

# Disaster Recovery Resources

## What did SCORE do in the wake of Hurricanes Katrina and Rita?

Local SCORE chapters did their part to help in the relief effort. Atlanta SCORE helped entrepreneurs by providing 7-day-a-week business counseling at three major evacuee centers outside Atlanta. Many other chapters, including Mobile SCORE and Baton Rouge SCORE, increased their services.

More than 45 SCORE online counselors provide expert advice in the area of disaster preparedness and recovery. In addition, every SCORE chapter received print ads that describe how SCORE can help small businesses recover from disaster. These ads could be customized with the chapter's contact information and published in local newspapers. For disaster-related resources, guides and links, visit the SCORE Web site at [www.score.org](http://www.score.org).

## What resources or links does SCORE offer online?

The SCORE Web site, [www.score.org](http://www.score.org), provides several important links for small business owners affected by disaster. These include:

### Homepage Links

- U.S. Small Business Administration (SBA) Disaster Assistance: [www.sba.gov/disaster\\_recov](http://www.sba.gov/disaster_recov)
- Federal Emergency Management Agency (FEMA) Application for Assistance: [www.fema.gov/register.shtm](http://www.fema.gov/register.shtm)
- Ask SCORE Online Business Advice: [www.score.org](http://www.score.org)

### SCORE How To Links

In addition, SCORE's Learning Center offers full-length articles and tips on disaster planning, insurance and more at [www.score.org/learning\\_center.html](http://www.score.org/learning_center.html).

- Disaster Insurance: [www.score.org/da\\_1.html](http://www.score.org/da_1.html)
- Crisis Planning: [www.score.org/da\\_2.html](http://www.score.org/da_2.html)

## What SBA loans are available to businesses affected by disasters?

The SBA offers loans up to \$200,000 to repair disaster damaged primary residences. Homeowners and renters are eligible for loans up to \$40,000 to replace personal property such as furniture and clothing. Loans to businesses of all sizes and nonprofit organizations are available up to \$1.5 million to repair damage to real estate, machinery, equipment and inventory. Economic Injury Disaster Loans (EIDLs) are also available to small businesses unable to pay bills or meet operation expenses. Residents and business owners in the affected areas can begin the disaster application process by registering online with FEMA at [www.fema.gov](http://www.fema.gov) or by calling 1-800/621-3362 or 1-800/462-7585 (TTY) for the hearing and speech impaired.

## What are the SBA loan eligibility restrictions?

Only uninsured or otherwise uncompensated disaster losses are eligible. Any insurance proceeds that are required to be applied against outstanding mortgages are not available to fund disaster repairs and do not reduce loan eligibility. However, any insurance proceeds voluntarily applied to any outstanding mortgages do reduce loan eligibility. Secondary homes, personal pleasure boats, airplanes, recreational vehicles and similar property are not eligible, unless used for business purposes. Property such as antiques and collections are eligible only to the extent of its functional value. Amounts for landscaping, swimming pools, etc. are limited. Applicants who have not complied with the terms of previous loans are not eligible. This includes prior borrowers who did not maintain required flood insurance.

### **What are the insurance requirements for SBA disaster loans?**

To protect each borrower and the SBA, all borrowers are required to obtain and maintain appropriate insurance. Borrowers of all secured loans (physical loans more than \$10,000 and economy injury loans more than \$5,000) must purchase and maintain full hazard insurance for the life of the loan. Borrowers whose property is located in a special flood hazard area must purchase and maintain flood insurance for the full insurable value of the property for the life of the loan.

### **How can I learn more about FEMA online registration form?**

Register online: FEMA Application for Assistance at [www.fema.gov/register.sthm](http://www.fema.gov/register.sthm).  
FEMA Guide for Individuals/Households in English or Spanish:

- [www.fema.gov/pdf/about/process/help\\_after\\_disaster\\_english.pdf](http://www.fema.gov/pdf/about/process/help_after_disaster_english.pdf).
- [www.fema.gov/pdf/about/process/help\\_after\\_disaster\\_spanish.pdf](http://www.fema.gov/pdf/about/process/help_after_disaster_spanish.pdf).

### **What disaster-related resources are provided by the Internal Revenue Service (IRS)?**

On August 30, 2005, the IRS triggered automatic extensions of time for filing returns, paying taxes and performing numerous other tax-related acts. Under Section 139 of the Internal Revenue Code, qualified disaster relief payments to individuals, including certain hazard mitigation payments, can be excluded from taxable income. Section 1033 of the Code allows taxpayers to avoid recognizing gain when they receive insurance payments or other compensation for damaged or destroyed property if those payments are used to acquire new property. The requirements for avoiding gain under Section 1033 are relaxed in a Presidential-declared disaster area. IRS Publication 3833 provides guidance on charitable deductions for disaster relief donations. IRS Publications 547 and 2194 address the tax treatment of disasters and casualty losses. The IRS initiated a series of public outreach efforts and worked with the American Institute of Certified Public Accountants (AICPA) and other groups to make sure that affected taxpayers are aware of the relief provisions available to them under the tax law. For more information, visit the IRS Web site at [www.irs.gov](http://www.irs.gov).

### **How can I make a donation to help SCORE chapters and small businesses?**

SCORE chapters in Louisiana, Mississippi and Alabama were affected by Hurricane Katrina. New Orleans SCORE was temporarily housed at Memphis SCORE. Gulfcoast SCORE in Gulfport, MS, suffered major damage. Your donations will help, where necessary, replace chapter equipment and resources damaged in the storm, as well as support the recovery effort to serve the counseling needs of thousands of small business evacuees. If you and your chapter can provide support to fellow SCORE counselors in areas hit by this natural disaster, please consider making a financial commitment to the "SCORE Disaster Recovery Fund." Use the online form at [www.score.org/support](http://www.score.org/support) by clicking in the box labeled "Donate Today." Select "SCORE Disaster Recovery Fund" from the dropdown menu on the form.

You also can send donations to:

SCORE Disaster Recovery Fund  
The SCORE Foundation  
4135 Centergate Boulevard  
Sarasota, FL 34233

For questions, contact Mark Dobosz at 941/371-3107 or [mark.dobosz@scorefoundation.org](mailto:mark.dobosz@scorefoundation.org).