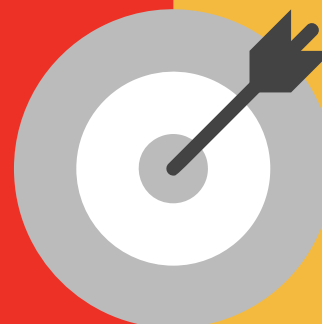


# RESILIENCE TOOLKIT

## For Small Business

Strategies and actions for business, government, or development organizations to ensure ongoing viability.





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## INTRODUCTION

INTRO

Disaster preparedness is nothing new to governments, businesses, and development organizations. The well-laid plans to be used in case of fire, flood, or storm are commonplace. They help to provide a blueprint for action at a moment of crisis when an existing strategy can be a thing of comfort for those dealing with the unthinkable. Of course, the types of disastrous situations have expanded — from terrorism to cyberattack to, now, pandemic. Today, the old Boy Scout motto *Be Prepared* seems to prompt the question *Now What?*

Resilience planning, though, is another matter. It recognizes that disasters and difficulties will happen, that immediate response is necessary, but that long-term implications will require a different set of strategies and actions to ensure ongoing viability, whether for a business, a government, or a development organization.

The word *resilience*, itself, suggests a different outcome than preparedness. To be prepared is one thing. To be able to respond, survive, and even thrive after a disaster is quite another. That's what this handbook seeks to do. It provides community leaders, development organizations, economic developers, chamber executives, and business owners a framework for preparation that looks beyond the immediate triage required by disaster to the longer-lasting recovery. In a perfect world, that recovery is enhanced by the steps recommended within.

There are a variety of levels of preparedness and, by extension, resilience. Each requires an understanding of some key elements: your organization and management, your finances, and your customers. Assessing and reflecting on those basics will provide insights upon which a resilience plan can be developed. Then, a communications strategy for sharing that plan and supporting its implementation with partners and clients will be needed. Few things are worse than a well-laid plan that sits on a shelf.

What is most important is that you and your organization are planning for the unknown, setting a strategy should the unthinkable occur. You will find that the plan, and the process required to develop it, prompts a deeper reflection on your organization, its operations, and its long-term success.

This workbook is intended to serve as a toolkit — with resources and references for traditional partners. The toolkit, however, is not all-inclusive. There will be partners in your community or your region who may need to be included or engaged. That's part of the planning process — identifying those entities that need to be at the table, both now and at times of crisis.

The toolkit is also aligned in such a way that you can go directly to key areas of interest, from money to management to marketing. It can also be taken as a whole — a blueprint for action.

At a time when the implications from the COVID-19 pandemic have been felt for a year, there is broad reflection on what was learned and what has been left unaddressed. With that collective experience and some new insights combined with collective foresight, this crisis can prompt better and quicker responses next time.

This toolkit would not be possible without the support of the U.S. Economic Development Administration (EDA), which provided funding through the 2020 CARES Act. EDA, which resides within the U.S. Department of Commerce, is the only federal government agency focused exclusively on economic development.



# CHAPTER 1 PREPARING TO BE RESILIENT

# 1



CHAPTER 1  
MATERIALS FOR  
DOWNLOAD

Organizational  
Assessment  
Worksheet



A business, organization, or institution isn't inherently ready for the unexpected, and the resilience that comes with preparedness isn't automatic. It requires a plan, an understanding among those involved, and a willingness to collaborate and engage partners, stakeholders, constituents, and customers.

Understanding the benefits of a resilient organization is one thing. Taking the steps to develop a plan that will lead to resilience is another. This chapter will present a framework for taking those initial steps, a template that can take you on the road to a blueprint. It's important to note that every business, organization, and institution is different and there may be tweaks necessary for you. But the basics of building a plan and assessing your current situation can be broadly used and easily adapted.

This guide is intended for planning purposes. Leaders should use this guidance to help determine where threats, weaknesses, and future opportunities may exist. Additional resources may be needed. In the Resources section of this toolkit, you will find information on regional organizations and their approaches to assessing unique situations and the needs of specific partners.

Many entities have already taken the steps to do emergency-specific action plans. Those are important tools that need to be factored into the broader resilience blueprint. Many resources and strategies are already incorporated into those severe weather, active shooter, or unique disaster plans. They will be useful in the work ahead. Alternately, many governments have adopted hazard mitigation plans. They are another important resource.



