

Recovery Grants for Small Businesses and Non-Profit Organisations – Program guidelines

1. About the Program

The objective of this assistance measure, jointly funded by the Commonwealth and [State/Territory Government] under the Disaster Recovery Funding Arrangements, is to assist with the costs of clean-up and *reinstatement* of *small businesses* and *non-profit organisations* that have suffered direct damage as a direct result of [an eligible disaster: insert relevant details].

Small Businesses and *non-profit organisations* play an integral part in local economies and communities, and this assistance must contribute towards minimising disruption in the affected area and assisting the community to recover. These grants are intended to assist *small businesses* and *non-profit organisations* to continue or commence operations as soon as possible where the impact has been severe.

2. Available Funding

The level of assistance provided under these recovery grants should be commensurate with the severity of disaster and community recovery needs. In some circumstances it may be appropriate to offer more than the standard Category C \$25,000 recovery grants, via Category D.

For the Small Business and Non-Profit Organisations Recovery Grants, the following tiered amounts are suggested:

Small Business and Non-Profit Organisation Recovery Grants		
<i>DRFA Category</i>	<i>C</i>	<i>D</i>
Grant Amount	\$XX,XXX (e.g. \$25,000)	\$XX,XXX (e.g. \$50,000)
<i>Tier 1 – Initial payment on the basis of evidence of direct damage</i>	\$XX,XXX	\$XX,XXX
<i>Tier 2 – Subsequent payment on the basis of evidence of payment</i>	\$XX,XXX	\$XX,XXX

The maximum grant amount available is \$XX,XXX.

- 2.1. An initial amount of up to \$XX,XXX (Tier 1) is available. To support an initial claim *evidence of direct damage* is required. For example, photographs, quotations, tax invoices or *official receipts*.
- 2.2. A subsequent amount of up to \$XX,XXX (Tier 2) is available. To support subsequent claims full *evidence of payment* is required for the funding to be provided under Tier 2. This *evidence of payment* must also include any amounts claimed under the initial (Tier 1) claim if not already provided.
- 2.3. Multiple applications can be made up to the maximum grant amount available under the Program.
- 2.4. Where an applicant is approved for funding under \$XX,XXX (Tier 1) on the supply of a quote and does not seek further payment under Tier 2, States may request the applicant

provide *evidence of payment* within 12 months¹ of receiving the Tier 1 grant for reconciliation, acquittal and transparency purposes.

3. How funding may be used

3.1. Grants are provided to help pay for the costs of the clean-up and *reinstatement* of the *small business* or *non-profit organisation*. This includes:

- a. engaging a tradesperson to conduct a safety inspection of damage to a property, premises or equipment;
- b. hiring and leasing equipment² or purchasing materials to clean a property, premises or equipment;
- c. paying additional wages to an existing employee, or employing a person to clean a property, premises or equipment if –
 - i. the cost would not ordinarily have been incurred in the absence of the *eligible disaster*; or
 - ii. the cost exceeds the cost of employing a person to clean the property, premises or equipment that would ordinarily have been incurred in the absence of the *eligible disaster*;
- d. removing and disposing of debris, damaged goods or material;
- e. removing and disposing of spoiled goods and stock due to power outage;
- f. essential repairs to premises and internal fittings (e.g. floor covering, electrical requiring, shelving), if the repair is essential for resuming operation of the *small business* or *non-profit organisation*. If the repair or replacement is for *small businesses* or *non-profit organisations* that are home based, applicants are only permitted to claim the costs for damage to the premises which is directly attributable to the business, not other household damage;
- g. purchasing, hiring or leasing equipment or materials that are essential for immediately resuming operation of the *small business* or *non-profit organisation*; and
- h. any of the following –
 - i. replacing lost or damaged stock if the replacement is essential for immediately resuming operation of the *small business* or *non-profit organisation*;
 - ii. leasing temporary premises in the same region or community for the purpose of resuming operation of the *small business* or *non-profit organisation*.

3.2. Grants cannot be provided to help pay for costs associated with the following:

- a. for loss of income as a result of the eligible disaster;
- b. for payment of employee salaries that would have ordinarily been incurred by the *small business* or *non-profit organisation* had the *eligible disaster* not occurred;
- c. if the applicant is entitled to, has received, or has been approved to receive, an amount under a policy of insurance for the relevant costs claimed. The applicant may be eligible for a grant for the portion of costs that are not covered by their insurance, or for amounts in excess of the value insured; and

¹ States can apply a shorter timeframe if required. If applied, States must notify the NRRRA.

