revenue Service:</u> | (800) 829-1040 |
| <u>Small Business Administration, Disaster Loans:</u> | (800) 366-6303 |
| <u>USDA Farm Service Agency:</u> | (509) 323-3000 |

STATE AGENCIES

| | |
|--|----------------|
| <u>Agricultural Disasters:</u> | (360) 725-5508 |
| <u>Attorney General Consumer Protection Division:</u> | (800) 551-4636 |
| <u>Employment Security Department Disaster Unemployment:</u> | (877) 416-7274 |
| <u>Department of Ecology Regional Contacts</u> | |
| <u>Emergency Management Division:</u> | (253) 307-3373 |
| <u>Office of the Insurance Commissioner:</u> | (800) 562-6900 |
| <u>Department of Labor and Industries:</u> | (360) 902-5800 |
| Small Business Liaison: | (800) 987-0145 |
| Factory Assembled Structures Program: | (360) 902-5225 |
| <u>Governor's Office for Regulatory Innovation and Assistance</u> | (800) 917-0043 |
| | (360) 725-0628 |
| <u>Department of Revenue:</u> | (800) 647-7706 |

LOCAL AGENCIES

Local contacts will vary depending on your business location. Use the space below to keep track of local contacts.

Local building department: _____

City license and tax information: _____

Local health department: _____

Local chamber of commerce: _____

Economic development office: _____

Local Farm Service Agency: _____

OTHER RESOURCES

These organizations can also provide you with local referrals. Use the space below to keep track of local contacts:

[Small Business Development Center](#): (509) 538-7765

Advising center nearest you: _____

[SCORE](#):

Location nearest you: _____

[State Bar Association Lawyer Referral](#): (800) 945-9722

Lawyer referral: _____

Comments or suggestions? Please email Business@mil.wa.gov