# Navigating Public Assistance for the Arts & Culture Sector

A webinar for Vermont arts organizations and cultural institutions

**View the recording here:** https://youtu.be/b8t8RRsJ0Ww

**This document includes:**

- The Q&A from the webinar, with expanded responses
- SBA Disaster Loan Documentation Requirements (PDF p. 5)
- Quick Guide to creating a Public Assistance (PA) Grants Portal user account and submitting a Request for Public Assistance (RPA) (PDF p. 6)
- SBA News Release – Physical Disaster Loan deadline extension to October 12 (PDF p. 11)

On August 31, 2023, the Heritage Emergency National Task Force presented a webinar requested by the Vermont Arts & Culture Disaster and Resilience Network (VACDaRN) to help Vermont cultural institutions and arts organizations recover from damage caused by the July 7–17, 2023, severe storms, flooding, landslides and mudslides.

Federal funding through FEMA's Public Assistance (PA) program is available for the arts and culture sector. The webinar helps demystify the PA process and explain how funding can help organizations recover. It explains:

- The PA process as it applies specifically to the arts and culture sector.
- Why you need to apply for a U.S. Small Business Administration (SBA) loan before applying for FEMA Public Assistance.
- The assistance available through SBA.
- Measures you may have taken, or plan to take, that may be eligible for reimbursement through FEMA PA.
- Deadlines for applying for aid:
  - SBA – ~~Sept. 12~~ extended to October 12
  - FEMA PA – October 12
- Points of contact to answer any questions as you apply for PA funding.

## Speakers

Lori Foley, Heritage Emergency National Task Force (HENTF); fema-hentf@fema.dhs.gov
Timothy Baker, FEMA Public Assistance (PA); timothy.baker@fema.dhs.gov
Carl Dombek, U.S. Small Business Administration (SBA); carl.dombek@sba.gov
Ben Rose, Vermont Emergency Management (VEM); ben.rose@vermont.gov
Rachel Onuf, Vermont Arts & Culture Disaster and Resilience Network (VACDaRN); rachel.onuf@vermont.gov

## Q&As

**Q:** A PNP MUST take/exhaust offered SBA loans before being eligible for any FEMA support, correct?

**A:** FEMA is the Funding source of last resort. A non-critical PNP must file an Insurance Claim and show receipt of insurance money, or a letter form the insurance company stipulating that the damages do not qualify. Additionally, the non-critical PNP must apply for an SBA loan. The PNP will submit the

application to SBA, along with the required financial documentation. The SBA will issue a letter stating the PNP is approved or not.

*Apply for the loan; if denied, submit the letter to PA. If found unable to repay the loan and officially denied for that reason, submit the letter to PA. If approved for the loan, take the loan, let it sit interest free for 12 months, and if ultimately found not to be needed, repay it and come out even.*

Then, when applying to FEMA, the PNP most likely will be eligible for the PA program, but the request for FEMA reimbursement would consider the amount of the insurance claim plus the SBA loan, to reconcile the potential remaining shortfall of funding to repair the PNP facility. Eligibility of any shortfall is reviewed on a case-by-case basis.