Iowa Northland Regional Council of Governments provided an overview of its planning with stakeholders across its six-county service territory. It is an excellent example of an assessment that informs future preparation and action.

# ORGANIZATIONAL ASSESSMENT & DEVELOPING RESILIENCE

Determining where to go and how to get there as an institution, business, government, or organization is no easy task. That level of difficulty can be eased dramatically with a working knowledge of some key benchmarks: what is known already, what assets exist, and where are already-developed plans. Doing a basic organizational assessment is an important first step.



[Download](#)  
[Organizational](#)  
[Assessment](#)  
[Worksheet](#)



## Establish & Set Roles

It takes some planning and organization to begin the assessment process. Building a foundation for that work will make it easier, more efficient, and more effective.

- Designate a leadership team to develop the plan.
- Ensure the team includes representatives of operations, divisions, and agencies embedded within the organization.
- Seek input from partners regarding team members and assess missing competencies.
- Include individuals with knowledge of internal financial and technical operations and issues.

Leadership team

---

Team chair or chairs

---

Additional representatives

---



### Develop Work Plan & Schedule

Putting the plan into a document will allow everyone on the team to know what's going on, how tasks have been assigned, and where there is progress occurring. It is also a critical element for accountability and transparency.

- Outline specific tasks, responsible individuals, and targeted completion dates.
- Meet regularly to assess progress.
- Keep the work plan updated and adjust as new issues arise.

To paraphrase an old adage,  
*You don't know what you don't know  
until you know it!*

### Collect Information On Assets & Existing Organizational Strategies

It's difficult to quantify what information already exists and how it might impact the plan unless there is a careful inventory of that data.

- Collect existing plans and determine useful elements for inclusion.
- Evaluate how a disaster or unplanned event could affect the organization.
- Locate existing emergency action plans and incorporate elements.
- Leverage existing hazard mitigation plans and incorporate elements.
- Inventory current assets to define organizational risk and possible recovery resources.
- Inventory these key assets — people, data, operations, inventory, equipment, and buildings — and outline contingency options for each.
- Review existing human resources rules and regulations to assess the impact on operations at a time of crisis.

## ORGANIZATIONAL ASSESSMENT & DEVELOPING RESILIENCE *(Continued)*

### Ensure A Full Financial Assessment Is Completed

Much like the collection of information, the completion of a financial assessment is necessary for the development of a resilience plan. It can be the difference between an organization's survival or not.

- Determine if an audit is necessary.
- Review cash flow projections, accounts receivable, and cash on hand.
- Estimate length of time needed to collect accounts receivable.
- Determine the length of time needed to convert inventory to cash. Assess inventory as raw material, work-in-progress, or finished goods. Assess the amount of "stale" or slow-moving items in stock.
- Assess the speed of business payments to accounts payable. If possible, enhance cash on hand by slowing payments to accounts payable. Assess terms with vendors and ascertain the viability of extending terms by 15 to 30 days without seeing deliveries stopped.

### Conduct Scenario Planning Exercises

Developing a plan is an important step. But testing it against other possible strategies is an exercise that can uncover missing steps, highlight important elements and identify possible best practices.

- Study existing emergency action plans and hazard mitigation plans.
- Develop worse-case scenarios and outline impacts.
- Consider past crises and review actions and outcomes.
- Review experiences and case studies from peers.
- List resources lost, interrupted, or needed for each scenario.

### Develop A Continuity Of Operations Framework

Continuity planning covers response interruptions in operations, communications, supply chains, production capacity, cash flow, etc.

- Identify alternatives for protecting operations, assets, and personnel.
- Draft a comprehensive plan that outlines the requirements and procedures needed to perform essential functions and establishes contingency plans if key resources are not available.



In some situations, resilience is an ongoing status, but there are instances where survival is a day-to-day battle. Knowing how an organization might survive in a short-term crisis — and having that knowledge in the form of a tangible plan — can provide an organization with an invaluable emergency blueprint.

