U.S. SMALL BUSINESS ADMINISTRATION

Private Non Profit Organizations
SBA and FEMA Disaster Assistance

The Disaster Mitigation Act of 2000 (Public Law 106-390), enacted on October 30, 2000, mandated certain changes in the way Federal financial assistance is delivered to Private Non Profit (PNP) organizations that provide services of a governmental nature. Prior to enactment of the Disaster Mitigation Act of 2000, under a disaster declaration for "Public Assistance" all PNPs that provide services of a governmental nature applied directly to Federal Emergency Management Agency (FEMA) for grant assistance. SBA's disaster loan program was not activated as a result of such declarations.

Now when the President declares a major disaster that includes, or *is limited to, public assistance*, a private non profit facility which provides **non-critical** services *of a governmental nature* must first apply for disaster assistance from SBA, and exhaust SBA loan assistance, or be declined by SBA before it can seek grant assistance for permanent repairs and/or replacements from the FEMA. (Except that expenses related to debris removal or emergency measures taken to protect their facilities or employees may be reimbursed from FEMA without regard to the availability of an SBA disaster loan.)

PNPs which provide services of a governmental nature and are deemed **critical** may apply directly to FEMA for uninsured disaster-related expenses and/or disaster-related damages to the facility.

FEMA defines critical services as:

Fire and emergency services	Electric power
Water supply & some irrigation	Telephone communications
Sewer & wastewater treatment	Direct medical care

FEMA defines non-critical services as:

Museums	Educational facilities
Zoos	Custodial care facilities
Libraries	Alcohol & Drug rehabilitation
Community centers	Battered Spouse Programs
Homeless shelters	Low-income housing
Shelter workshops	Food programs for the needy
Senior Citizen Centers	Daycare centers for special needs

For additional information you should contact SBA at (1-800- 659-2955) or FEMA at 1-800-621-FEMA.

FREQUENTLY ASKED QUESTIONS

What is a Public Assistance disaster declaration?
A Public Assistance (PA) disaster declaration is a designation made by FEMA upon a request from the governor. It covers among other things disaster damage to the public infrastructure (roads and bridges), and in some cases reimburses municipalities for overtime expenses related to disaster cleanup. Private Non Profit organizations that provide essential services of a governmental nature are also eligible for assistance. Such PNPs that provide non-critical services must first apply to SBA before it can apply to FEMA for grant assistance.

What kind of assistance is available to a PNP from SBA under a PA disaster declaration?
Under SBA's Physical Disaster Business Loan program, low-interest long term loans to businesses of all sizes, small agricultural cooperatives and most private, non-profit organizations of all sizes to repair or replace disaster-damaged property owned by the business, including real estate, inventories, supplies, machinery and equipment. Businesses of any size are eligible.

Under SBA's Economic Injury Disaster Loan program (EIDLS) are working capital loans to help small businesses, small agricultural cooperatives, small businesses engaged in aquaculture, and most private, non-profit organizations of all sizes meet their ordinary and necessary financial obligations that cannot be met as a direct result of the disaster. These loans are intended to assist through the disaster recovery period. EIDL assistance is available only to entities and their owners who cannot provide for their own recovery from non-government sources, as determined by the U.S. Small Business Administration (SBA).

What if the PNP provides both critical and non-critical services?
PNPs which operate both critical and non-critical facilities (that provide essential services of a governmental nature) will have to make separate applications to SBA and FEMA.

What if SBA determines that the PNP non-critical facility is not eligible for a disaster loan, or the PNP has obtained the maximum amount for which the SBA determines the facility is eligible?
The PNP may then apply to FEMA for grant assistance for permanent repairs for its unmet disaster-related needs. Such PNPs may apply directly to FEMA for emergency repairs.

Which agency (SBA or FEMA) has the final say on whether the PNP is considered a critical or non-critical facility?
FEMA

Are PNPs in contiguous counties also eligible to apply to SBA for assistance?
No, in a PA only declaration, PNPs in contiguous counties are not eligible to apply.