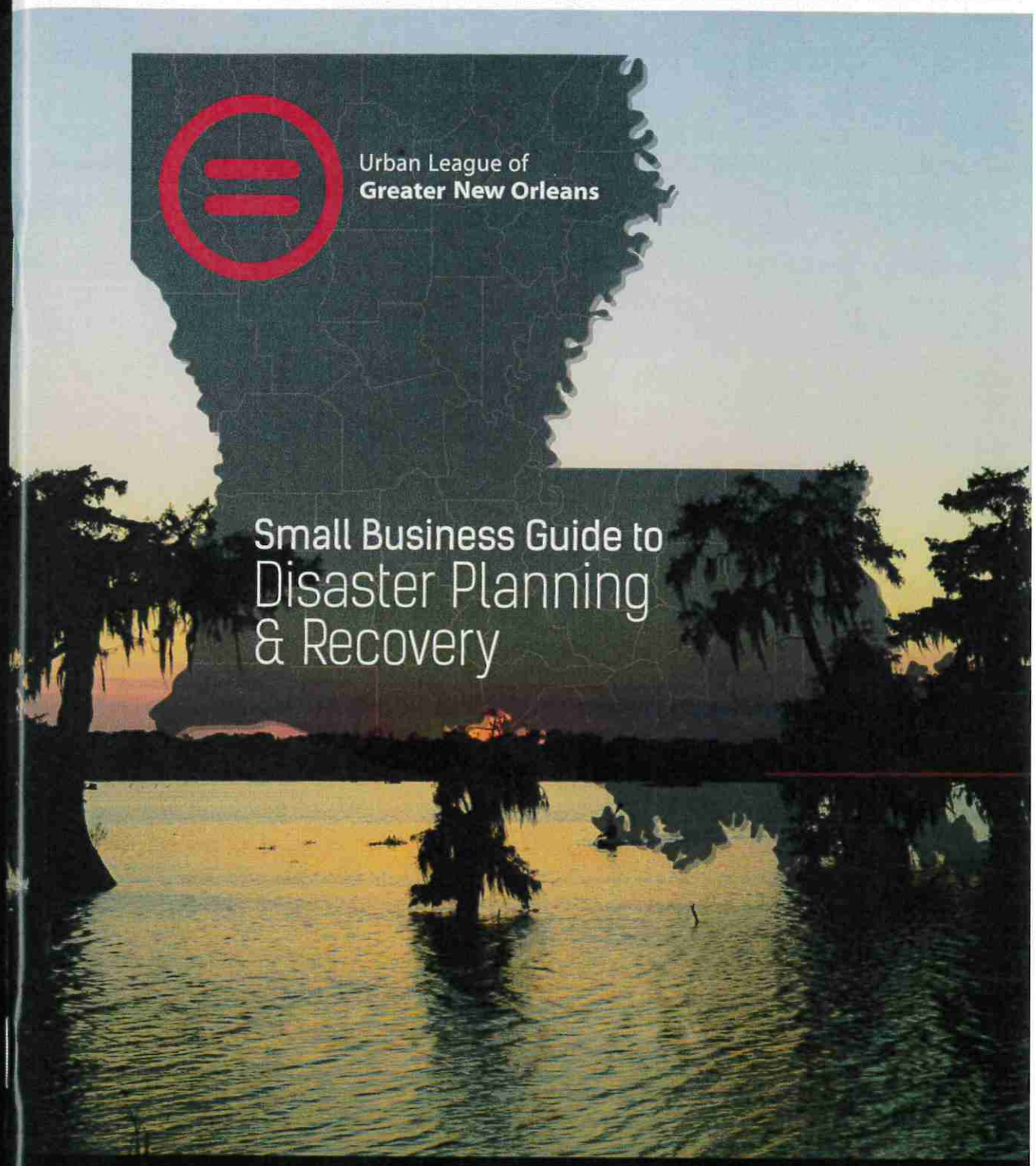
Urban League of
Greater New Orleans

Small Business Guide to Disaster Planning & Recovery



Sponsored by

Table of Contents

Introduction 6
- Assessing Your Needs 8
- Risk Assessment 8
- Identify Critical Business Functions 8
- Disaster Preparedness Assessment 8
- Business Impact Analysis 13

Planning for Disaster 15
- Contact Information 15
- Communication Plan 16
- Document Retention 17
- Insurance 19
- Banking and Financial Records 21
- Information Technology 21
- Electronic Data 22
- Equipment, Inventory, and Supplies 22
- Power 22

Business Continuity Plan Templates 23
- Business Continuity and Disaster Recovery Team 23
- Potential Risks and Hazards 25
- Evacuation Plan 26
- Alternative Location 27
- Communication 28
- Insurance Coverage 29
- Data and Technology Assets and Inventory 30
- Critical Business Machines and Supplies 34
- Office Furniture and Supplies 35
- Operations 36
- Testing 37
- Safety 37

Disaster Recovery 39
- Respond 39
- Recover 39
- Restore 39

Disaster Assistance 41
- Federal Assistance and Information 41
- Federal Emergency Management Administration 41
- Small Business Administration 42
- U. S. Department of Agriculture 42
- Internal Revenue Service 43
- State Assistance and Information 44
- State Department of Insurance 44
- State Department of Revenue 44
- State Office of Community Development, Disaster Recovery Unit 45
- State Department of Labor 45

Local Resources 45

Appendices ***(included on attached flash drive)***
- **Appendix A:** Preparedness Checklists
  - Flood
  - Hurricane
- **Appendix B:** Emergency Contact Information
  - Employee Emergency Contact
  - Vendor & Supplier Emergency Contact
  - Creditor Contact
  - Primary Customer Contact
- **Appendix C:**
  - Sample Data Recovery Test Plan

EXECUTIVE SUMMARY

Overview

Given its location, New Orleans will always be susceptible to weather incidents. As a result, disaster planning is not an option but an absolute necessity for businesses of all sizes. Failing to do so can be detrimental, especially if you are a small business. One positive outcome of the destruction and aftermath of the disasters experienced across Louisiana since 2005 is improved knowledge, readiness, systems, communication, training, and materials related to disaster preparedness and response.

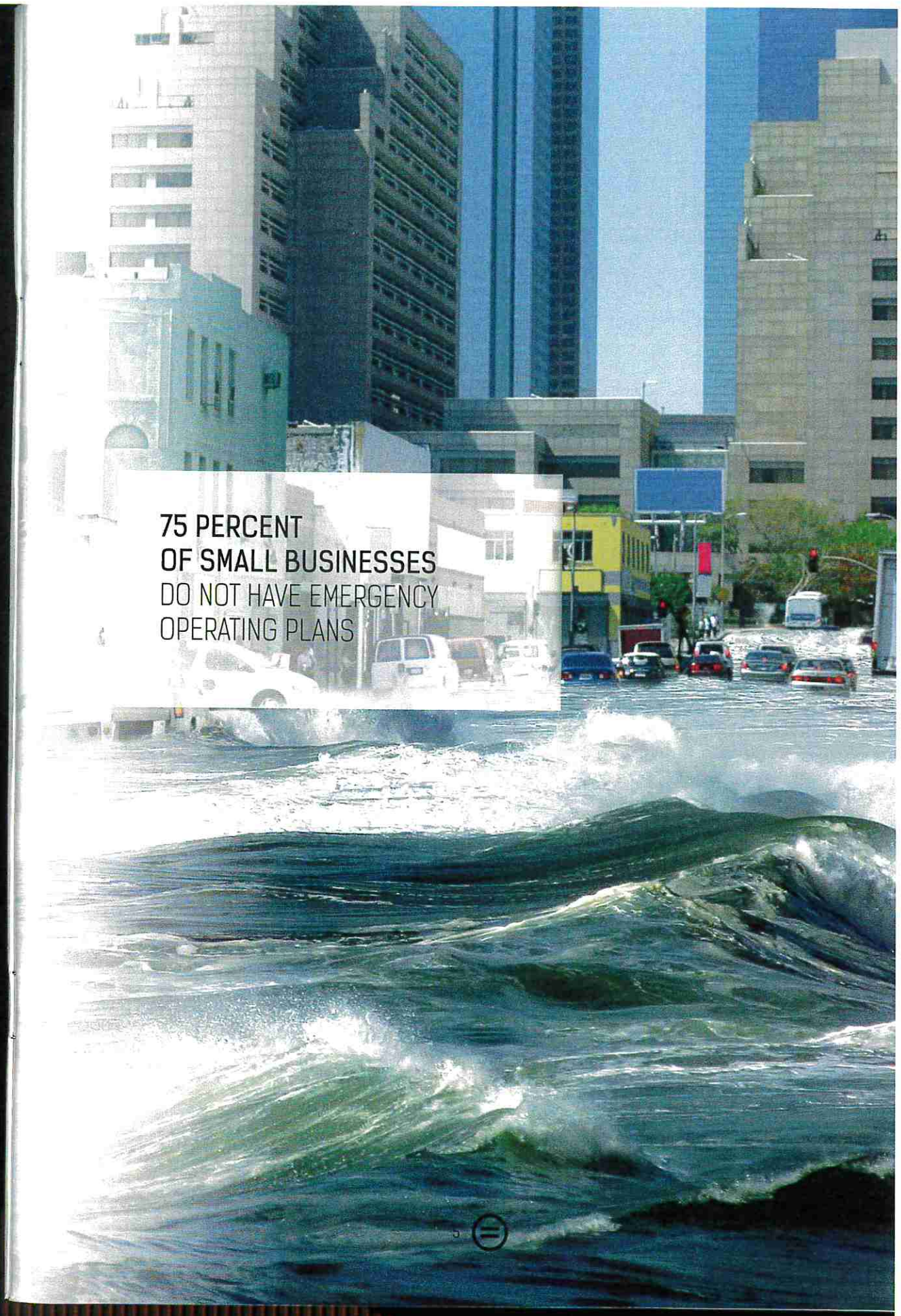
It is estimated that 75 percent of small businesses do not have emergency operating plans. Small businesses are most critical to the economic well-being of local communities and the state, and are most vulnerable to emergencies and disaster related risks. The Urban League of Greater New Orleans (ULGNO) understands the challenges faced by small businesses best. Through our Women's Business Resource and Entrepreneurship Center, we have been intimately involved in the development, growth, and sustainability of small businesses for over 10 years. Because of this knowledge and ongoing success, ULGNO has partnered with Shell Oil Company to aid small businesses through the Disaster Planning and Recovery Initiative.