*See Appendix 1 for Chapter 1 source material, along with worksheet examples and templates.*



# CHAPTER 2 MANAGING TO BE RESILIENT



## CHAPTER 2 MATERIALS FOR DOWNLOAD

[Operations  
Worksheet](#)


[Organizational  
Continuity Resource  
Requirements  
Worksheet](#)

[Hardware &  
Software Inventory  
Worksheet](#)

[Reduce Potential  
Disruptions  
Worksheet](#)

[Emergency  
Response Plan  
Worksheet](#)





To mitigate the impact of an emergency, like the COVID-19 pandemic, on businesses, workers, customers, communities, and the general public, employers need to plan. That process may involve updates to existing plans related to specific, identifiable dangers or risks. In the case of a pandemic, that may require information from infectious disease experts. In other cases, knowledge of severe weather, cyberthreats, disaster, and other threats is important.

Employers or communities who have not prepared for an emergency or disaster should prepare themselves and their workers as far in advance as possible to avoid worsening the effects of the emergency. Lack of continuity planning can result in a cascade of failures as employers or communities attempt to address challenges with insufficient resources and workers perform jobs they might not be adequately trained for under less-than-ideal conditions.

This guidance is intended for planning purposes. Employers, communities, and workers should use this planning guidance to help identify risk levels in workplace settings and to determine any appropriate control measures to implement. Additional guidance may be needed.

# KNOW YOUR OPERATIONS

The operations of an organization or a community are essentially its core activities. It is important to document these key functions and processes critical to the survival and ongoing vitality of your organization.



[Download  
Operations  
Worksheet](#)



## Determine Key Operational Functions

Production, sales, service delivery, communications, accounting, and research are just a few examples of key functions or departments. Listing and acknowledging the importance of these anchors will keep your organization or community running smoothly and maximize its success.

What are the key functions critical to the stability and profitability of your organization?

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## KNOW YOUR OPERATIONS *(Continued)*

### Establish Recovery Process

Organizational recovery is achieved through a set of actions to help an entity get through difficult times.

- Determine priority level for the recovery process.
- Identify individual(s) responsible for seeing this recovery process through.
- Determine if training will be required, and if so, establish a timeline for completion.
- Identify how the organization is obligated to complete the recovery process, along with potential money lost or fines that could be imposed.

Recovery priority    Extremely high    High  
                                   Medium                    Low

Responsible individual(s)  
\_\_\_\_\_

Training required  
\_\_\_\_\_ Due date \_\_\_\_\_

### Determine Entities Involved

Recognize each operational function and its experts who specialize in specific areas.

Key operational function  
\_\_\_\_\_

Who performs this function?  
\_\_\_\_\_

Who helps perform this function?  
\_\_\_\_\_

What is needed to perform this function?  
\_\_\_\_\_

Who uses the output from this function?  
\_\_\_\_\_

How is this function completed?  
\_\_\_\_\_

# RESOURCES REQUIRED TO SUPPORT ORGANIZATIONAL CONTINUITY

Recovery of a critical or time-sensitive process requires resources. Following an incident that disrupts operations, resources will be needed to carry out recovery strategies and to restore normal operations. Resources can come from within the organization or community or be provided by third parties.



[Download](#)  
[Organizational](#)  
[Continuity Resource](#)  
[Requirements](#)  
[Worksheet](#)



## Identify Resources Required To Restore Organizational Operations

Resources are required to restore organizational operations following a disaster. Since all resources cannot be replaced immediately following a loss, managers should estimate the resources that will be needed in the hours, days, and weeks following an incident.

These resources include:

- Employees
- Office space, furniture, and equipment
- Technology (computers, communication equipment, software, and data)
- Vital records (electronic and hard copy)
- Production facilities and equipment
- Third-party services
- Inventory (including raw materials, finished goods, and goods in production)
- Utilities (power, natural gas, water, sewer, telephone, internet, and wireless)



## RESOURCES REQUIRED TO SUPPORT ORGANIZATIONAL CONTINUITY *(Continued)*

Organizations and communities should compile an inventory of hardware (e.g., servers, desktops, laptops, and wireless devices) and software applications. The plan should include a strategy to ensure that all critical information is backed up.



[Download  
Hardware & Software  
Inventory Worksheet](#)



### Identify Critical Software And Data Plus The Hardware Required To Run Them

Using standardized hardware will help to replicate and reimage new hardware. Ensure that copies of program software are available to enable re-installation on replacement equipment. Prioritize hardware and software restoration.