² Purchasing equipment may be considered eligible on a case by case basis if demonstrated to be more cost effective.

- d. if the applicant has received, or has been approved to receive financial assistance from another government assistance scheme for an item described in section 3.1, the applicant cannot receive reimbursement under [name of grant] for the same item(s).”

4. Eligible applicants

4.1. To be eligible for [name of grant], the **small business** applicant must:

- a. be a sole trader or a business employing fewer than 20 full-time equivalent employees;
- b. hold an Australian Business Number (ABN) and have held that ABN at the time of the disaster;
- c. own a *small business* located in the *defined disaster area* for the *eligible disaster*;
- d. have been engaged in carrying on the *small business* when affected by the *eligible disaster*;
- e. have suffered direct damage to premises and/or tools of trade (e.g. equipment, plant);
- f. be intending to re-establish in the same community, region or sector as the *defined disaster area* for the *eligible disaster*;
- g. be primarily responsible for meeting the costs claimed in the applications; and
- h. for costs relating to activities listed in section 3, provide satisfactory evidence of the loss or damage.

4.2. In the instance of a sole trader who has no employees, the sole trader must derive at least 50 per cent of their income from the business.

4.3. In circumstances where at least 50 per cent of a sole trader’s income does not come from the *small business* or *non-profit organisation* in question, the business may be eligible for a recovery grant if:

- a. their businesses is in start-up mode with the intention of being the applicant's primary source of income (at least 50 per cent) in a relatively short period of time, immediately prior to an *eligible disaster* (e.g. premises being prepared but trading had not yet commenced);
- b. businesses that had been an applicant's primary source of income and would have become so again in a relatively short period of time had the *eligible disaster* not occurred;
- c. they have made substantial capital investment (e.g. salary/wages from employment or monies from elsewhere) into building up a business such that it was close to becoming a viable commercial operation immediately prior to the *eligible disaster*; and
- d. they are operating more than two separate and distinct business entities (e.g. three businesses each providing 33 per cent of a sole trader's income.

4.4. To be eligible for [name of grant], the **non-profit applicant** must:

- a. be a *non-profit organisation*;
- b. be registered with the Australian Charities and Not-for-profit Commission (ACNC) or an equivalent State/Territory regulatory body and have held that registration at the time of the *eligible disaster*;

- c. be located in the *defined disaster area* for the *eligible disaster*;
- d. have suffered direct damage as a result of the *eligible disaster*;
- e. be intending to re-establish the *non-profit organisation* in the same community, region or sector as the *defined disaster area* for the *eligible disaster*;
- f. be primarily responsible for meeting the costs claimed in the application; and
- g. for costs relating to activities listed in section 3, provide satisfactory evidence of the loss or damage.

4.5. An applicant may also be eligible for an [name of grant] if the following apply:

- a. The *small business* is located outside the *defined disaster area* for the *eligible disaster* but operates part-time or on some regular basis within the *defined disaster area* and that business' property, plant and/or equipment were damaged.
- b. The *non-profit organisation* is located outside the *defined disaster area* for the *eligible disaster* but operates part-time or on some regular basis within the *defined disaster area* and that *non-profit organisation's* property, plant and/or equipment were damaged.

4.6. Where two or more independent and separately owned and registered *small business* or *non-profit organisations* operate from the same premises, each *small business* or *non-profit organisations* may receive the maximum available grant amount providing applicants can demonstrate that:

- a. They are independent and separately owned and registered with their own ABN (for *small businesses*) or relevant registration (for *non-profit organisations*) from the other *small business* or *non-profit organisations* on that premises;
- b. They are eligible for the grant in their own right, in line with clauses 4.1 and 4.4;
- c. They are claiming for different expenses to the other *small business* or *non-profit organisations* who are operating on the same premises; and
- d. The expenses that they are claiming are essential to the operation of their *small business* or *non-profit organisations*.

4.7. *Small businesses* or *non-profit organisations* which are part of national chains are not eligible. Franchises may be eligible. *Small businesses* and *non-profit organisations* must be locally registered or operated, however, owners may reside outside the community, region or sector of the *defined disaster area* for the *eligible disaster*.

5. Eligible separate businesses

5.1. Applicants who operate more than one *small business* under a single ABN, may apply for assistance for each *eligible separate business* up to the maximum amount of assistance available for the relevant *defined disaster area*.