The first phase of the Shell Initiative was a survey and assessment of a range of small businesses designed to collect important information on their strengths, weaknesses, opportunities and threats. The disaster section of the assessment documented the impact of recent disasters on small businesses and provided the foundation for a series of focus groups. The second phase of the Shell Initiative, the focus groups, allowed us to gain a better understanding of how businesses responded to and recovered from the disasters. The outcome was an awareness of the risk mitigation capacity of small businesses and a focus on how to assist them to prepare for emergency and disaster related risks. The data collected in the first two phases of the Shell Initiative informed the development of this "Small Business Guide to Disaster Planning and Recovery".

During the final phase of the Shell Initiative, ULGNO's Business Resource and Entrepreneurship Center will provide comprehensive training to small business owners and key staff to implement the Small Business Guide to Disaster Planning and Recovery. The training will help businesses assess their needs, prepare business continuity plans, and identify the steps needed for a comprehensive plan. The Urban League of Greater New Orleans and Shell Oil Company are committed to working together to support the success and resiliency of small businesses across Louisiana's Gulf Coast. We hope that you will put into action the resources in the Small Business Guide to Disaster Planning and Recovery, and be better prepared for the next emergency or disaster.

Erika McConduit-Diggs
Interim President & CEO
Urban League of Greater New Orleans

John Hollowell
Executive Vice President - Deep Water
Shell Oil Company



75 PERCENT OF SMALL BUSINESSES DO NOT HAVE EMERGENCY OPERATING PLANS

INTRODUCTION

18,000

It is estimated that over 18,000 businesses across the state closed as a result of Hurricanes Katrina and Rita.

In recent years, New Orleans and the Louisiana Gulf Coast have had their share of disasters, both natural and man-made. Despite these disasters, much of the region has not only rebounded but flourished. Several industries have seen significant growth, including film, information technology and construction. Today, New Orleans is considered one of the best places in the United States to launch a new business and an epicenter for entrepreneurship.[1]

Nevertheless, local governments, non-profit organizations, academic institutions, major corporations and small businesses have all indicated that "bouncing back" is not easy. Numerous challenges exist in the aftermath of disasters: destroyed or compromised public infrastructure and assets, including utilities, telecommunications, and transportation; destroyed or damaged residential, commercial and public property; displaced employees, customers, vendors and suppliers; and lost and damaged public and private records. As a result, organizations cannot simply bounce back. Some crawl back; some claw their way back; and others find the challenges too great and do not reopen.

History has shown that not being prepared for a disaster is detrimental to a business. The statistics are staggering.

According to the Small Business Digest, "75% of businesses that fail to plan how to survive a disaster - won't."[2] David Paulison, former executive director of the Federal Emergency Agency (FEMA), has said, "Small businesses that don't have a plan in place generally don't survive after a disaster, whether it's a flood or a tornado. We see that anywhere from 40-60 percent of those that are hit like that simply don't come back to business."[3] The impact of the disasters that hit the Louisiana Gulf Coast in 2005, reflect these statistics. It is estimated that over 18,000 businesses across the state closed as a result of Hurricanes Katrina and Rita.[4]

The 2005 Hurricane season focused attention on the need for risk mitigation. Many large businesses had business continuity and disaster recovery plans which allowed them to return to business with minimal interruption. Some medium size businesses were also able to get up and running within a relatively short timeframe. However, small businesses found themselves facing challenge after challenge. Unprepared, many could not overcome the challenges. Others rebounded slowly. This disparity highlighted a clear need for a comprehensive disaster preparedness and recovery model that could be implemented by small businesses.

Although no business can plan for every possibility, the long-term viability of small businesses is dependent on being prepared for when, not if, a disaster or emergency strikes. Effective planning includes the following key activities:

- Identifying and assessing vulnerabilities and capabilities
- Developing plans for emergency response, business resumption and relocation
- Assembling emergency supplies and response kits
- Educating and training staff in emergency preparedness and response
- Backing up data and copying important records, and arranging for offsite storage
- Testing the procedures and plans
- Reviewing insurance coverage

This Guide provides a blueprint for disaster preparedness, business continuity, and disaster recovery that includes:

- Tools to assess recovery planning needs
  understanding the current status and needs of your business regarding emergency and disaster preparedness
- Guidance and tools on planning for a disaster
  information and processes necessary to respond to an emergency or disaster
- Guidance and tools on developing a business continuity plan
  mitigating or preventing the impact to business operations of a possible emergency or disaster
- Guidance on recovering from a disaster
  actions during and after an emergency or disaster that will help to ensure successful resumption of operations
- Information on Federal and State Disaster Assistance
  descriptions of the roles and contact information for Federal and State agencies

Links are provided to electronic copies of all tools in this guide.

ASSESSING YOUR NEEDS

What type of emergency or disaster could your business possibly experience given your location and industry?

The first steps in planning for a disaster are understanding what dangers are likely to threaten your business, identifying critical business functions, and understanding your current level of preparedness. What type of emergency or disaster could your business possibly experience given your location and industry? If an unexpected emergency happens---a fire---or a potential disaster is looming---a hurricane---do you have strategies in place that respond to what you, your employees, vendors and customers might experience? Do you know which of your business functions should command your immediate attention after a business interruption? The answers to these questions are the foundation of your disaster preparedness and recovery plan.

RISK ASSESSMENT

As shown in Figure 1, the most frequent Presidential Emergency or Disaster Declarations in Louisiana are hurricanes, tropical storms and floods. While less likely to capture the attention of major network and cable news stations, power outages, contaminated water supply, and a communications network outage can also be devastating to your business if they support a critical function. The Risk Assessment Tool on page 10 will help you to identify and prioritize the types of emergencies or disasters your business is most likely to experience and the potential impact to your business assets. High impact risks and assets should be addressed in your business continuity plan.

An electronic version of this tool is available for download at www.urbanleagueneworleans.org and www.neworleansec.com.

Appendix A contains preparation checklists for hurricanes and floods. These natural disasters are among those you are most likely to experience here in Louisiana.

IDENTIFY CRITICAL BUSINESS FUNCTIONS

Critical Business Functions are those vital business functions that organizations cannot operate without for an extended period of time. Businesses can suffer serious financial, market share, legal, or other losses when critical business functions are not operational. Your critical business functions, the parts of your business that are key to resuming operations after a disaster or emergency, are closely tied to your risk assessment.

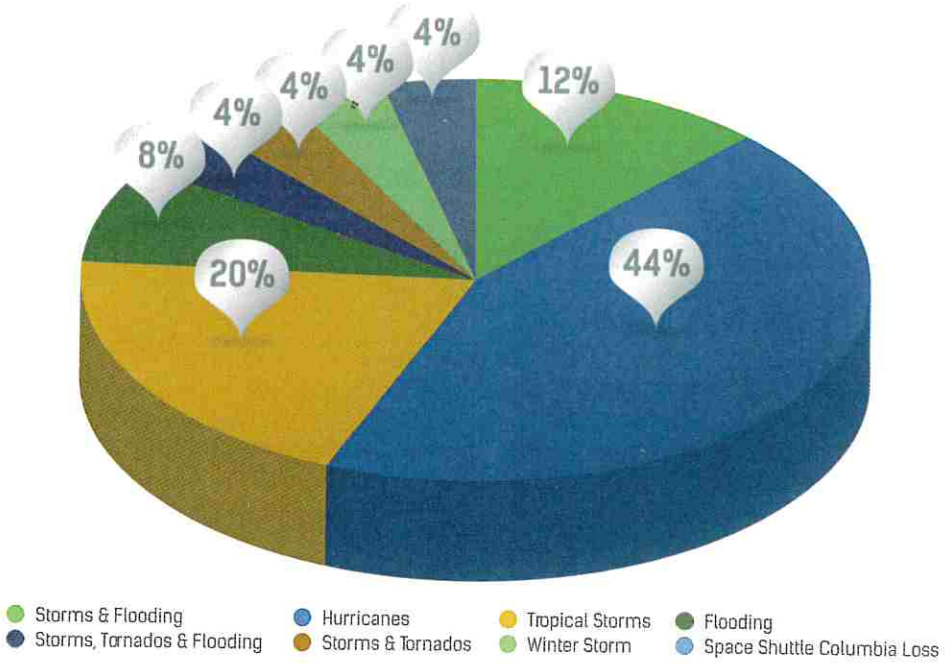
The Critical Business Functions Tool on page 11 will allow you to capture all critical business functions and the resources required to restore the functions.