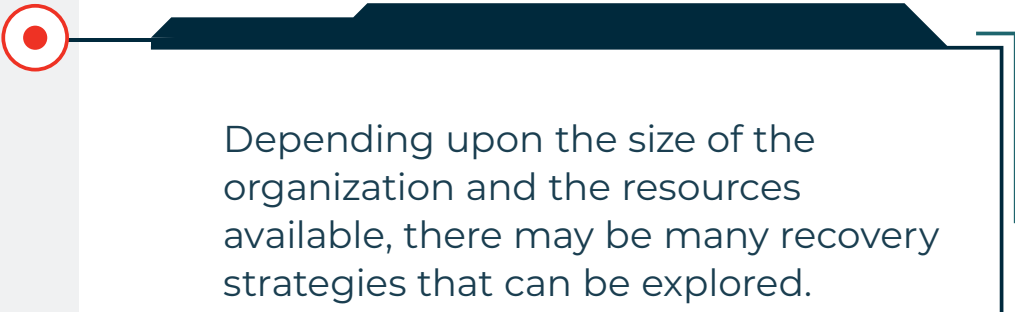
Documentation should include:

- |   |   |
|---|---|
| <input type="checkbox"/> Hardware type    | <input type="checkbox"/> Software name    |
| <input type="checkbox"/> Capacity         | <input type="checkbox"/> Description      |
| <input type="checkbox"/> Model            | <input type="checkbox"/> Version          |
| <input type="checkbox"/> Serial number    | <input type="checkbox"/> License number   |
| <input type="checkbox"/> Date purchased   | <input type="checkbox"/> Date inventoried |
| <input type="checkbox"/> Cost             | <input type="checkbox"/> Inventoried by   |
| <input type="checkbox"/> Person issued to | <input type="checkbox"/> Location         |

## DEVELOP RECOVERY STRATEGIES

Recovery strategies require resources including people, facilities, equipment, materials, and information technology. An analysis of the resources required to execute recovery strategies should be conducted to identify gaps. For example, if a machine fails but other machines are readily available to make up lost production, then there is no resource gap. However, if all machines are lost due to a flood, and insufficient undamaged inventory is available to meet customer demand until production is restored, production might be made up by machines at another facility — whether owned or contracted.

Strategies may involve contracting with third parties, entering into partnership or reciprocal agreements, or displacing other activities within the organization or community. Individuals with in-depth knowledge of organizational functions and processes are in the best position to determine what will work. Possible alternatives should be explored and presented to management for approval and to decide how much to spend.



Depending upon the size of the organization and the resources available, there may be many recovery strategies that can be explored.



## DEVELOP RECOVERY STRATEGIES *(Continued)*

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### POSSIBLE RECOVERY STRATEGIES

**Use other owned or controlled facilities performing similar work.**

Operations may be relocated to an alternate site — assuming both are not impacted by the same incident. This strategy also assumes that the surviving site has the resources and capacity to take on the work of the impacted site. Prioritizing production or service levels, providing additional staff and resources, and taking other action would be needed if capacity at the second site is inadequate.

**Telecommuting is a strategy employed when individuals can work from home through remote connectivity.** It can be used in combination with other strategies to reduce alternate site requirements. This strategy requires ensuring telecommuters have a suitable environment in their home to work and are equipped with or have access to a computer with required applications and data, peripherals, and a secure broadband connection. In an emergency, space at another facility can be put to use.

**Many vendors support continuity and information technology recovery strategies.** External suppliers can provide a full operational environment, including office space and live data centers ready to be occupied. Other options include the provision of technology-equipped office trailers, replacement machinery, and other equipment. The availability and cost of these options can be affected when a disaster results in competition for these resources.

**Cafeterias, conference rooms, and training rooms can be converted to office space.**

Providing the converted space with furnishings, equipment, power, connectivity, and other resources would be required to meet the needs of workers.

**Partnership or reciprocal agreements can be arranged with other businesses or organizations that can support each other in the event of a disaster.**

Assuming space is available, issues such as the capacity and connectivity of telecommunications and information technology, protection of privacy and intellectual property, the impacts to each other's operation, and allocation of expenses must be addressed. Agreements should be negotiated in writing and documented in the continuity plan. A periodic review of the agreement is needed to determine if there is a change in the ability of each party to support the other.

**The development of manual workarounds is a recovery strategy used when information technology resources are not available.**

Develop manual workarounds by outlining steps in the automated process and identifying intervention points. Creating a diagram of the process can help. Manual workarounds require manual labor, so you may need to reassign staff or bring in temporary assistance.

# REDUCE POTENTIAL DISRUPTIONS

By identifying potential problems and creating a plan, you can minimize disruptions to your organization or community before they take place.



