

Frequently Asked Questions - DRFA Grants - Small Business

North & Far North Queensland Monsoon Trough, 25 January - 14 February 2019

QRIDA provides assistance under the joint Commonwealth and State Government funded Disaster Recovery Funding Arrangements 2018 to eligible non-profit organisations. Disaster events activated for grants assistance include:

Eligible disaster	Defined disaster area
North and Far North Queensland Monsoon Trough, 25 January - 14 February 2019	<ul style="list-style-type: none">• Charters Towers Regional Council• Cloncurry Shire Council• Etheridge Shire Council• Flinders Shire Council• McKinlay Shire Council• Richmond Shire Council• Townsville City Council

In response to the **North & Far North Queensland Monsoon Trough, 25 January - 14 February 2019**, QRIDA is providing assistance under the joint Commonwealth and State Government funded Disaster Recovery Arrangements 2018 to eligible small businesses.

Grants under this scheme are available to help eligible applicants clean-up and reinstate their small business, by paying for costs arising out of direct damage caused by the disaster event.

An Exceptional Circumstances Grant up to a maximum of \$50,000 is available to assist eligible small businesses.

- **Initial grant** amounts to assist you with cleaning and reinstatement costs immediately following the disaster event - up to a total of **\$25,000**; and
- **Subsequent grant** amounts to assist you with additional cleaning and reinstatement costs - up to a further **\$25,000**.

A total of \$50,000 in assistance is available under the Scheme.

(1) Assistance available

(a) Can I apply and receive initial grant assistance up to \$25,000 if my business has insurance but I am unclear as to whether I will be covered for the disaster event? Can I apply and receive initial grant assistance up to \$25,000 if I have flood insurance but it is still being assessed?

Yes, in both cases. Businesses that have insurance can apply immediately for and receive payment up to the \$25,000 initial grant limit, to meet any eligible costs of clean-up and reinstatement prior to their insurance assessment.

In addition, QRIDA will consider including the insurance excess cost up to the initial grant limit of \$25,000, subject to evidence being provided of the damage sustained, the cost to repair the damage, and a copy of insurance policy confirming excess amount.

If after insurance is finalised and the business owner identifies that some items claimed under the initial grant have been paid for by insurance, that portion of costs should be repaid to QRIDA to avoid over payment.

If applying for assistance beyond the initial \$25,000 grant, you will need to provide evidence of damage, tax invoices and proof of payment including that insurances have been finalised.

(b) What do I need to provide with my initial grant application?

Initial grant applications are designed to provide assistance with cleaning and reinstatement costs immediately following the disaster event, up to a total of **\$25,000**. Applicants must provide evidence of the direct damage, including photographs, estimates and quotations. Tax invoices and official receipts should be supplied if available. For claims over the **initial grant** amount of **\$25,000**, full evidence of payment for clean-up and reinstatement costs will be required for all grant funds received (i.e. including the initial **\$25,000**).

(c) What do I need to provide with my subsequent grant application?

You will need to provide evidence that all amounts claimed to date have been fully paid. This includes the amounts provided under your initial claim if they have not already been provided.

Evidence of expenditure / payment to be provided is as follows:

- copies of tax invoices **must** include full details of the goods and services supplied and clearly identifiable as being related to damage from the eligible disaster; and
- where the value of the Disaster Assistance Grant has exceeded \$25,000, evidence of payment must be provided for all grant funds received. Copies of tax invoices **AND** evidence that these invoices have been paid (e.g. bank statements or electronic bank transfer confirmations).

(d) I have no photographic evidence of the damage caused to my business. How do I demonstrate my eligibility for the initial \$25,000 grant?

In the absence of photographic evidence, you may still apply and provide quotes or tax invoices that can be identified as related to the disaster event. If further evidence is required, QRIDA will make contact to discuss your circumstances. Photographs taken using

a smartphone are generally eligible.

(e) I operate a developing small business which currently is not my main source of income but has suffered damage as a direct result of the disaster event. Is my small business eligible for assistance?

If your business was developing at the time of the disaster and will generate the majority of your income in the short-to medium term, you may be eligible for assistance. In these cases, please contact QRIDA to discuss.

Should you seek to apply, QRIDA will generally require financial information (financial statements, management records and tax returns etc.). Your business plan and forecast cashflows will assist to demonstrate how and when your small business will represent your main source of income.

(f) How many times can I claim for assistance?

You can submit one claim application for all items of expenditure on completion and payment of works. Alternatively, multiple applications can be lodged for the **initial grant** – up to a total of **\$25,000**. You can also lodge multiple applications for the **subsequent grant** as your clean-up and reinstatement works are progressively completed and paid for – up to a total of **\$25,000** (maximum total of **\$50,000** for combined initial and subsequent grants). Keep in mind that when your claim exceeds \$25,000, evidence of payment must be provided for all funds received to-date (i.e. evidence of payment from the first dollar received).

(g) Can I request that grant funds be paid into any bank account I choose to nominate?

No. Grant funds must be paid into a bank account in the same name as your application or trading entity. For example, if your enterprise operates as a partnership, grant funds can only be paid into your partnership account.

(2) Eligible costs

(a) My business has suffered a loss of trade as a result of the disaster. Can I apply for assistance to cover loss of income?

No. Loss of income is not eligible under the scheme. This assistance is available to help with costs of clean-up and reinstatement caused by direct damage from the disaster event.

If your small business has been impacted indirectly from the disaster, but has suffered a significant loss of income as a result of an eligible disaster, you may be eligible to apply for a Disaster Assistance (Essential Working Capital) loan of up to \$100,000.