DISASTER PREPAREDNESS ASSESSMENT

The Disaster Preparedness Assessment on page 12 lets you score your business' current level of preparedness for responding to an emergency or disaster. To complete the assessment, respond with yes, no or not sure to each statement. The numeric total represents your level of preparedness and the level of effort you will need to put into planning for an emergency or disaster.

PRESIDENTIAL DECLARED DISASTERS AND EMERGENCIES IN LOUISIANA 2001 TO PRESENT

FIGURE 1



HERE ARE A FEW THINGS TO CONSIDER WHEN IDENTIFYING CRITICAL BUSINESS FUNCTIONS:

- How often does this function occur?
- Are other functions dependent on this function?
- Is this function tied to revenue?
- Are regulatory requirements tied to this function?
- Does this function directly impact the business'image or market share?

Tool 1: Risk Assessment

What potential risks or hazards threaten your business? This assessment will help you to identify and rate potential risks and hazards—both natural and manmade—and the potential impact on your critical business assets. Focus your mitigation efforts on risks and assets with higher priority ratings.

Instructions:
List any potential threat to your business operation. Don't forget potentially high impact events like power outages and technology failures.

Instructions:
Rate the potential impact the emergency or disaster could have on your business by asset. Assign low impact a 1; medium impact 3; and high impact a 5. Total the numbers for both columns and rows.

Instructions:
Identify priorities, based on total score. Assign priority to each hazard and each asset where 1 = highest total score, 2 = second highest, etc.

Possible Emergency or Disaster	Impact on Critical Business Assets							Priority
	People	Building	Equipment	Data	Inventory / Product	Operations	Total Score	
Example: Power Outage	1	1	3	3	3	3	14	

Tool 2: Critical Business Functions

INSTRUCTIONS:

Identify the critical business functions at your business. These should correlate with the critical business assets identified in your Risk Assessment.

Identify the critical business functions as high (most critical), medium, and low (least critical).

Identify the maximum downtime for the function in hours, days or weeks, as appropriate.

Identify the key personal responsible for the function.

Identify any assets and resources that are required to complete the function.

Identify other functions that are dependent on this function.

Identify any vendor(s) that support this function.

Business Function	How Critical?	Downtime Limit	Key Personnel	Required Assets and Resources	Dependent Functions	Associated Vendor(s)
Example: Online Sales Portal	High	2 Days	Customer Service Reps, Order Fulfillment	Communications Network, Payroll System	Inventory, Shipping, Order Fulfillment	IT Service Vendor

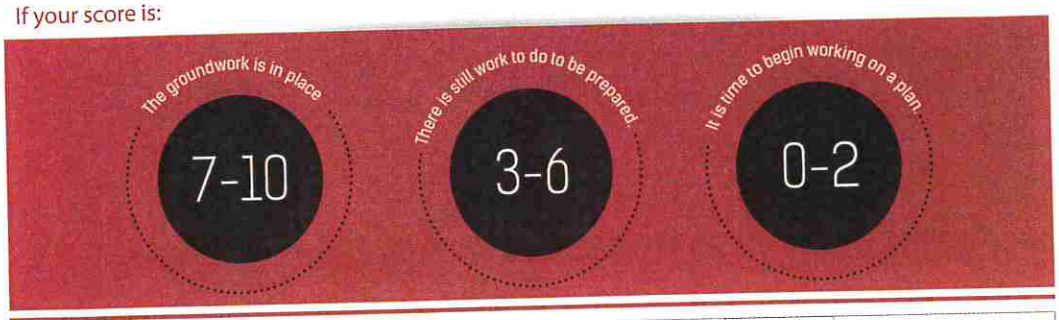
An electronic version of this tool is available for download at www.urbanleagueneworleans.org and www.neworleansec.com.

Tool 3: Disaster Preparedness Assessment

INSTRUCTIONS:

Assign a value of 1 for Yes. Assign a value of 0 for No or Unsure responses. Add all of your Yes responses. That number represents your level of preparedness.

If your score is:



	Yes	No	Unsure	Comments
Are you concerned that your business might be interrupted by a disaster?				
Do you know the type of disaster or emergency that is most likely to affect your business?				
Do you know critical business functions that need to be operational as soon as possible after a disaster?				
Do you have a plan for getting your business operating after a disaster or emergency?				
Have you reviewed your insurance coverage or contacted your insurance agent to determine if your coverage is adequate to help you get back to business after an emergency or disaster?				
Are all your vital business records secure and protected from a disaster or emergency?				
Do you have necessary contact information for your employees, vendors, suppliers, creditors, and customers accessible if and when you need to communicate with them after a disaster or emergency?				
Do you have plans in place to run your business from another location if a disaster or emergency damages your current location?				
Do you have mobile technology tools in place (e.g., laptops and cellphones) to support your operations if the primary ones are no longer accessible?				

Tool 4: Business Impact Analysis

A Business Impact Analysis will help you to determine how long your business can remain viable without your regular revenue stream. Will you be able to maintain operations for a few days, a few weeks, or a few months? This is relatively easy to determine with a primarily cash business but more difficult for contract-based businesses that require invoicing.

Answer the following questions to identify the impact a disruption of business operations will have on your business, your employees, and your vendors.

What is your cash reserve?

Do you bank with a local, regional, or national financial institution?

How many payroll periods can you meet with no business income?

How many vendors will you be able to pay? For what length of time?

Will you have the financial resources to purchase replacement equipment, if necessary? If yes, what is the available budget?

Based on this information, what is your recovery time goal—your target timeframe for being back in operation?

An electronic version of this tool is available for download at www.urbanleagueneworleans.org and www.neworleansec.com.

Tool 5: Critical Vendor Assessment

The ability of your vendors to deliver inventory, supplies, or services after a disaster is key to your ability to continue or resume operations. Will your critical vendors be able to continue or quickly restore service, especially those you identified in the Critical Business Functions tool? If that vendor is not available, do you have a feasible alternative? For example, the local power company is a critical vendor for many businesses. If there is a widespread power outage, you can have confidence that the vendor has the capacity to address the outage; but you will have no control over the timing of restoration. Having an alternative or temporary solution in place—a backup generator—will allow you to conduct business until power is restored.

INSTRUCTIONS:

For all business functions rated high in the **Critical Business Functions** tool, list the supporting vendor.

Identify the critical function that vendor supports.

Identify the impact on your business as either high, medium or low if the service or product is not available.

Identify the probability that the service or product could be unavailable due to an emergency or disaster as either high, medium or low.

Does the vendor have a Business Continuity Plan? This information should be in your contract. If not, contact the vendor.

Identify alternative vendor(s) or a temporary solution if the service or product is not available.

Critical Vendor	Critical Function	Impact on Business if Not Available	Probability of a Service Interruption	Is there a Business Continuity Plan?	Alternative Vendor or Temporary Solution if Service/Product Not Available
Example: Power Company	Supplies electricity	High	Medium	Don't know	Backup generator and Uninterruptible power supply

An electronic version of this tool is available for download at www.urbanleagueneworleans.org and www.neworleansec.com.

PLANNING FOR DISASTER

An emergency or disaster has the potential to separate you, with little or no notice, from the people, information, and equipment that support the daily operation of your business.

Given this fact, it is imperative that you have access to the following information during a disruption of business operations:

- Contact Information (employee, vendor, supplier, creditor and primary customer)
- Communication Plan
- Key Documents
- Insurance
- Banking and Financial Information
- Information Technology
- Electronic Data
- Equipment, Inventory, and Supplies

This information supports the successful implementation of Business Continuity and Disaster Recovery strategies.

CONTACT INFORMATION

Communication is key during an emergency or disaster. Having multiple ways of contacting employees, vendors, suppliers, and primary customers will help to maintain invaluable two-way communication. Create and regularly update Emergency Contact Information for your employees, vendors, suppliers, creditors and primary customers. This information should be kept in hard copy, electronically and at an off-site location.

For **employees**, collect and update the following information annually, at a minimum:

- ☐ **Employee name**
- ☐ **Home phone number**
- ☐ **Mobile phone number**
- ☐ **Personal email address**
- ☐ **Spouse or family contact name and phone number (preferably mobile phone)**
- ☐ **Emergency contact name and phone number (preferably mobile phone)**
- ☐ **Evacuation plan**

For **vendors, suppliers and creditors** collect and maintain the following information for your principal contact(s):

- ☐ **Vendor or supplier name**
- ☐ **Vendor or supplier primary contact person**
- ☐ **Account number**
- ☐ **Primary work phone number**
- ☐ **Primary mobile phone number**
- ☐ **Primary email address**
- ☐ **Vendor or supplier website**

If there is a secondary contact, collect the same information for that individual.

For **primary customers**, collect and maintain the following information:

- ☐ **Customer Name**
- ☐ **Customer ID number**
- ☐ **Primary phone number**
- ☐ **Primary mobile phone number**
- ☐ **Primary email address**
- ☐ **Alternate email address**

If there is a secondary contact person, collect the same information for that individual

Sample Emergency Contact Information forms for collecting and maintaining contact information for employees, vendors, suppliers, creditors and primary customers are included in Appendix B.