[Download](#)  
[Reduce Potential](#)  
[Disruptions](#)  
[Worksheet](#)



## Items To Consider

What plans do you have in place if you are no longer able to use your current location for organizational operations?

---

---

What must be addressed to ensure that services, products, or inventory remain at levels similar to those under normal circumstances?

---

---

Are there concerns about potential spoiling or contamination of perishable stock?

---

If the power goes out, do you have access to resources to get everything up and running again?

---

What are the details of your shutdown and startup plans?

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---

# EMERGENCY RESPONSE PLANNING

Essential to resilience management is to review — or create if needed — an emergency response plan that includes a risk assessment of potential emergency scenarios. An understanding of what can happen will enable you to determine resource requirements and to develop plans and procedures to prepare your organization or community.



[Download  
Emergency  
Response Plan  
Worksheet](#)



## Determine Protective Action

Every emergency response plan should address the four main protective actions:

### 1. Evacuation

A hazard within a building such as a fire or chemical spill requires occupants within the building to be evacuated or relocated to safety.

### 2. Sheltering

A severe weather warning is sounded. Everyone should be moved to the strongest part of the building and away from exterior glass.

### 3. Shelter In Place

A transportation accident on a nearby highway results in the release of a chemical cloud. The fire department warns to shelter in place.

### 4. Lockdown

An act of violence by an intruder should prompt a “lockdown” broadcast, notifying everyone to hide or barricade themselves from the perpetrator.

# EMERGENCY RESPONSE PLANNING *(Continued)*

## Develop Emergency Response Teams

Emergency response teams are groups of people who prepare for and respond to emergency incidents such as natural disasters, security threats, public health crises, or other potential disruptions to the organization or community.

- Identify team lead and team members.
- Compile team member contact information.
- Clearly define each team member's emergency response duties.

Protective action procedures are actions taken to reduce or eliminate exposure to a hazard.

## Define Protective Action Procedures

Define the most appropriate action to ensure the safety of all individuals within the building.

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How will you warn building occupants to take protective action?

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Determine protocols and procedures to alert first responders.

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Identify how you will communicate with management and employees during and after the emergency.

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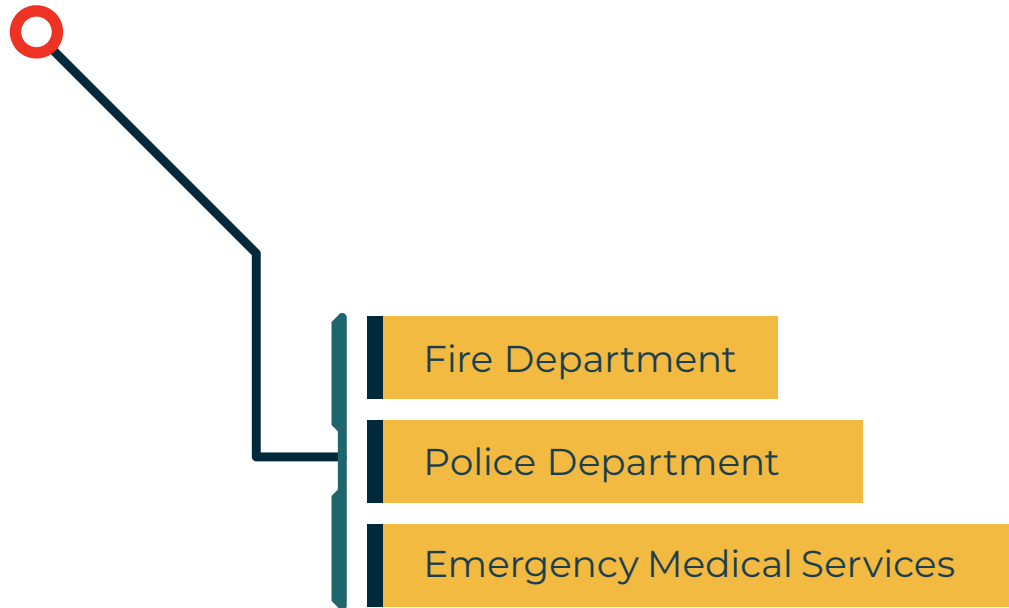
## EMERGENCY RESPONSE PLANNING *(Continued)*

---

### Identify Public Emergency Services

Protecting the safety of people and property is the primary goal of local emergency services. They are available to help in times of disaster or crisis.