For information on the Disaster Assistance (Essential Working Capital) Loans Scheme click [here](http://www.qraa.qld.gov.au/current-programs/Disaster-recovery/natural-disaster-assistance-essential-working-capital) (<http://www.qraa.qld.gov.au/current-programs/Disaster-recovery/natural-disaster-assistance-essential-working-capital>)

(b) I've used my own equipment to repair damage. Can I claim costs in relation to this?

You are not able to claim assistance for the use of your own equipment, for example dry hire or the cost of your own labour.

You may however claim for any additional labour or fuel, oil and other costs incurred in the use of this equipment. Fuel, machinery and operator costs incurred as a result of the eligible disaster can be detailed using the Fuel Calculator Schedule within the application form.

(c) Can I use the assistance to claim the cost of regular wages for my existing employees during the immediate clean-up and reinstatement phase?

Yes, if the business was forced to close as a result of the flood damage and the premises needed to be cleaned up and / or relocated to new premises, the wages of permanent employees used for that immediate clean-up or relocation work are eligible.

You can also use the assistance to help cover the cost of additional employees required for immediate clean-up and reinstatement activities.

The payment of wages to employees beyond the initial clean-up or relocation work is not eligible under the scheme.

(d) Can I use the assistance to purchase items not owned at the time of the disaster to undertake repair work?

Yes. The assistance is available for the purchase (or hire or lease costs) for equipment essential to the immediate resumption of small business activities (i.e. high-pressure cleaning equipment).

The purchase price of a generator will not be eligible for grant funding. However, if the generator was purchased after the disaster event, QRIDA will consider reimbursing the equivalent costs associated with hiring such a generator for the period without power.

If you consider a purchased item is essential for the immediate resumption of your operation, you should provide full details of this to QRIDA for consideration.

(e) Replacing essential stock is an eligible cost for small businesses. What qualifies as essential stock?

Essential stock are items required for the immediate use in, or by the business. For example, if you operate a café/restaurant and foodstuffs have spoiled throughout the disaster event, you may be eligible to claim replacement of these goods provided that sufficient evidence of damage is provided. If in doubt, you should detail these items in your application for assessment by QRIDA.

(f) A family member has their own contracting business. Can I engage them to repair our damage?

You are able to engage relatives to repair your damage so long as transactions are retained at arm's length and conducted in the same way as with any other contractor. Any contractors used must have an ABN and provide a tax invoice and official receipt for work completed. QRIDA may request additional information in these circumstances to confirm the validity of the claim.

(g) I operate a home-based small business and do not employ anyone. Can I claim for repairs to my home to re-establish work spaces, amenities and equipment?

Yes, However, you will need to provide satisfactory evidence of damage to this work area and that the business generates the majority of your income.

(h) To resume my disaster affected operation I will need to operate from an alternate location. Can I claim for the lease or rent of temporary premises?

Yes. However, you will need to provide satisfactory evidence of damage to your premises evidencing that you are unable to conduct your operations from that site and of costs associated with leasing or renting the temporary premises.

(i) I earn the majority of my income from rental properties. Can I claim for assistance to make repairs to my properties?

Yes. Applicants who let-out properties and earn the majority of their income from this may be eligible to apply as a small business. Should you wish to apply for assistance on this basis, QRIDA will require details of your financial position to confirm your eligibility.

Superannuation funds and personal investment vehicles are not regarded as a business and therefore are not eligible for assistance under the scheme.

(j) I lease a small business premises which suffered structural damage and I have also lost my own stock and chattels. Can I claim for assistance?

Yes. You can claim for the loss of stock and chattels that you own, however depending on your lease agreement, the landlord may be responsible for the structural repairs. In this case, you would not be eligible to claim for the cost of these repairs. To assess your eligibility for costs related to leased premises, a copy of the signed lease agreement is to be provided to QRIDA.

(k) I have not sustained direct damage but have lost stock due to a power outage caused by the disaster. Can I claim for the loss of this stock?

Small businesses may be eligible for assistance under these circumstances for the loss of perishable items only, however this would depend on any insurance claim. Evidence of the loss of the perishable items (i.e. photographs and confirmation of the power outage) is required for QRIDA to assess your eligibility.

(3) General eligibility

(a) Is GST included in any payment received?

No. If you are registered for GST, the GST component on your invoice(s) should be claimed once you complete your Business Activity Statement (BAS). You will receive a 'payment advice' and approval letter from us if your application is successful. Please retain as a record for taxation purposes.

If you are NOT registered for GST and therefore unable to claim the GST portion from the Australian Tax Office (ATO), QRIDA will consider reimbursement of the GST inclusive amount on your invoice/s. However, please note that for a small business to be eligible under the scheme, it must represent your main source of income.

(b) Can the assistance be subject to later audit?

Yes. QRIDA may conduct an audit to verify the assistance has been used in accordance with the claim. Applicants must retain all evidence of expenditure associated with their claim until 12 months after the closing date for the scheme.

Penalties apply for providing false or misleading information in applications under the *Rural and Regional Adjustment Act 1994* or the *Criminal Code ACT 1899 (Qld)*.

(4) How do I apply?

Applications can be made:

- By emailing your scanned completed application form and supporting documentation to QRIDA at contact_us@qrda.qld.gov.au (mailto:contact_us@qrda.qld.gov.au). Your total email message size should be under 8MB. If your email size exceeds 8MB you can send your documentation in across multiple emails. If you are unsure, please contact us on Freecall 1800 623 946 to confirm receipt.
- By posting your completed application form and supporting documentation to QRIDA.

Has your question been answered?

If you require further assistance, please contact QRIDA on:

Phone: **Freecall 1800 623 946**

Email: contact_us@qrda.qld.gov.au

Post: GPO Box 211, Brisbane, QLD, 4001