COMMUNICATION PLAN

In an emergency or disaster, you need a system in place to contact people, whether they are employees to communicate the status of operations, vendors to communicate service needs, or customers to communicate that you are closed or open for business. After a hurricane or tropical storm, land telephone service may be unavailable and mobile telephone service very limited. Text messaging may be the only effective method of communicating for a period of time. Confirm text messaging services with your employees, vendors, and customers and be prepared to communicate via this method if land lines and mobile calls are not an option.

What is your plan for communicating with employees, vendors, suppliers, and creditors?

How will you communicate with customers?

Who is authorized to communicate with these audiences on behalf of the company?

Who is authorized to communicate with governmental agencies on behalf of the company?

Communication vehicles could also include ***one-on-one telephone calls, an employee hotline (1-800 number), the company website, or social media (Facebook, Twitter, etc.).***

COMMUNICATING WITH EMPLOYEES

Your employees depend on your business for their livelihood. If the business is damaged or closed for any length of time, they are particularly vulnerable. While working on resuming operations, it is important to communicate frequently and honestly.

How you communicate with employees should be defined by the size of your business, to some extent. For a very small business, one person can own the responsibility for communicating with staff. For larger small businesses, create a phone chain or tree that defines who calls who. You do not want the work of contacting every employee falling on one person. The phone chain or tree should be tested annually to confirm the ability to get in touch with everyone.

Another option for contacting employees, especially one with a larger number of employees, is to have and disseminate a 1-800 hotline phone number for staff to call for updates. Messages on the hotline can be updated on a regular schedule to keep staff notified of the status of the business or the scheduled time and dial-in information for a conference call can be provided that will allow for an interactive status update.

COMMUNICATING WITH VENDORS AND SUPPLIERS

A natural disaster that disrupts your operations may also disrupt the ability of your local vendors and suppliers to deliver services and products. Your ability to continue or resume operations is dependent on the timely ability of your vendors and suppliers to deliver services and products. For critical services and products, it is important to have an alternative source. Follow these steps to assess the situation:

1. **Contact your vendors and suppliers using their emergency contact information.**
2. **Find out the current status of the vendor or supplier.**
3. **Determine when or if they will resume operations.**
4. **Based on this information, identify steps to keep your business operating.**

Communication can be difficult after a disaster. Your vendor and supplier contact list should contain multiple contact options. If you cannot make direct contact with the company, check their website or search online for news about it or its immediate area to get an idea about their status.

COMMUNICATING WITH CREDITORS

Contact with your creditors after an emergency or disaster may be the key to your long-term survival. Let your creditors know the impact to your operations to the best of your knowledge as soon as possible. Your creditors may relax or restructure payment terms, e.g., allow you to skip payments, move skipped payments to the backend of the loan, not report delinquencies to credit bureaus, etc. To ensure the ability to contact your creditors after an emergency or disaster, you must have access to their contact information and your account information.

COMMUNICATING WITH CUSTOMERS

Your emergency or disaster is a competitor's opportunity. To minimize exposure, let your customers know the status of your operations and your ability to deliver products and services. Share plans to restore service and return to normal operations. If your operations are not affected, quickly notify customers of your availability. They may assume the worst after seeing news reports. This is especially important if your customer base extends beyond your immediate geographic area.

DOCUMENT RETENTION

Do you have document retention policies and/or procedures? Figure 2 lists critical documents that should be included in your document retention policy. The goal of document retention is to ensure easy access to important documents when they are needed in the future. What do you or should you keep and for how long? Where is your business information stored?

KEY DOCUMENTS
FIGURE 2

Annual Federal Tax Returns	Incorporation Papers	Employer Identification Number (EIN)
Annual State Tax Returns	Banking Information	Blank Checks
Employee Records	Payroll Information	Insurance Policies / Policy Numbers
Computer Passwords	Vendor Contracts	Insurance Agent & 1-800 Phone Numbers
Inventory Records	Equipment List and Photographs	Office Lease or Building Deed
Employee Contact Information	Vendor Contact Information	Supplier Contact Information
Creditor Contact Information	Customer Contact Information	Retirement Plan Information

Being able to access key documents and information will help to expedite resumption of operations or help with the steps required to do so. This is especially true if you are displaced from your business location. Consideration should also be given to where you keep your documents.

Your business may also have another form of documentation in the form of intellectual capital. Who carries key information about your operations, your finances, your customers, etc., in their head? If that person is not available, who can or will provide this information or answer questions? Can anyone else? Is the information written or captured anywhere? If the answer is no, the information known by this person needs to be documented and shared.

There are three important steps to take in support of document retention:

1. Purchase a fireproof, water proof, crush-proof safe to store all critical documents.
2. Scan critical documents and store on a CD, thumb drive, back up drive or server, or in a password-protected section of your website.
3. Purchase cloud storage from a third party vendor.

Insurance

Most businesses have general liability and property insurance. General business liability insurance protects business assets and pays if someone gets hurt on your property or if there are property damages or injuries caused by you or your employees, including legal fees and any settlement or award, i.e., compensatory damages, nonmonetary losses suffered by the injured party, and punitive damages. Commercial property insurance policies usually cover property and content damage due to wind, wind driven rain and fire. Flood damage is covered only by the National Flood Insurance Program. Figure 3 lists the types of insurances that may be applicable to your business.

All businesses with W-2 employees require worker's compensation insurance. Many businesses have commercial auto insurance. Depending on the nature of your business (accountant, technology provider, real estate agents, hair salons, etc.), you may also need professional liability insurance. But for disaster planning, you should investigate the benefits of loss of income protection —business interruption and extra expense policies. Business interruption insurance—also referred to as loss of use or business income policies—pays for the loss of net profits plus continuing expenses for a specific time period. Extra expense insurance pays required expenses above your normal expenses that allow your business to operate, e.g., the cost of an alternative location if you have to relocate your operations.

An additional policy to consider is key person or key man insurance, company purchased life insurance policies with the company as beneficiary. The key person is usually the owner and possibly one or two key employees—people who are crucial to a business. The loss of a key person can prove detrimental to a business. The insurance payout can help the company survive the loss or cover expenses related to closing the business down. Key person insurance is not necessary for a sole proprietorship with no other employees.

Review your current coverage to determine whether it is adequate in the event of an emergency or disaster that results in an interruption in business activities. Know what the policies include and exclude. For example, do you have extra expense coverage that you could access if you were denied use of your business location by local authorities?

ASSESS YOUR INSURANCE NEEDS

FIGURE 3

General Business Liability	Commercial Property	Flood Insurance
Workers' Compensation	Professional Liability	Commercial Automobile
Business Interruption	Extra Expense	Key Person

Tool 6: Insurance Needs Assessment

Consider the following when determining how much insurance to purchase:

What is the replacement value of your property, equipment, etc.?

Many insurance policies only cover depreciated value. But if you anticipate needing to replace property, insuring it for what it will cost to replace it is more appropriate.

Get quotes for both Actual Cash Value and Replacement Value policy premiums.

How much can you afford to spend on insurance?

Given potential losses and what it could cost to recover from an emergency or disaster, how much can you afford not to spend?

Look at your assets, cash reserves, and cash flow to see how much you can spend on insurance.

Disaster Related Insurance Questions	
Do I need flood insurance? ☐ Yes ☐ No	What perils or causes of loss does my policy cover?
Do I need business income insurance? ☐ Yes ☐ No	How will my property be valued?
Do I need extra expense insurance? ☐ Yes ☐ No	Does my policy cover the cost of upgrades required to meet building code standards? ☐ Yes ☐ No
How much insurance am I required to carry to avoid becoming a co-insurer?	Do I need key person insurance? ☐ Yes ☐ No
What types of records and documentation will my insurance company want to see?	What does my policy require me to do in the event of a loss?
How long is my coverage for lost income if my business is closed by order of a civil authority?	Am I covered for lost income in the event of business interruption because of a loss? Do I have enough coverage? How long is coverage provided?
To what extent am I covered for losses due to a power outage? Is coverage provided for both on- and off-premises power interruption?	To what extent am I covered for reduced income due to customers not immediately coming back once the business reopens?

Armed with the knowledge of what it could cost to replace or repair your property and equipment, how much you can afford to spend on insurance and with premium quotes, you can select policies that balance your need to mitigate risk and your budget.

BANKING, FINANCIAL AND PAYROLL RECORDS

Banking, financial and payroll records are central to your business' financial health and well-being. What would you do if your physical payroll, tax, accounting, or operating records were destroyed? Not having these documents would add a level of difficulty to recovery from an emergency or disaster for your business and your employees, as it relates to payroll records. See figure 4 for a list of critical financial information that you will need to access to keep your business operational in the event of an emergency.

To ensure access to these documents and information, scan and store copies of all essential records, including all accounting and employee data on a CD, thumb drive, back up drive or server, or in a password-protected section of your website. Store a copy at a safe alternative location. Also, utilize online banking so that your accounts and records are available to you anytime, anywhere. With online banking, you can move money, manage and monitor your accounts, pay bills and even receive money. You will have complete access without needing paper checks or statements.