- Compile contact information that is readily available to all.
- Talk with public emergency services to determine their response time to your facility, knowledge of your facility and its hazards, and their capabilities to stabilize an emergency at your facility.



*See Appendix 2 for Chapter 2 source material, along with worksheet examples and templates.*



# CHAPTER 3 MARKETING TO BE RESILIENT

# 3




CHAPTER 3  
MATERIALS FOR  
DOWNLOAD

[Contact Hub  
Worksheet](#)

[Crisis  
Communication  
Plan Worksheet](#)







Being resilient and having a response/recovery plan is great unless no one knows about it. Telling the story of a plan and all its elements and impacts and then communicating that story is a critical part of being resilient.

Communications is an ever-evolving practice. Press releases and handbills have given way to tweets and texts. But sometimes situations, like a week-long power outage, can impact the ability to use certain communications platforms. Being aware of what's needed to both tell the resilience story and manage a particular crisis is imperative for businesses, organizations, and institutions. More importantly, knowing how, who, and where to get that word out will make or break the overall planning effort.

# CONTACT LIST DEVELOPMENT

Implementing a single resource to house all of your contact information is imperative to running a smooth operation. A clean, updated contact database is essential to any business.



[Download  
Contact Hub  
Worksheet](#)



## Determine Contacts

Establishing which contacts and connections are pertinent to your business will help determine your priorities in the event of a crisis.

- Determine contact categories.
- Ensure contact information is up to date and includes alternates at key entities.

Contact categories to consider:

- Customer
- Emergency contact
- Employee
- General public
- Government entity
- Investor
- Media outlet
- Partner
- Social media follower
- User
- Vendor

## CONTACT LIST DEVELOPMENT *(Continued)*

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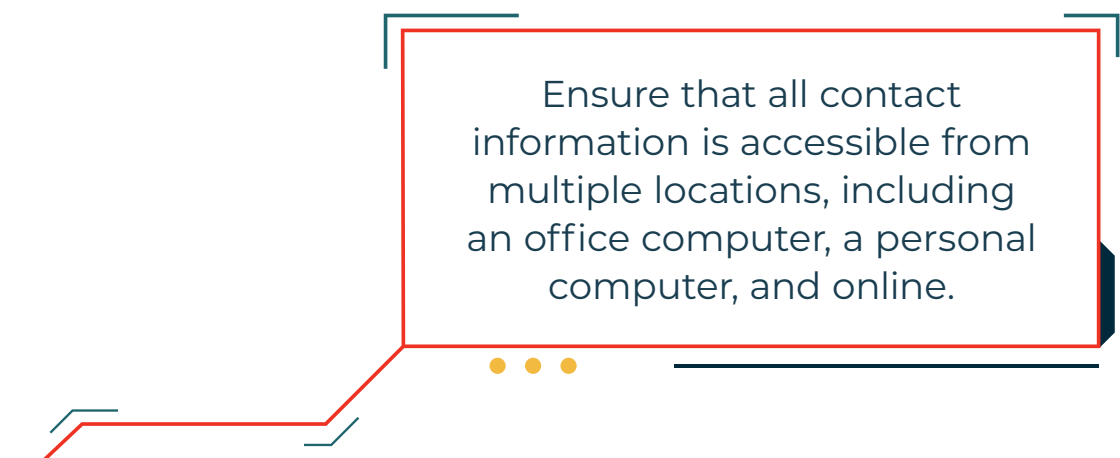
### Create Contact Hub

Efficiently reach your various audiences if/when a crisis occurs by creating a contact database for important business connections.

- Create a spreadsheet or database detailing how you can reach your contacts.
- Ensure that all contact information is accessible from multiple locations (e.g., office computer, personal computer, online).
- Make sure that appropriate team members are aware of where to access the contact information.
- Regularly update the contact list.

Information to include in your contact hub:

- Contact category
- Organization name
- Address
- Website
- Contact name
- Phone
- Email
- Account number
- Username
- Password
- Security question
- Pin
- Notes



Ensure that all contact information is accessible from multiple locations, including an office computer, a personal computer, and online.

# CRISIS COMMUNICATION PLANNING

During an emergency, the need to communicate is immediate. If business operations are disrupted, your contacts will want information before the business has a chance to begin communicating.