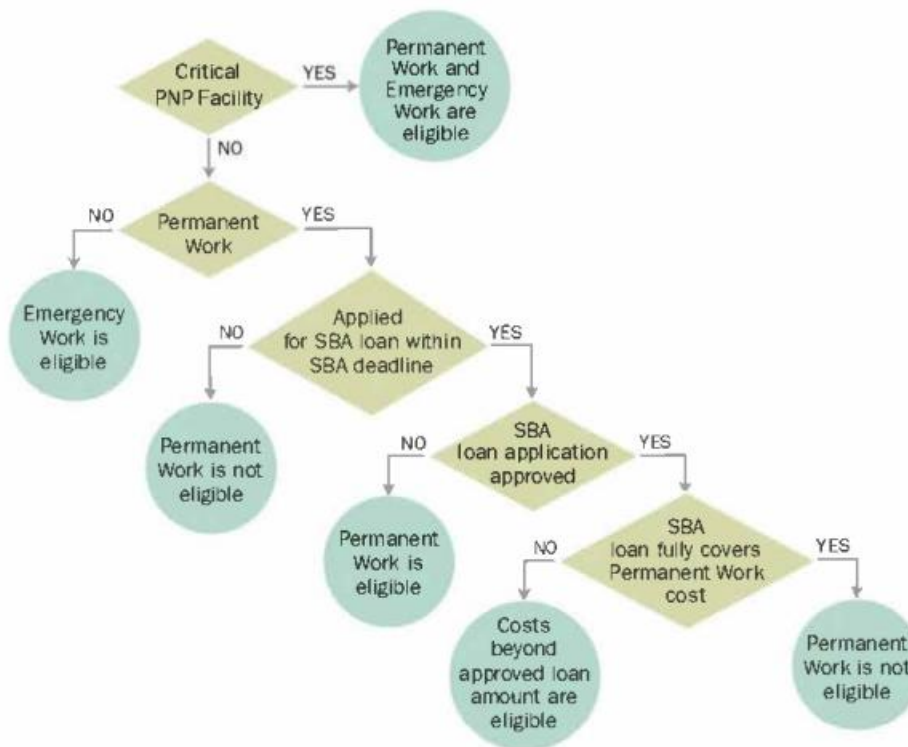*The following graphic appears on page 58 of the* Public Assistance Program and Policy Guide:



**Figure 8. SBA Loan Outcomes**

**Q:** What is the difference between a loan for physical damage and one for economic injury?

**A:** They're assessed differently. The interest rates are the same, the repayment terms can be the same, up to 30 years. Assessing the physical damage is a matter of estimating that it will cost "x" number of dollars to repair or replace disaster-damaged things: real estate, machinery and equipment, furniture and fixtures, inventory. For economic injury, it's a matter of estimating how many dollars it will take to keep our operating expenses current until things get back to normal.

**Q:** Does economic injury include loss of income from a loss of revenue?

**A:** No, it does not replace lost revenue, nor does it replace lost profits. It's intended to provide sufficient working capital to ensure you can keep your ordinary and necessary operating expenses current until conditions return to normal.

**Q:** Can you clarify if you must take and use the SBA loan or just get a loan determination letter? Can you get the SBA loan approved and then deny it (within the 60-day SBA loan window) and still be eligible for FEMA relief?

**A:** If the loan is offered, you most likely would have to take it. As is the same with insurance, FEMA will deduct the insurance proceeds and the SBA loan amount, to see the final eligible amount. It will be a case-by-case basis. We exist to get you back to where you were pre-disaster.

**Q:** Is there a 12-month period where SBA loan payments are not due?

**A:** That is correct. The first payment is due one year from the first disbursement, and during that time, interest does NOT accrue. Essentially, you can use that money free for a year. Terms are up to 30 years, 348 payments (first year deferred); you can consider it a 30-year loan. Our interest rate for private nonprofits is 2.375% and, if you can pay that off earlier, there is no pre-payment penalty. We can go up to $2 million for physical damage, economic injury, or a combination of the two. We strongly encourage applying in-person at a Business Recovery Center.

**Q:** What is the average turnaround time for an SBA application after it has been submitted?

**A:** After we have all the documents, 2–3 weeks. In some cases, the last document to arrive is the Board of Directors Resolution, and we must have that and all other required documents before we can move forward.

*For the list of required documents for applying for an SBA Disaster Loan, see the attached document.*

**Q:** Do you have to competitively procure the architect or engineer to get the estimate for repairs?

**A:** You have to procure it, but you need to pick an architect who's going to understand your building, that's licensed in the state, and has a timeframe that will work for you. When we say competitive, it's different than the lowest bidder for your construction repairs. We can provide a bid tabulation sheet. It allows you to score your contractors such as architects and engineers as well as your contractors for repair.

Every Public Assistance applicant must comply with 2 CFR federal compliance. It's fairly easy for state agencies: you follow the state procurement policy. For non-state entities, you follow your own procurement policy. Your own procurement policy may have provisions for exigent or emergency procurement. In other words, there may be a carve-out within your own procurement policy as to what you do on a rainy day. If you expect a project to go above $250K for permanent repairs, you absolutely must go out to competitive bid because the $250K is a threshold that triggers more procurement review.  If you're doing procurement deemed to be exigent, in other words, time is of the essence, you have the option of abridging the procurement process. Under your own procurement policy, you may have the option to do sole-source procurement with documentation. You may just need to record for your files, "Our board of directors discussed it and while we are aware of many contractors, we believe that this architect should be the selected one because we've worked with them, and we find that their proposal is cost reasonable."