Information Technology

A computer or server crash can be as devastating to your business as a natural disaster. If technology is vital to your operations, the following steps will ensure that you can resume computer and information technology functions with minimal interruption and cost.

Inventory All Technology Hardware

List every piece of hardware your business owns and would need to replace if damaged or destroyed. The list should include computers, local servers, printers, scanners, fax machines, external drives, cell phones, etc. The list should include model, serial numbers, date purchased and cost. It is important to maintain both hard copy and electronic copy files of your hardware inventory list.

Inventory All Software

Maintain hard and electronic file copies of all software titles and versions, software licenses, product keys, date purchased and cost. This information should be listed by user/employee or by computer.

NECESSARY FINANCIAL RECORDS AND INFORMATION
FIGURE 4

Copies of bank signature cards	All account numbers
Copies of at least 3 years personal and business tax returns	All account pin numbers stored separately from account numbers
Up-to-date financial statements	Evergreen financials (P&L, balance sheets, etc.)

Document Computer Configuration and Network Structure

Create a diagram of your network structure. Also, document your current computer configuration. This will help to prevent or troubleshoot a data restore failure.

Document All Technology Passwords, I.P. Addresses

Many businesses maintain a secured hardcopy list of technology and administrator passwords. This information should also be saved in a password protected electronic file that can be accessed at alternate locations.

Maintain a List of IT Vendors with Contact Information

This list should include contact information for your IT service provider, your web hosting company, and your email service provider.

Email and Office Phones

All employees should have the ability and know how to access their email from an alternative site. All employees should also know how to program phones to forward calls to another number, change voice mail messages, retrieve voice mail, and any other necessary features. For small businesses with a dedicated T1 line, all phones, internet, and email services go through this line. If it goes down, everything goes down. For emergency purposes, consider a contingency plan such as mobile phone service or free email accounts, such as Gmail, Yahoo, etc. Document this and include it in your communication plan.

Have The Capacity to Update Your Website From Outside Your Office

If you maintain a website, it is an important communication tool. If you have the capacity to update your website from an alternative location, your home page can be used to post communication updates to employees, vendors, and customers.

Electronic Data

Whether your business has one computer or 50, once data is lost, it is probably lost forever without a backup. Recovery for an emergency or disaster requires data and information.

Implement a Data Backup Routine

Regularly backup your data, verify the data, and store it in an alternative location. If you have an Internet Technology service provider, this should be a part of your contracted services. If not, one employee should be responsible for regular backups and storage.

Test Your Backup System

Perform a backup, test for validity, and restore. Decide how frequently you will test the backup system. Some recommend testing restoration every six months, by bringing the entire system down and then restoring it to see that everything is working properly.

Be sure that your backups include all important and relevant files, e.g., staff email address books.

Backup Archive

Determine how you will archive your backup media. The same tape or media used repeatedly will not provide an archive. Establish a rotation system to provide access to older data. Keep a copy in another location because the loss of your only backup tape will not help with data restoration.

Data Concerns

Security concerns are an inherent issue with data storage and availability. In addition to sensitive business records, do you maintain client data or records that require a high level of security? What are the security requirements versus availability requirements? These requirements can be difficult to reconcile but need to be addressed when arranging for alternatives to on-site computer access. What are some options? One, you can purchase external, easily portable storage for data backups and store offsite, for example a large capacity external drive. Two, investigate a co-location backup server. A co-location server is where an organization purchases and installs a secure server in another location. The data from the main office is then mirrored to the co-location site. Numerous companies provide this type of backup service. Three, if you maintain a technology service contract, ensure that data backups and storage are part of the contract.

Power and Servers

In the event of a power outage, an uninterrupted power supply (UPS or battery backup system) will supply a limited amount of power to your network. The power supply will allow you to shut down your network without damage to the server or other equipment.

Equipment, Inventory, and Supplies

In addition to technology equipment and software, you have probably invested in other business equipment, e.g., desks, chairs, machinery, automobiles, and office supplies. Depending on the nature of your business, you may also have inventory—purchased or produced. It is important to maintain evergreen lists that document these items and have access to invoices. Without documentation of ownership, it will be almost impossible to file an insurance claim or apply for disaster assistance associated with this property.

Power

Extended power outages after a disaster can prevent a company from returning to normal operation for days or possibly weeks. Even everyday events like thunderstorms can result in outages that effect business productivity. A generator can keep your business running under these circumstances. Depending on its size, a generator can supply emergency power to an entire office, e.g., lights, air conditioners, servers, computers, phone systems, machinery.

Fuel shortages are a reality after a disaster. It is important to identify alternative sources for fuel for your generator and any business vehicles.

BUSINESS CONTINUITY PLAN

A strategy with the information necessary to help you avoid or minimize a business interruption in the event of a disaster.

Business Continuity refers to activities and processes required to keep your business operating during an emergency or disaster that impacts normal operation. Natural and man-made disasters can result in property damage, power outages, compromised infrastructure and other problems that can force a business to close. A business continuity plan is a strategy with the information necessary to help you to avoid or minimize a business interruption in the event of a disaster.

The components of a business continuity plan include the following information:

- Business Continuity and Disaster Recovery Team
- Potential Risks and Hazards
- Evacuation Plan
- Alternative Location
- Communication
- Insurance Coverage
- Data and Technology Assets and Inventory
- Critical Business Machines and Supplies
- Office Furniture and Supplies
- Operations
- Testing
- Safety

When maintained as a collective of information and actions, it will help you continue or recover your essential business functions when faced with an emergency or disaster and ensure that employees know and understand their responsibilities.

Business Continuity and Disaster Recovery Team

Your Business Continuity and Disaster Recovery Team is key to business continuity and disaster recovery efforts. The team is responsible for the development, maintenance, updating and testing of your plan. Who and how many people are on the team may be a function of the size of your business.

- If you are a one-person operation or have only a couple of employees, you may choose to be a team of one.

- If you have 5 – 10 employees, designate one or two key staff to be a part of the team.

- If you have more than 10 employees, your team should include a representative from each department or business function.

If you contract specific business functions such as information technology, accounting, or payroll, you may want to include the primary contact person in your planning. The team should meet on a regular basis, e.g., quarterly or semi-annually.

The following template (Tool 7) can be used to identify the members of your Business Continuity and Disaster Recovery Team and develop a meeting schedule. An electronic version of the tool is available for download at www.urbanleagueneworleans.org or www.neworleansec.com.

Tool 7: Business Continuity and Disaster Recovery Team

Employee Members			
Name	Position	Email Addres	Office & Cell Phone Numbers
Other Members			
Name	Position	Email Addres	Office & Cell Phone Numbers
Meeting Schedule			
Date	Time	Location	Topic

Tool 8: Potential Risk & Hazards

The Risk Assessment Tool in the "Assessing Your Needs" section of this guide helped you identify the potential risks or hazards that could threaten your business and employees. Identifying the highest rated potential hazards in your Business Continuity Plan will help you focus on the types of incidents you are most likely to face. List the potential risks and hazards in Tool 8 below. Identify the components of your business continuity plan that respond to the hazard. An electronic version of the tool is available for download at www.urbanleagueneworleans.org or www.neworleansec.com. Save a blank version so that you can make additional copies, if needed.

List the natural and man-made disasters that are most likely to impact your business.

External Risks and Hazards (hurricane, flood, power outage, terrorist attack, etc.)	Summary: Relevant Business Continuity Response Components

Internal Risks and Hazards (fire, theft, server crash, illnesses, etc.)	Summary: Relevant Business Continuity Response Components

Tool 9: Evacuation Plan Check List

When a natural disaster evacuation order or an emergency mandates that you leave your business, it is important that employees know what to do and what to take with them. To make your recovery as smooth as possible, develop an evacuation plan and educate yourself and your employees. It is difficult to think logically and rationally in the midst of a crisis, so plan ahead.

Tool 9 below is an Evacuation Plan Checklist. It identifies the required components of an evacuation plan and provides a list of items that employees should take when leaving the building. An electronic version of the tool is available for download at www.urbanleagueneworleans.org or www.neworleansec.com. Save a blank version so that you can make additional copies, if needed.

Evacuation Plan Requirements	
	Identify person authorized to issue an evacuation order and chain of command if authorized person is not available.
	Assign specific tasks to employees, i.e., turn off desktop computers, printers, fax machines, take laptops, turn off lights, close office doors, shutdown local servers, etc.
	Make copies of location and building maps with clearly labeled emergency route.
	Identify more than one way out of the building.
	Compile supplies for emergency kit.
	Develop a plan for disabled employees (hearing impaired, blind or physical disability).
	Develop a roster or checklist or phone tree to account for all employees.
	Document and distribute procedures.
	Conduct practice drills and review plans at least annually.
Evacuation Plan: Grab and Go List	
	Cell phone and charger
	Business identification, pass card, keys, and company credit card
	Laptop and charger
	Contact lists (employee, vendor, supplier, creditor, and customer)
	Server backup tapes or drives
	Disaster Recovery Plan
	CDs or flash drives with critical documents
	Safe with critical documents
	First aid supplies
	Basic office supplies

Tool 10: Alternative Location Assessment

Determine where you could set up an alternative or temporary business location if your primary site is unavailable. Would this site become your new primary business site? Could you move your operations to your home? Is a mobile business facility with pre-existing infrastructure an option? How much work can be done virtually? Do you need to negotiate a pre-agreement?