5.2. When determining an application on this basis [administering agency] may consider (but is not limited to):

- a. the staffing arrangements of the separate business;
- b. whether the separate business has its own plant equipment or stock;
- c. the accounting and insurance arrangements of the separate business;
- d. whether the separate business operates under their own trading name; and
- e. the commercial viability and autonomy of each business.

6. Assessment and approval process

- 6.1. Applications will be assessed against the eligibility criteria.
- 6.2. [The administering agency] reserves the right to request further information from you or from any business or individual you have engaged, to assist in assessing your application and to verify any information provided in your application. Failure to provide such information may result in [the administering agency] refusing your application.
- 6.3. [The administering agency] reserves the right to refuse an application where eligibility criteria are not met, or where the applicant does not or cannot provide sufficient information for [the administering agency] to determine if eligibility criteria have been met.
- 6.4. Applications submitted may be subject to audit by [the administering agency] or its agents in order to determine compliance with scheme guidelines.
- 6.5. Complete applications will be assessed in order of receipt. Incomplete applications will not enter the assessment queue until all required information is provided.
- 6.6. Before applying for financial assistance under this program, applicants should seek advice from their legal, business or financial advisers about the tax implications of this financial assistance.³
- 6.7. Applicants will be expected to provide supporting documentation, such as the latest local council rate notice; latest available Tax Return and Financial Statement for your small business or non-profit organisation.
- 6.8. In exceptional circumstances, consideration may be given to applicants who do not meet the eligibility criteria outlined in section 4, upon agreement between [the administering agency] and the National Recovery and Resilience Agency (NRRRA).

7. False and misleading information

- 7.1. By signing the claim form, you are declaring that the information provided in the application form and supporting documentation is true and accurate.
- 7.2. Providing inaccurate, untrue or misleading information may be a breach of criminal law for which serious penalties may apply.
- 7.3. If any information provided in an application or supporting documentation is found to be inaccurate, untrue or misleading, legal action may be taken against you, including action to recover the funds.

Additional information to be inserted by the State/Territory as tailored to administering Agency requirements

8. Application and claiming process

8.1. Period for claiming

8.2. Notification process

³ Regarding income tax treatment, Category C and D grants are assessable and need to be declared. In certain circumstances, the Commonwealth may pass legislative amendments to make recovery grants tax free for a specific disaster event.

8.3. Appeals process

9. Further information

9.1. Key Contacts

Commonwealth-State/Territory administration arrangements

10. Timeframe

10.1. Grants are made available for up to twelve months following activation. This timeframe can be extended upon request and subject to agreement by NRRA.

10.2. Key dates:

Applications Open	XX XX
Applications Close	XX XX
Project(s) and expenditure completion	XX XX

11. Reporting

11.1. The State/Territory will provide the following reporting to the NRRA according to the reporting schedule at 11.2:

Recovery grants for <i>small business and non-profit organisations</i>			
LGA	No. claims	No. payments	\$ total
<i>E.g. Burnie</i>	<i>10</i>	<i>5</i>	<i>\$75,000</i>
<i>E.g. Southern Midlands</i>	<i>5</i>	<i>4</i>	<i>\$50,00</i>
Total	15	9	\$125,000

11.2. The State/Territory will report on Small Business and Non-Profit Recovery Grants according to the following schedule:

- a. Weekly for the duration of the grant program.
- b. Final Program Completion Report.

11.3. If available, State/Territories are encouraged to report to the NRRA on a more regular basis than the schedule at 11.2. As the State/Territory is able, NRRA also encourages disaggregated reporting on:

- a. Applications received, approved (paid and pending), in progress, rejected and withdrawn.
- b. Amount approved (\$) (paid and pending)
- c. Reasons for decline
- d. ANZSIC Industry code subdivision level
- e. LGA small business/non-profit operating in
- f. LGA small business/non-profit registered in.

- 11.4. Note that additional reporting may be requested by exception at any time.
- 11.5. A final Program Completion Report, summarising the total recovery grants provided will be submitted within two months of the completion of the Grant Program.

12. Extraordinary Program Delivery Costs

- 12.1. The State/Territory may claim extraordinary costs associated with the delivery of these grants. Extraordinary costs are those that would not have been incurred by the delivery agency had the disaster not occurred. Claimable costs are capped at 5 per cent of total program expenditure and are to be equally shared by the State/Territory and Commonwealth. In accordance with DRFA audit and assurance processes, State/Territories will need to keep appropriate evidence/documentation to support claims.