**Q:** Is that sole source procurement process possible even above $250K?

**A:** You would need a very convincing argument to sole source above that. It would be heavily scrutinized. It would be in your best interest to avoid sole sourcing as much as possible.

**Q:** Because of the dollar value to private nonprofits for physical restoration of a facility, is there a trigger for ADA compliance at some dollar value?

**A:** There is no dollar value for compliance. We would like to see ADA compliance, but we're hoping some modifications that did not alter the building have been made. It's not a cost that triggers it. We want to make sure that if the public has access to the building, that it is ADA compliant. We have to look at historic buildings differently and ensure that ADA compliance is non-destructive.

**Q:** Can a library present a humidity control system, for example, as a 406 Hazard Mitigation project?

**A:** Yes, we'd want to look at what was damaged and how it was damaged, but cultural institutions should pursue 406 Hazard Mitigation opportunities to make their collections more resilient. We will be presenting that hazard mitigation aspect while we work with you.

Section 406 Hazard Mitigation can be added to any Permanent Work projects under FEMA Public Assistance, at FEMA's discretion. It is all described in the FEMA Public Assistance Program and Policy Guide in gory detail. In a nutshell, once FEMA assigns your Program Delivery Manager (i.e., your FEMA point of contact), they will schedule a Recovery Scoping Meeting to go through all the damages. At that time, ASK for 406 Hazard Mitigation assistance and support. Better yet, ask for what you want/need and it will be the FEMA person's job to figure out if it can be eligible.

*For additional information about Section 404 and Section 406 Hazard Mitigation Grants, see FEMA Hazard Mitigation Grants: 404 and 406 | FEMA.gov.*

**Q:** What about a library that is a private nonprofit which is able to use a firm already selected by the municipality? If the municipality went through competitive process would that be sufficient, even if the library is not part of the municipality?

**A:** If they're not part of the municipality, we wouldn't be able to consider it. If the municipality has already gone out on procurement, we can borrow and get it out into the public faster without the library needing to make it up all brand new. We'd be able to use a lot of the verbiage when they put it out for bid to save some time.

**Q:** How do I get an account in Grants Portal to register for Public Assistance?

**A:** Go to the Grants Portal home page at https://grantee.fema.gov/, then click "Register your Organization and Request Public Assistance."

*To set up a Grants Portal account and request Public Assistance, see the attached Public Assistance Applicant Quick Guide.*

# SBA DISASTER LOAN DOCUMENTATION REQUIREMENTS
## Non-Profit Organizations, Churches and Associations

1. **Articles of Incorporation***

2. **By-Laws**

3. **Charter, if applicable**

4. **Board of Directors Resolution giving approval to apply to the SBA for disaster loan. (This requirement may be provided subsequent to the offer of a loan).**

5. **Complete copies of the organization's most recent non-profit tax returns <u>OR</u> a copy of the organization's IRS tax-exempt certification and complete copies of the organization's three most recent years operating results.**

6. **A current Balance Sheet and Operating Statement dated within 90 days of the application.**

7. **Name and address of all officers, trustees, and directors**

8. **Organization affiliation, if any.**

9. **Name, address, and phone numbers of all insurance companies providing coverage at the date of the disaster along with all policy numbers, copies of policy coverage pages and recovery settlements to date, if any**

10. **Specifics of all disaster related grants and/or funds received from FEMA**

*If incorporated

## Additional Information needed for Churches

1. **Complete copies of organization's most recent non-profit tax returns (or a copy of the exempt filing form showing 501(c)(3) status) and complete copies of the organization's three most recent year's income statements.**

## Additional Information for Condo and Other Owner Associations

1. **Complete copy of any Declaration of Condominium, Association, or Easement**

2. **Complete copy of association Conditions, Covenants, and Restrictions (CC&R's)**

3. **Master deed for common areas containing area legal description unless legal description is included within above documents**