Alternative Business Location	Second Alternative Business Location
Street Address:	Street Address:
City, State, Zip Code:	City, State, Zip Code:
Telephone Number:	Telephone Number:
Is There A Pre-Agreement In Place?	Is There A Pre-Agreement In Place?
Point of Contact	
Point of Contact Name:	Point of Contact Name:
Telephone Number:	Telephone Number:
Alternate Number:	Alternate Number:
Email Address:	Email Address:
Site Assessment	
Number And Type Of Staff To Work Here:	Number And Type Of Staff To Work Here:
Supplies Already In Place:	Supplies Already In Place:
Supplies That Would Be Needed:	Supplies That Would Be Needed:
Time To Set Up Operations:	Time To Set Up Operations:
Technology Capacity:	Technology Capacity:
Length Of Time To Stay In This Site:	Length Of Time To Stay In This Site:
Notes:	Notes:

Tool 11: The Communication Plan

As previously noted, the ability to communicate with your employees, vendors, suppliers, creditors and customers following a disaster is important to your business' viability. As referenced below, Tool 11 provides a template to document your communications plan, which should be stored as part of your business continuity plan.

Employee and Key Contact Communication	
Contact Type: ☐ Employee ☐ Vendor ☐ Supplier ☐ Creditor ☐ Customer	
Method of Notification: ☐ Website ☐ Phone Tree ☐ One-on-One Calls ☐ Email Blast ☐ 1-800 Hotline ☐ Text Message ☐ Signage ☐ Other:	Staff Member Responsible For Notifications: Telephone Numbers: Email:
Notification Schedule (recurrence and time):	

Tool 12: Insurance Coverage

This form can be used to capture your insurance coverage information and review your coverage with your insurance agent. Adequate coverage will help you recover more rapidly from a disaster.

Insurance Company	Insurance Agent	
Name of Insurance Company:	Name of Insurance Agent:	
Street Address:	Telephone Number:	
City, State, Zip Code:	Mobile Telephone Number:	
Email Address:	Fax Number:	1-800 Customer Service Number:

Insurance Policy Information				
Type of Insurance	Policy Number	Deductible	Policy Limit	Coverage (General Description)

Tool 13: Data Asset Information

Data and Technology Assets and Inventory

Data security and backup should be an ongoing process; however, it is crucial after a disaster. If you use a contractor for your IT support, they should be included in your business continuity and recovery planning. Tool 13 provides a template for storage of data and technology assets and inventory.

Data Security and Backup		
Lead Staff or Contractor	Telephone Number	
Email	Mobile Telephone Number	
Location of Onsite Backup Records	Fax Number:	1-800 Customer Service Number:
Authorized decision maker/chain of command:		
If our accounting and payroll records are destroyed, we will provide for continuity in the following ways:		

Tool 14: Critical Documents & Records Inventory

Data and Technology Assets and Inventory

- Log your computer hardware and software model and serial numbers.
- Attach a copy of your vendor documentation.
- Record the name of the company from which you purchased or leased this equipment and the contact name to notify for your computer repairs.
- Make additional copies as needed.

Keep one copy of this list in a secure place on your premises and another in an off-site location.

Critical Documents & Records				Date:	
Document	Functional Area	Hard Copy	Electronic Copy	Location(s)	Backup Schedule

Tool 15: Technology Asset Information

Data is of minimal value without the tools to access it. Your technology hardware and software are those tools. Maintaining an evergreen inventory of technology hardware and software is important for insurance and business continuity purposes, but is invaluable to business recovery.

Technology Asset Security	
Lead Staff or Contractor:	Telephone Number:
Email:	Emergency Telephone Number:
Key Computer Hardware	To protect our computer hardware, we will:
Key Computer Software:	To protect our computer software, we will:
If our computers are destroyed, we will use back-up computers at the following locations:	

Tool 16: Technology Inventory

- Log your computer hardware and software model and serial numbers.
- Attach a copy of your vendor documentation.
- Record the name of the company from which you purchased or leased this equipment and the contact name to notify for your computer repairs.
- Make additional copies as needed.

Keep one copy of this list in a secure place on your premises and another in an off-site location.

Hardware Inventory				**Date:**	
Hardware (CPU, Monitor, Server, Printer, Keyboard, Mouse, Laptop, Phone System, Mobile Phone, etc.)	Model	Serial Number	Date Purchased	Company Purchased or Leased From	Cost

Software Inventory				**Date:**	
Name Of Software	Version	Serial / Key Number	Disc Or Download	Date Purchased	Cost

Tool 17: Critical Business Machines and Supplies

Critical Business Machines and Supplies

Business machines and supplies are critical if they are required components of critical operational functions. For example, a screen press is a critical piece of machinery for a t-shirt design and printing business. T-shirts and ink are critical supplies. If your press is destroyed or you run low on these supplies as a result of a disaster, will you be able to replace them? Is your vendor local? What is the status of their operation? Do you have an alternative vendor? What is the potential financial impact to your business? Will insurance cover any of the costs?

Use this form to list your current inventory of supplies that support your critical business functions and information on the supplier or vendor.

Critical Business Supplies				Date:	
Item	Item or Order Number	Current Quantity	Supplier/ Vendor	Website / Customer Service Number	Related Business Function

Critical Business Machines				Date:	
Machine	Manufacturer	Model	Date Purchased	Website / Customer Service Number	Related Business Function

Tool 18: Furniture & Supplies Inventory

Office Furniture and Supplies

Like information technology assets and critical business machines and supplies, your business has additional assets and supplies that support your daily operations: desks, chairs, filing cabinets, tables, shelves, waste baskets, staples, paper cutter, three-hole punch, coffee machine, refrigerator, etc. An inventory of these items is important for insurance purposes and to provide guidance if you need to setup your operations in an alternative location.

Use this form to list your current inventory of office furniture, equipment and supplies not included in technology and critical business machines and supplies. This information is needed for insurance purposes and will help with the setup of an alternative location.

Furniture and Supplies			Date:	
Item	Quantity	Manufacturer / Model Number	Vendor	Invoice(s) Retained?

Tool 19: Procedures to Restart or Restore Operations

You have identified the business functions that are critical to your operations. How will you continue to perform these critical functions during or after a disaster? This tool captures the information necessary to restart or restore a critical business function. This document should be used during tests and during actual disruptions to operations.

Procedures to Restart Operation after Minimal Disruption: If a disaster causes minimal disruption of operations, identify the steps to restart the operation in the same location.

Procedures to Completely Restore Operation after Significant Disruption: If a disaster causes a major disruption to operations, identify the steps to restore the operation in the same location or an alternative location.

Procedures to Restart or Restore Operations	
Critical Function:	
Staff in Charge (Name/Position/Mobile Phone Number)	Staff Involved (Name/Position/Mobile Phone Number):
Key Supplies/Equipment:	Contractors (Name/Company/Mobile Phone Number):
Current Status, including status of resources/assets:	
Procedures to restart operation after minimal disruption, including resource and asset requirements:	
Procedures to completely restore operation after significant disruption, including resource and asset requirements:	

Testing

Testing is a critical component of business continuity planning. If your network goes down, how long will it take to correct the failure and get it back up? If displaced from your current office location because of damage sustained during a hurricane, how long will it take to begin operating from an alternative location while dealing with repairs to your building?

Testing scenarios create an opportunity to learn and potentially reduce recovery time. It helps you identify elements missing from your plan and provides the opportunity to make improvements. Testing your plan is the best way to ensure that your business will remain in operation or can quickly resume operations under any circumstances. Once your test is complete, the team should hold a debrief session that reviews any problems encountered during the test and make recommendations on how to improve. A sample data recovery test plan is included in Appendix C.

Safety

Last, but of no less importance, is safety. In the rush to reopen your business and reduce the financial impact of a disaster, you might neglect to take necessary safety precautions. The potential results of carelessness could do greater long-term damage than the disaster—on-the-job injuries, permanent loss of staff, mental stress. Safety considerations must be a part of your business continuity and recovery plan (see figure 5).

Assemble and store a disaster recovery kit with emergency supplies that include:

- ☐ First aid kit
- ☐ Battery operated or wind-up AM/FM radio (extra batteries)
- ☐ Flashlights, lanterns, and light sticks (extra batteries)
- ☐ Camera to record damage
- ☐ Work gloves and protective clothing
- ☐ Basic tools (hammer, shovel, wrench, pliers, pry bar, saw, nails, screws, etc.)
- ☐ Bottled water
- ☐ Non-perishable food and utensils
- ☐ Sanitation supplies (toilet paper, paper towels, paper plates, napkins, etc.)
- ☐ Blankets
- ☐ Dust masks
- ☐ Plastic sheeting, tarp, duct tape
- ☐ Heavy duty garbage bags
- ☐ Cash
- ☐ Two-way handheld radios for emergency communication

DISASTER SAFETY TIPS

FIGURE 5

- Follow public announcements: everything from boil water alerts to road closings.
- Do not drive or walk through flooded areas: follow all warnings and respect barricades.
- Wear protective clothing, sturdy shoes and gloves: a hard hat, goggles, heavy work gloves and watertight boots with steel toes and insoles.
- Avoid unstable buildings and structures: be careful around damaged buildings and trees.
- Beware of electrical and fire hazards: never touch a fallen power line or anything that it is touching and do not burn candles near flammable items or leave candles unattended.
- Beware of gas leaks: avoid using flames or sparking devices until you are sure there is no natural gas leaking in the area.
- Prevent carbon monoxide poisoning: do not use a portable generator, charcoal grill, camp stove and/or other gasoline and charcoal burning device in any enclosed or partially enclosed area – even if the area has ventilation.
- Store and transport gasoline safely. Always transport gasoline in an approved red safety container.
- Beware of wild or stray animals: call local authorities to handle live animals or dispose of dead animals.
- Pace yourself and get support: watch for signs of physical and emotional exhaustion or strain.
- Prevent musculoskeletal injuries: use teams of two or more people to move bulky objects and bend your knees and lift with your legs — not your back.
- Avoid mosquitoes: wearing long pants, socks and long-sleeved shirts and use insect repellent.
- Treat wounds: clean a scratch or cut with soap and clean water; apply an antibiotic ointment and seek medical attention immediately if the wound swells, drains or if you have not had a tetanus booster in recent years.