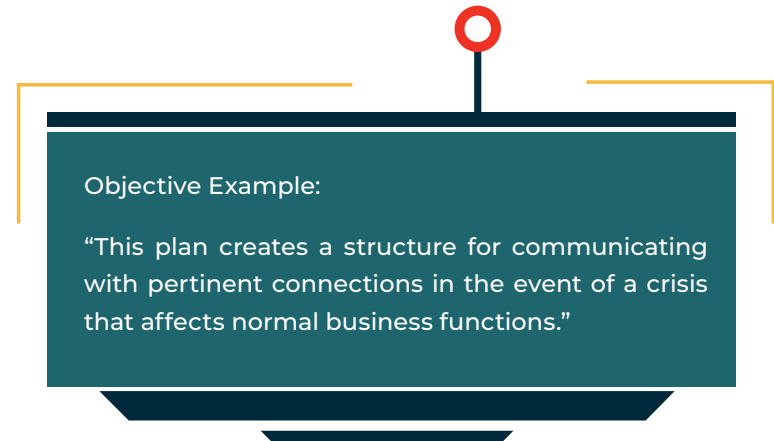


[Download Crisis Communication Plan Worksheet](#)



## Determine Plan Objective

Establishing the purpose of the crisis communications plan ensures that all efforts align with the common goal.



## Identify Stakeholders

When preparing a crisis communications plan, it is important to know who the plan is designed for.

Stakeholders will include a combination of groups outlined in your contact list. *(See Contact List Development on Page 26.)*

## CRISIS COMMUNICATION PLANNING *(Continued)*

### Create Fact Sheets

Fact sheets are used to communicate the details of the crisis and how it relates to your business and its stakeholders.

- Identify who is responsible for creating fact sheets.
- Include all known facts pertaining to the crisis to prevent misinterpretations from spreading.
- Offer as much transparency as possible.
- Determine person(s) responsible for reporting facts.
- Set deadlines for completed fact sheet(s), as timeliness is likely necessary.

### Communicate Facts to Stakeholders

Depending on the nature of the crisis, it is important to consider what method(s) will be most effective when dispersing factual information to your audience.

- Email
- Phone calls
- Physical mailing
- Press release
- Social media
- Website content

### Observe Stakeholder Response

How you monitor and address stakeholder feedback can be paramount in having effective communications during a crisis.

- Determine person(s) responsible for monitoring and responding to feedback.
- Determine method(s) for monitoring and responding to feedback.
- Address negative feedback as soon as possible.

### Regroup

Reflecting on the effectiveness of the crisis communications plan will help determine what changes and updates must be made to the plan.

- Gather all crisis management team members to discuss what went right and what went wrong.
- Discuss positive and negative feedback received. Was response sufficient? What should have been done?
- Revise crisis communications plan.

# EFFECTIVE MARKETING

Marketing resilience is an achievable goal. During uncertain times, strategic marketing visions can not only help brands successfully weather storms, but they can set them up for dynamic long-term success in ever-changing markets. Implementing these practical strategies now allows your marketing department to become a crucial asset in helping your brand navigate the challenges ahead.

Touch points can include a combination of e-commerce, email, social media, instant messaging, paid ads, etc.

## Support Existing Clients/Customers

Knowing and meeting the needs of your existing customers, especially during a time of crisis, will foster client loyalty.

- Craft marketing materials to keep people safe.
- Seek out high-quality information from reliable sources.

## Focus On Retention Marketing

Be proactive and offer people something to look forward to once you're no longer in crisis mode.

- Convey what there is to look forward to.
- Continue to communicate with engaged customers.
- Share other ways to connect.

## Leverage Digital Channels

Going digital with your marketing efforts can be a fiscally responsible and effective way to reach your customers.

- Attempt to reach customers at many touch points.

## EFFECTIVE MARKETING (Continued)

### Stay Agile

The ability to pivot quickly as the circumstances require is an important aspect of business resilience.

- Observe the crisis effect on clients/customers.
- Pivot to accommodate the issue.
- Add or evolve your product or service.

### Use Downtime

Use this time as efficiently as possible so that you are more than prepared for when the crisis comes to an end.

- Work on what you have not had time for before.
- Determine your long-term marketing strategy beyond the current crisis.
- Assess current operations and determine which need more/less attention.
- Analyze competitor tactics to adopt or avoid.

### Prioritize Spending

Smart decisions regarding your marketing efforts will require your marketing dollars to work harder for you.