4. **List of names and addresses for all unit owners**

5. **Complete copy of the master insurance policies in effect as of the date of the disaster along with copies of recovery settlement information received to date.**

6. **Documentation of any special assessments approved by the organization related to disaster repairs.**

Documentation should be sent to: **SBA, 14925 Kingsport Rd., Fort Worth, TX 76155**

# Grants Portal Account and Request for Public Assistance

## Public Assistance Applicant Quick Guide

This Quick Guide explains the steps an **Applicant** must take in creating a Public Assistance (PA) **Grants Portal** user **accounts** and submitting **Requests for Public Assistance** (RPA). RPAs submitted by the Applicant will follow standard review processes by the Recipient and FEMA. The Applicant will be able to view their RPA status in Grants Portal.

FEMA uses the term Recipient and Applicant throughout this document. In Grants Portal, Recipients are identified as Grantees and Applicant are identified as Subrecipients.

## Methods for Account Setup and RPA Submission

Grants Portal currently allows for a variety of methods to set up accounts and submit RPAs. As identified, some options are only available to Applicants of COVID-19 Declarations that are not Private Non-Profit (PNP) Applicants or tribes.

**For an Applicant without a Grants Portal Account:**
- ☐ An Applicant can create an account and submit an RPA directly through Grants Portal *(COVID-19 Declarations only and not available to PNPs or tribes)*
- ☐ An Applicant can request an account from the Recipient
- ☐ An Applicant can request an invitation from the Recipient to create an account

**For an Applicant with existing Grants Portal Accounts:**
- ☐ An Applicant can submit an RPA directly through Grants Portal
- ☐ An Applicant can request an RPA is submitted by the Recipient on their behalf

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**Recipients**
are states, tribes, or territories that receive and administer Public Assistance Federal awards

**Applicants**
are state, local, tribal, or territorial governments or private non-profit entities that submit requests for assistance under a Recipient's Federal
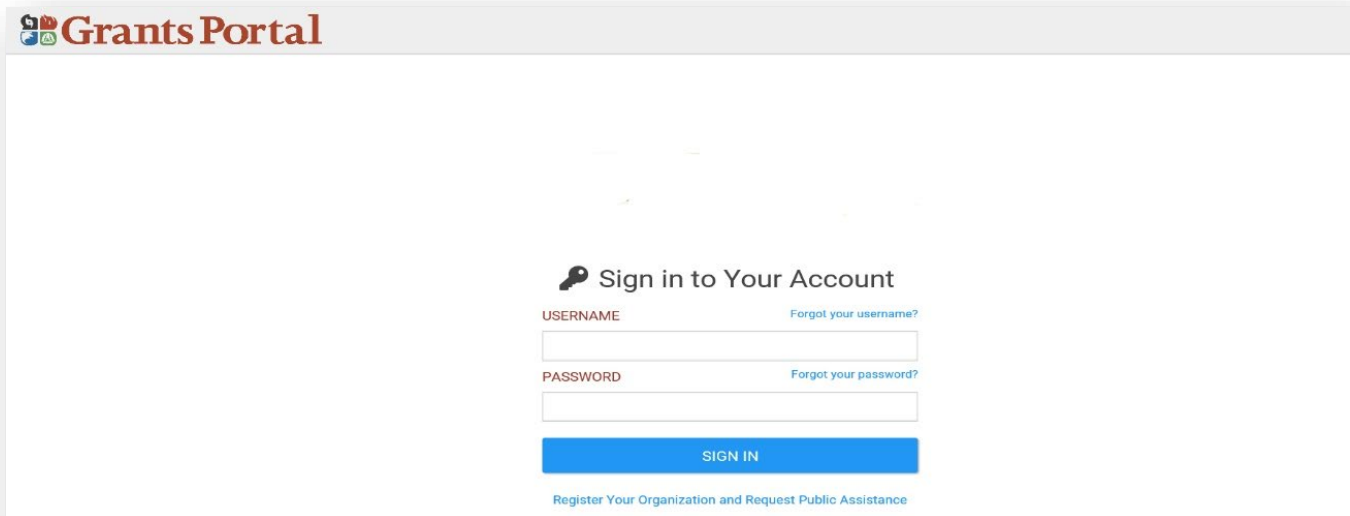
**Grants Portal**
is the system used by Recipients and Applicants to manage PA grant applications.