DISASTER RECOVERY

–The activities and processes required to resume normal business operations after an emergency or disaster disrupts your business.

The work that you have done so far —assessing you needs, planning for disaster, business continuity planning —feeds into and supports business recovery. There are three phases of activities during and after an emergency or disaster that interrupts business operations:

- Response
- Recovery
- Resumption

While these three sets of activities are independent, they are also interdependent. Your preparation for and actions during one will impact the others.

Response

In response to an emergency or disaster, the first thing that you need to do is ensure your safety and the safety of your employees. You may be required to evacuate your building, neighborhood or your city. Otherwise, you may need to shelter in place, in the event of a severe thunderstorm or tornado.

Whether you evacuate or shelter in place, the following needs to happen:

- Remember to retrieve your disaster kit, and refer to your grab and go list.
- Document what happened and when.
- If and once you have access to the building, do what you can to prevent any additional damage and secure the building.
- Notify employees of current status and next steps, even if the only update is the date and time of the next update.

Recovery

The first step in the recovery phase is to activate your business continuity plan, utilizing the information gathered during the development of the plan.

- Gather your team and assess your resources (documents, technology, supplies, etc.)
- Assess your worksite and decide if it is habitable.
- Contact insurance company to begin the claims process.
- Communicate with employees.
- Communicate with key vendors, suppliers, creditors, and customers.
- Secure and prepare an alternative site, if necessary.
- Restore your critical business functions and procedures.

Resume Your Business Operation

Once you resume critical business operations, you can focus on the steps required to fully restore your business operations.

- Complete the insurance claims process
- Apply for any eligible disaster loans, grants or assistance
- Replace all damaged technology, machines, furniture and supplies
- Clean and repair damages to building
- Obtain a fully functioning alternative location
- Implement a timeline for returning to repaired building or remaining in alternative location

Debrief

Learn from the business interruption. During recovery and restore, capture problems and issues as they arise and how they were resolved at the time. This information should be reviewed during a Business Continuity and Disaster Recovery team debriefing. Modify your business continuity plan to be better prepared for the next incident.

DISASTER ASSISTANCE

Federal, State and local governments provide information and resources to help you prepare for, respond to and recover from disasters. This section contains information on how to access help from government agencies before, during and after a disaster.

Federal Assistance and Information

According to the Federal disaster information website www.disasterassistance.gov there are over 70 forms of disaster assistance from 17 agencies. This section provides information on four: the Federal Emergency Management Agency (FEMA), the Small Business Administration (SBA), the U. S. Department of Agriculture (USDA), and the Internal Revenue Service (IRS).

FEMA

FEMA is an agency of the United States Department of Homeland Security responsible for coordinating the response to Presidential declarations of disaster or an emergency. The agency provides funding for rebuilding efforts and relief funds for infrastructure by directing individuals to access low interest loans administered by the Small Business Administration. After a Presidential disaster declaration, you must register with FEMA to access most Federal assistance.

To obtain a registration number:

First, confirm that your losses are in the area covered by the disaster declaration. This can be found at **www.fema.gov/disasters**.

Second, register with FEMA in one of three ways:

- Apply online at: **www.disasterassistance.gov**
- Apply via smartphone or tablet at **www.fema.gov**
- Apply by phone by calling (800) 621-3362 or TTY (800) 462-7585

Operators at FEMA's call center are multilingual and calls are answered seven days a week.

FEMA sets up Disaster Recovery Centers in the wake of a disaster where applicants can go for information about disaster assistance programs.

The Disaster Recovery Center open nearest to you can be located using the tool at this link: **http://asd.fema.gov/inter/locator/home.**

SBA

SBA's Disaster Loan Program offers financial assistance to those trying to rebuild their homes and businesses in the wake of a disaster. By offering low-interest, long-term loans, the SBA provides affordable long-term recovery support.

Business Physical Disaster Loans

Any business or organization located in a declared disaster area that incurs damage during a disaster may apply for a loan to help replace or restore damaged property.

Economic Injury Disaster Loans

Regardless of physical damage, if you suffered economic injury, you may qualify for an Economic Injury Disaster Loan (EIDL).

Application for SBA disaster assistance loans can be completed online, by mail or in person at:

- https://disasterloan.sba.gov/ela/
- U.S. Small Business Administration
  Processing and Disbursement Center
  14925 Kingsport Rd.
  Ft. Worth, TX 76155-2243
- A Disaster Recovery Center

The online application is the fastest way to receive a decision about your loan eligibility. The benefit of applying at a Disaster Recovery Center is one-on-one help from a SBA representative.

For information or to find a location near you, contact the SBA Customer Service Center by:
Phone at 1-800-659-2955
(TTY: 1-800-877-8339) or
Email: disastercustomerservice@sba.gov.

A complete loan application requires:

- Contact information for all applicants
- Social security numbers for all applicants
- FEMA registration number
- Deed or lease information
- Insurance information
- Financial information (e.g. income, account balances and monthly expenses)
- Employer identification Number (EIN) for business applicants

Also required is a signed and dated IRS Form 8821 giving permission for the IRS to provide SBA your tax return information.

Form 8821 and instructions are available at: **http://www.irs.gov/pub/irs-pdf/f8821.pdf**

If you cannot complete your application online or by phone, the complete set of paper forms and instructions for the SBA Disaster Business Loan application can be downloaded via: **http://www.sba.gov/content/disaster-loan-applications**

Included are:

- SBA Form 5 – Disaster Business Loan Application
- SBA 159D - Fee Disclosure Form and Compensation Agreement
- SBA Form 1368 - Additional Filing Requirements, Economic Injury Disaster Loan and Military Reservist Economic Injury Disaster Loan
- SBA Form 413 - Personal Financial Statement
- SBA Form 2202 - Schedule of Liabilities

Download and print a complete set of these forms and instructions as part of your disaster recovery kit.

USDA

The USDA Farm Service Agency provides assistance for natural disaster losses, resulting from drought, flood, fire, freeze, tornadoes, pest infestation, and other calamities as indicated in Figure 6 on the next page.

FSA Disaster Programs by Type of Loss

Figure 6

Crop Lost	Quantity	Manufacturer / Model Number
NAP – Noninsured Crop Disaster Assistance Program **SURE** – Supplemental Revenue Assistance Payments Program **TAP** – Tree Assistance Program	**ELAP** – Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program **LFP** – Livestock Forage Disaster Program **LIP** – Livestock Indemnity Program **CRP** – Emergency Haying and Grazing of Conservation Reserve Program	**ECP** – Emergency Conservation Program
EM – Emergency Loans		
DSA – Disaster Set-Aside		

To be eligible for SURE, TAP, ELAP, and LFP, you must have Federal crop insurance or NAP coverage prior to the disaster. There are exceptions to this requirement for limited resource, socially disadvantaged and beginning farmers and ranchers.

More information can be found on FSA's disaster web page: **http://disaster.fsa.usda.gov.**

The Louisiana State Farm Service Agency office is located at:

Louisiana State Farm Service Agency
3737 Government Street
Alexandria, LA 71302-3327
Phone: (318) 473-7721

The FSA Service Center nearest you can be found at: **http://offices.usda.gov.**

IRS

Special tax law provisions are available to help taxpayers and businesses recover financially when located in a major disaster area. Depending on the circumstances, taxpayers may:

- Get additional time to file returns and pay taxes.
- Get a faster refund by claiming losses related to the disaster on the tax return for the previous year, usually by filing an amended return.
- Access special tax law provisions to help recover financially from the impact of a disaster.

Publication 2194 is a Disaster Resource Guide to help businesses claim casualty losses on property that has been destroyed by a natural disaster. The kit contains the tax forms needed to claim a casualty loss.

Disaster Resource Guide(Publication 2194) can be accessed via: www.irs.gov/pub/irs-pdf/p2194.pdf

IRS Publication 584-B is a Business Casualty, Disaster, and Theft Loss Workbook. It will help you list damaged or stolen business or income-producing property and to figure the loss. It can be accessed via: www.irs.gov/pub/irs-pdf/p584b.pdf.

The number to the IRS Disaster Assistance Hotline is 1-866-562-5227.