13. Assurance and acquittal

- 13.1. The State/Territory must keep appropriate evidence/documentation to support Commonwealth audit and assurance activities to ensure amounts being claimed are eligible for reimbursement under the DRFA.
- 13.2. For the Small Business and Non-Profit Recovery Grants, evidence requirements could include, but are not limited to:
- a. Funding request (including Category C/D request form) and approval letters;
 - b. Local news/media articles regarding the delivery of initiatives;
 - c. Grant/loan applications and grant/loan guidelines;
 - d. Governance arrangements; and/or
 - e. Transaction listings used to reconcile invoices.
- 13.3. For assurance purposes, State/Territory agencies and Australian Government agencies may, at any time, request documentation from funding recipients and State/Territory Government agencies to evidence compliance with any aspect of the Disaster Recovery Funding Arrangements and other applicable laws, policies, guidelines, and regulations.

14. Public acknowledgement

- 14.1. Under DRFA, the announcement of assistance must be done jointly by the Commonwealth and the State/Territory, unless otherwise agreed.
- 14.2. Prior agreement must be reached with the Commonwealth on the nature and content of any subsequent events, announcements, promotional material or publicity relating to DRFA assistance measures. This includes but is not limited to: media releases, events, social media, signage and advertising.

15. Definitions

Defined disaster area means the local government areas activated for assistance under the *eligible disaster*. These are published on [the administering agency's] website.

Eligible disaster means the disaster event activated by the State/Territory in accordance with the Disaster Recovery Funding Arrangements under which these grants have been made available. For the purpose of these guidelines, the event is: [insert Disaster reference here: e.g. NSW Storms and Floods from 10 March 2021 (AGRN 960)]

Eligible separate business means a separate *small business* owned by the same *small business* owner that would be a commercially viable and autonomous business if the other separate businesses operated by the eligible entity ceased to operate.

Evidence of direct damage (as required for Tier 1 payments) is the information applicants must provide at the point of application demonstrating the direct damage associated with the *eligible disaster*. This may include:

- a. Photographs clearly showing damage to the property with a brief explanation of what they are showing contained in the title or name; or
- b. Information that demonstrates the financial impact of the damage, such as quotations, damage assessments, invoices or receipts. This information must include the name, address, date and ABN (if applicable) of the entity that has issued the quote, assessment, invoice or receipt with information clearly identifying the work required.

In circumstances where direct disaster related damage is unable to be photographed or other information (such as receipts) are not available, the [administering agency] may request other evidence to assess and determine claims. The appropriateness of this information will be considered and [the administering agency] may request the applicant provide further information to inform itself of an applicant's eligibility.

Evidence of payment (as required for Tier 2 payments) means:

- a. tax invoice(s) showing full details of the goods or services provided. The goods and services described on each invoice must be clearly identifiable having been paid by the applicant and being related to damage from the *eligible disaster*; and
- b. *evidence of payment* for these tax invoices. A copy must be provided of an applicant's bank transfer(s) and/or bank statement(s) with any relevant *official receipt(s)* from suppliers or contractors.

Non-profit organisation means an incorporated charity or not-for-profit entity which is registered with the Australian Charities and Not-for-profits Commission (ACNC) or an equivalent state/territory regulatory body.

Official receipt means a receipt including the name and address and ABN (if applicable) of the entity that issued the receipt and a description of each item to which the receipt relates.

Reinstatement means the carrying out of activities that are necessary to help the *small business* or *non-profit organisation* to continue/resume normal trading or production as soon as possible following an *eligible disaster*.

Small business is a business, other than a primary production enterprise that:

- a. employs fewer than 20 full-time employees. That is, the sum total of all standard hours worked by all employees (whether full-time or part-time) is less than the number of standard hours which would be worked by 20 full-time employees, as defined by the Australian Bureau of Statistics; or
- b. if operated by a sole trader and the business has no employees other than the sole owner, the applicant must derive at least 50 per cent of their income from the business unless they can satisfy the administering agency that the sole trader, immediately before an *eligible disaster*, derived at least 50 per cent of income from the business and that at least 50 per cent of income from the business and at least 50 per cent of the sole trader's income would have come from the small business again, were it not for the *eligible disaster*.