## Actions for an Applicant <u>without</u> Existing Grants Portal Accounts
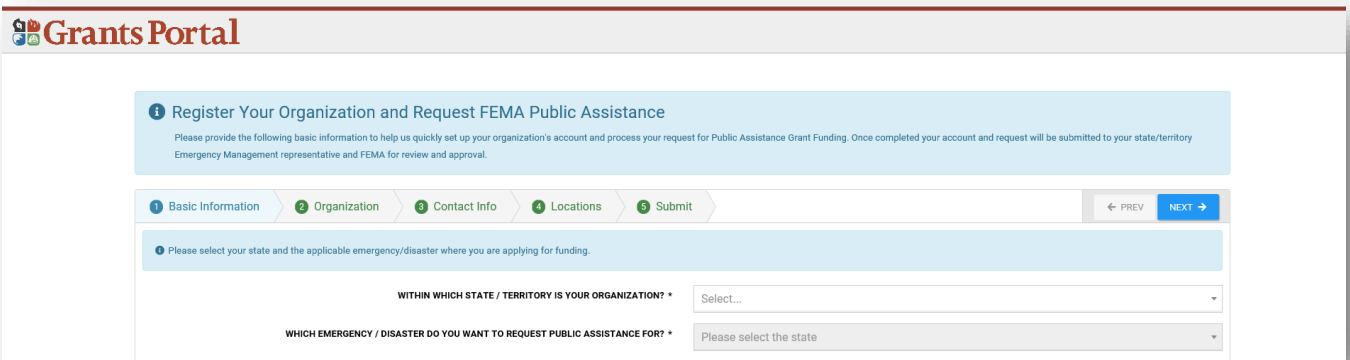
This section describes actions that can be taken by an Applicant who does not currently have account access to Grants Portal.

☐ **To Create an Account and Submit an RPA via Grants Portal (COVID-19 Declarations only and not available to PNPs)**

  o The Applicant goes to the Grants Portal home page at https://grantee.fema.gov/ where they can click "Register your Organization and Request Public Assistance"



  o The Applicant is then prompted to fill in basic information about the organization, contact information, and location and then submits the form for Recipient review.



  o After the Applicant completes the account request and the Recipient and FEMA have approved the request, the Applicant receives a system-generated email with a username and temporary password to gain access to Grants Portal.
  o The system will then prompt the Applicant to create a permanent password.

- Once the Applicant has access to Grants Portal, they can choose to follow the instructions below to either Submit an RPA Directly (in the system) or Submit an RPA through the Recipient:

☐ **An Applicant can Request an Account from the Recipient:**
- A new Applicant may initiate the process by contacting their Local Emergency Management Department or State/Tribal/Territorial Emergency Management representative.
- After contacting the Recipient, the Applicant will be asked to provide the following information:
  - ☐ Applicant Name
  - ☐ County
  - ☐ EIN Number and DUNS Number
  - ☐ Org Type
  - ☐ Primary/Alternate Contact (Name, Title, Phone, Email)
  - ☐ Physical/Mailing (Address, City, State, Zip)
- After providing the requested information, the Recipient will create the account for the Applicant, and the Applicant will receive a system generated email with a username and temporary password.
- The Applicant should follow the instructions provided via the email and use the provided username and temporary password to log into Grants Portal for the first time.
- The system will then prompt the Applicant to create a permanent password. Once accepted the Applicant will be able to log into the system.
- Once the Applicant has access to Grants Portal, they can choose to follow the instructions below to either Submit an RPA Directly (in the system) or Submit an RPA through the Recipient:

☐ **An Applicant can Request an Invitation from the Recipient to Create an Account** T
- A new Applicant may initiate the process by contacting their Local Emergency Management Department or State/Tribal/Territorial Emergency Management representative and providing basic contact information.
- The Recipient sends system-generated invitations by providing basic contact information about the Applicant's organization in the system.
- The Applicant receives an email with a username, temporary password, and instructions for creating its account.
- The Applicant will go to Grants Portal using the instructions provided via the email and enters the username and temporary password to log into Grants Portal for the first time.
- The system prompts the Applicant to create a password. Once completed the Applicant will log into the system with their newly created password.
- Once the Applicant has access to Grants Portal, they will be prompted to complete their Organizational Profile and account
- The Applicant can choose to follow the instructions below to either Submit an RPA Directly (in the system) or Submit an RPA through the Recipient:

# An Applicant with Existing Grants Portal Accounts

This section describes how an Applicant who already has Grants Portal accounts may submit RPAs: Directly through Grants Portal, or through the Recipient.