State Assistance and Information

The State of Louisiana provides its citizens with information and resources to prepare for, respond to and recover from all emergencies and disasters. The Governor's Office of Homeland Security and Emergency Preparedness coordinates State Disaster Declarations authorized by the Governor and provides the latest information on all aspects of disasters and emergencies such as weather, evacuations, shelters, recovery assistance, etc. These resources can be found by accessing the following links:

- **http://gohsep.la.gov/default.aspx**
- **http://emergency.louisiana.gov/**

Numerous State agencies play a role in helping businesses with disaster preparation, response and recovery. They include the State Department of Insurance, the State Department of Revenue, the State Office of Community Development's Disaster Recovery Unit, and the State Department of Labor.

State Department of Insurance

The State Department of Insurance provides information and guidance on obtaining proper insurance for your home and business. The department can be reached:

- By phone at 1-800-259-5300 or 225-342-5900
- On the web at www.ldi.la.gov
- By email: public@ldi.la.gov

The department has developed a helpful publication entitled Post-Disaster Insurance Guide.

It can found at the following link:
http://www.ldi.state.la.us/consumers/misc_pubs/Post_disaster_insurance_guide.pdf

Department of Revenue

Businesses should contact the Louisiana Department of Revenue for State tax relief information following a disaster. Information can be obtained:

- On the web at http://www.revenue.louisiana.gov/sections/business/default.aspx
- By phone at 225-219-7462
- At one of their Regional Offices (locations can be found at http://revenue.louisiana.gov/sections/aboutus/offices.aspx)

The Department of Revenue also oversees the annual state sales tax holiday on the sale of hurricane-preparedness items or supplies on the last Saturday and Sunday during the month of May. Tax-free purchases are authorized on the first $1,500 of the sales price of each of the following items:

- Flash lights
- Self-powered radios, two-way radios, or weather band radios
- Tarps or other flexible waterproof sheeting

- Ground anchor systems or tie-down kits
- Gas or diesel fuel tanks
- AAA-cell, AA-cell, C-cell, D-cell, 6-volt, or 9-volt batteries
- Cell phone batteries and phone chargers
- Non-electric food storage coolers
- Portable generators
- Storm shutter devises
- Carbon monoxide detectors
- Blue ice products

The annual state sales tax holiday is the perfect time to stock or restock your emergency supplies kit before the start of hurricane season.

State Office of Community Development, Disaster Recovery Unit

The Disaster Recovery Unit within the Division of Administration's Office of Community Development administers Federal and State program resources dedicated to helping Louisiana's citizens recover from Presidential declared disasters. The Disaster Recovery Unit works with local, State and Federal partners to provide resources for businesses affected by hurricanes and other disasters. More information can be found:

- By calling 225-219-9600
- On the web at http://www.doa.louisiana.gov/cdbg/dr/drabout.htm

State Department of Labor

The State Department of Labor administers Unemployment Insurance and Workers' Compensation Insurance. Both are potentially important to you and your employees following a disaster. If the President declares a disaster in your area, payment of Disaster Unemployment Assistance may be authorized. Persons who become unemployed as a result of the disaster, and who do not qualify for regular Unemployment Insurance benefits, may file for DUA. More information can be found at the Department of Labor's website:

- http://www.ldol.state.la.us/

For Unemployment Insurance information, contact the Louisiana Workforce Commission:

- By phone at 866-783-5567
- On the web at http://www.laworks.net/UnemploymentInsurance/UI_MainMenu.asp

In the unfortunate event of a work related injury as a result of an emergency or disaster, Workers' Compensation Insurance provides wages and medical benefits. More information can be found by contacting the Office of Workers' Compensation Administration:

- By phone at 225-342-7555
- By email at owca@lwc.la.gov
- On the web at http://www.laworks.net/WorkersComp/OWC_MainMenu.asp

Local Resources

Available local resources can vary between cities, towns and rural areas but available resources are consistent at the parish level. Parish Homeland Security & Emergency Preparedness Contact Numbers are available at:

- http://gohsep.la.gov/parishoepnumbers.aspx

The list of Parish Emergency Management websites is available at:

- http://gohsep.la.gov/parishpa.aspx

NEXT STEPS: FROM KNOWLEDGE TO ACTION

—The potential cost of not being prepared for an emergency or disaster may be your livelihood and that of your employees.

You now have the tools to develop business continuity and disaster recovery plans. Rememer to identify the members of your business continuity and disaster recovery planning team. Share this guide with them and begin to develop your plans. Every day that you delay is a risk to your business.

Electronic Copies

The Small Business Guide to Disaster Planning and Recovery can be found on the attached flash drive, which also includes templates that can be used in your disaster planning. The complete guide is also available for download at: www.urbanleagueneworleans.org and www.neworleansec.com.

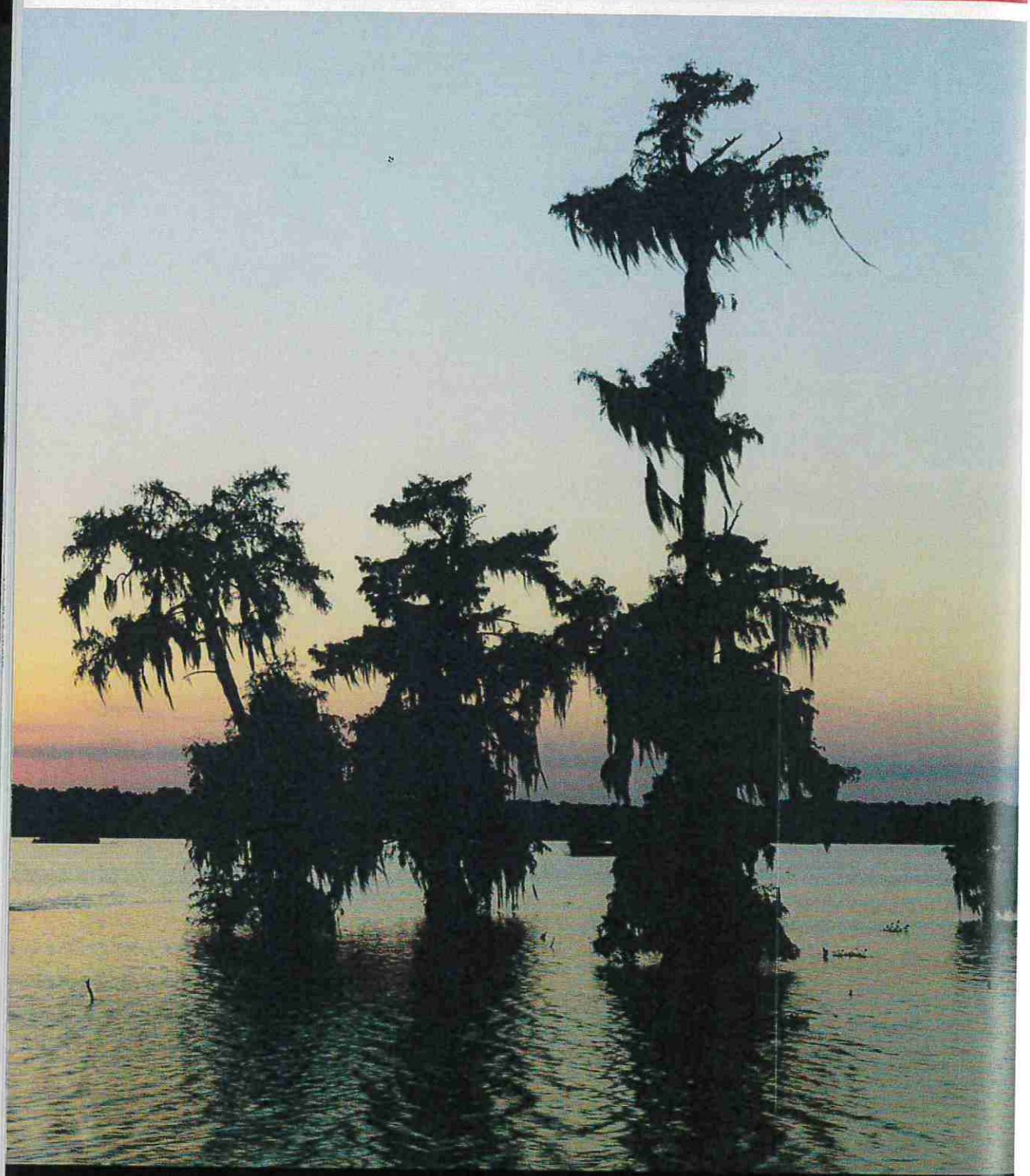
End Notes

[1]*The Atlantic, "The Big Comeback: Is New Orleans America's Next Great Innovation Hub?" http://www.theatlantic.com/business/archive/2013/04/the-big-comeback-is-new-orleans-americas-next-great-innovation-hub/274591/*

[2]*Small Business Digest, http://www.2sbdigest.com/risk-management*

[3]*Property Casualty 360°: A National Underwriter Website, http://www.propertycasualty360.com/2009/11/11/experts-say-small-firms-lag-in-disaster-planning*

[4]*Business Pundit, "The Economic Impact of Natural Disasters," http://www.businesspundit.com/the-economic-impact-of-natural-disasters/*



Urban League of Greater New Orleans
2912 Canal St., Suite 200
New Orleans, LA 70119
504.620.2332
www.UrbanLeagueNewOrleans.org