- ☐ **An Applicant can Submit an RPA Directly through Grants Portal**
  - o The Applicant logs into Grants Portal and selects "Click here to submit a RPA for your organization" on the Dashboard.



  - o Submit the form using the wizard, completing all required information
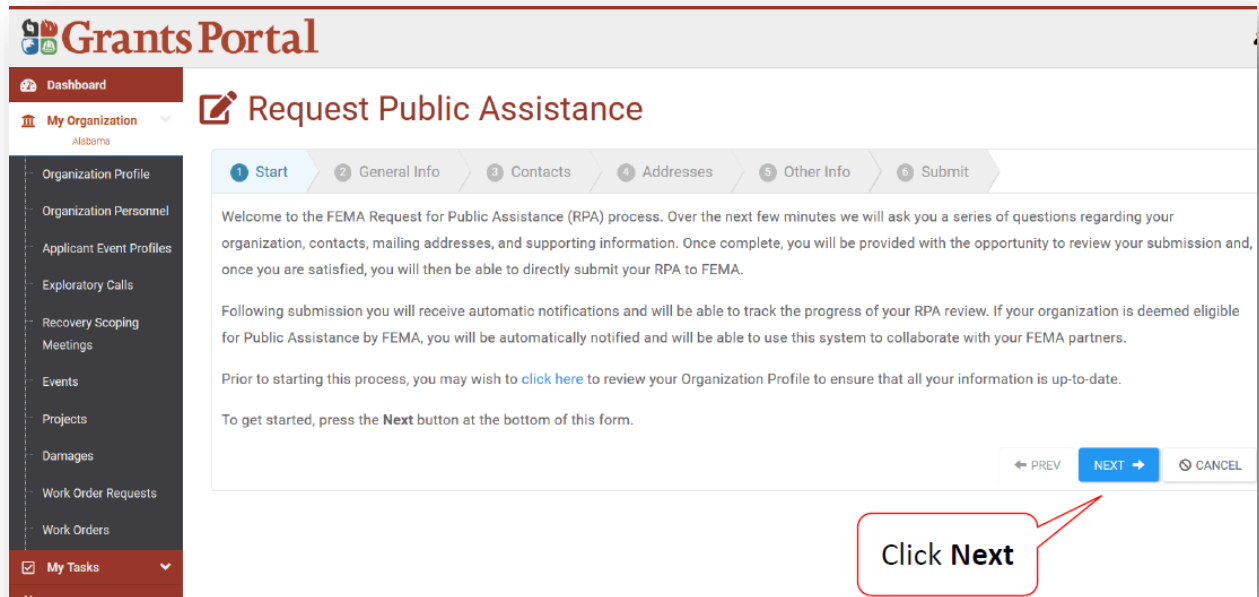
- o When finished, click "Submit."
- o Once submitted, the RPA goes to the Recipient for review. The Applicant can view the status of their RPA in Grants Portal.



□ **Applicant can request an RPA is submitted by the Recipient on their behalf**
- o The Applicant provides the Recipient with the following information:
  - □ Type of Organization
  - □ Primary/Alternate Contact (Name, Title, Phone, Email)
  - □ Physical/Mailing (Address, City, State, Zip)
  - □ Participated in PDA? (Y/N) (Not required for COVID-19 Declarations)
  - □ If Applicant is a PNP was the PNP questionnaire completed? (Y/N)
  - □ If the Applicant is a PNP enter Damaged Facility Information (Name, Location, Primary Purpose, Critical (Y/N), Facility Fee (Y/N), In Use (Y/N), Damaged (Y/N), Owned/Legally Responsibility of Applicant (Y/N), Insured (Y/N), Additional Comments)
- o This information populates the RPA template and the Recipient submits the RPA on behalf of the Applicant.
- o Once submitted, the RPA goes to the Recipient for review. The Applicant can view the status of their RPA in Grants Portal.

The *Applicant Quick Guide* series is a set of documents that explain the roles and responsibilities of Applicants in key steps in FEMA's Public Assistance Program delivery process. Read more about Public Assistance Program delivery in the Public Assistance Program and Policy Guide, and other resources available on Grants Portal.

# Disaster Field Operations Center East

## SBA Extends Deadline to Oct. 12 for Vermont Businesses and Residents to Apply for Physical Disaster Loans for July Storms and Floods

**ATLANTA** – The U.S. Small Business Administration (SBA) announced today that it has extended the deadline for survivors of the July severe storms and flooding to file their applications for disaster loan assistance. Survivors in all declared Vermont counties will now have until **Oct. 12, 2023** to apply for federal disaster loans for physical damages that occurred from July 7 through July 17.

Business owners, homeowners, renters and private nonprofit organizations affected by the flooding should first register with the Federal Emergency Management Agency (FEMA) at DisasterAssistance.gov. Then, they should complete and submit an SBA disaster loan application.

The disaster declaration covers Caledonia, Chittenden, Lamoille, Orange, Orleans, Rutland, Washington, Windham, and Windsor counties in **Vermont** which are eligible for both Physical and Economic Injury Disaster Loans from the SBA. Small businesses and most private nonprofit organizations in the following adjacent counties are eligible to apply only for SBA Economic Injury Disaster Loans (EIDLs): Addison, Bennington, Essex, Franklin, Grand Isle, and Orleans in **Vermont**; Franklin in **Massachusetts**; Cheshire, Grafton, and Sullivan in **New Hampshire**; and Clinton, Essex, and Washington in **New York**.

Disaster survivors with insurance should not wait for their settlement before applying to the SBA. The SBA can make a loan for the total loss and use insurance proceeds to reduce or repay the loan.

Businesses and private nonprofit organizations of any size may borrow up to $2 million to repair or replace disaster-damaged or destroyed real estate, machinery and equipment, inventory, and other business assets.

For small businesses, small agricultural cooperatives, small businesses engaged in aquaculture and most private nonprofit organizations, the SBA offers Economic Injury Disaster Loans (EIDLs) to help meet working capital needs caused by the disaster. Economic Injury Disaster Loan assistance is available regardless of whether the business suffered any physical property damage.

Disaster loans up to $200,000 are available to homeowners to repair or replace disaster-damaged or destroyed real estate. Homeowners and renters are eligible for up to $40,000 to repair or replace disaster-damaged or destroyed personal property.

Interest rates are as low as **4** percent for businesses, **2.375** percent for nonprofit organizations, and **2.5** percent for homeowners and renters, with terms up to 30 years. Loan amounts and terms are set by the SBA and are based on each applicant's financial condition.

Applicants may apply via SBA's secure website at https://disasterloanassistance.sba.gov/ela/s/ and should apply under SBA declaration **# 18016.**

To be considered for all forms of disaster assistance, applicants should register online at DisasterAssistance.gov or download the FEMA mobile app or call the FEMA toll-free helpline at 800-621-3362 or 7-1-1 to access telecommunications relay services.

Disaster loan information and application forms can be obtained by calling the SBA's Customer Service Center at 800-659-2955 (if you are deaf, hard of hearing, or have a speech disability, please dial 7-1-1 to access telecommunications relay services) or sending an email to DisasterCustomerService@sba.gov. Loan applications can be downloaded from sba.gov/disaster. Completed applications should be mailed to U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

The filing deadline to return applications for physical property damage is **Oct. 12, 2023**. The deadline to return economic injury applications is **April 15, 2024**.

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**About the U.S. Small Business Administration**
*The U.S. Small Business Administration helps power the American dream of business ownership. As the only go-to resource and voice for small businesses backed by the strength of the federal government, the SBA empowers entrepreneurs and small business owners with the resources and support they need to start, grow or expand their businesses, or recover from a declared disaster. It delivers services through an extensive network of SBA field offices and partnerships with public and private organizations. To learn more, visit www.sba.gov*.