- Avoid slashing marketing spend.
- Concentrate on clients with high lifetime value.
- Build brand awareness among high-value clients.

Crisis Effect Example:

*“My customers can no longer enjoy dining in at my restaurant.”*

Product/Service Evolution Example:

*“Now offering delivery or curbside pickup!”*

See Appendix 3 for Chapter 3 source material, along with worksheet examples and templates.



# CHAPTER 4 FINANCING TO BE RESILIENT

# 4




## CHAPTER 4 MATERIALS FOR DOWNLOAD

[Understanding  
Current Cash Flow  
Worksheet](#)

[Understanding  
Your Risk  
Worksheet](#)







A plan that prepares an organization or business to be resilient is a good thing. Knowing the assets and keys to organizational survival is critical. Telling the story and ensuring transparency will assure broad understanding and buy-in. But without a grasp on financials and fiscal impacts, those other elements become meaningless. To paraphrase a wise old saying, “*No money, no mission.*” Better put, “*No money, no survival.*”

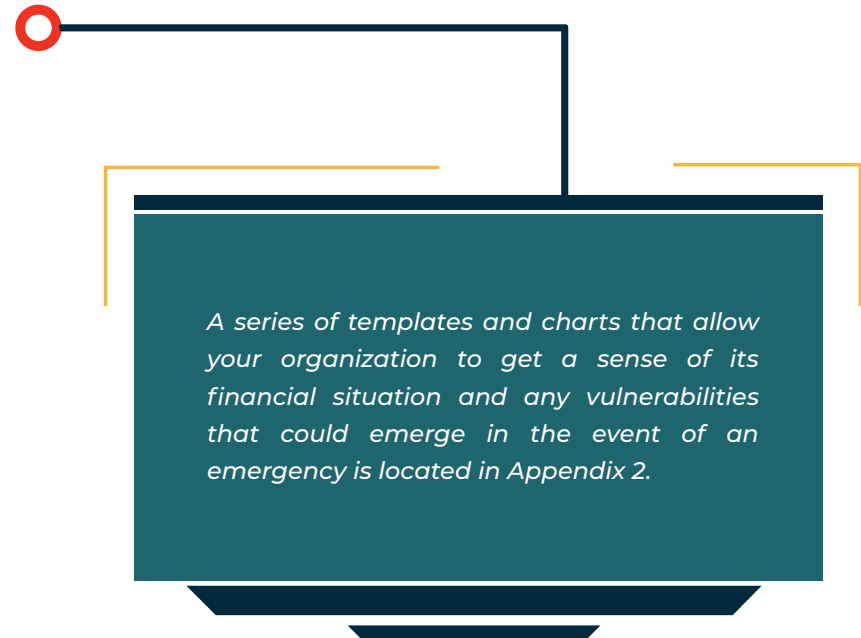
This chapter provides a framework for assessing organizational financials and knowing where to turn for help. There is a vast network of resources, and knowing where to look is important. Understanding what information is necessary for such an assessment will position you and your organization to maximize both assets and data.

## UNDERSTANDING YOUR CURRENT CASH FLOW

To assess your current and future financial health, it is important to understand the free cash flow within your business or organization. Free cash flow is essentially the cash left over after a business pays for its operating expenses.



[Download](#)  
[Understanding](#)  
[Current Cash Flow](#)  
[Worksheet](#)



# UNDERSTANDING DEBT & HOW IT AFFECTS YOUR ABILITY TO BORROW

Lenders will look at three main areas to determine your ability to borrow money. They will also consider the programs available to you.

These three main areas are:

## 1. Risk

An examination of long-term and current operations to estimate whether your business will withstand certain downturns in the industry or economy.

## 2. Profitability

A measure of your earnings, net profit, or net surplus for nonprofits.

## 3. Liquidity

Your cash position.

This guide examines each of these areas and identifies how a focus on managing inventory, accounts payable, or accounts receivable may affect your current position. Understand, it's not just about profitability, but also about managing cash and your debt.

**CASE STUDY:** A company was sold to one of its managers who is now taking over. The manager took out a loan to help her finance the purchase. Due to COVID, company revenue went from \$6 million to \$4 million but is now starting to grow back. The problem the new owner is facing is not having the cash flow to keep going. She's looking at an SBA-backed program loan to help.

In reviewing her finances and asking the same questions as done in the previous section, we found two main issues:

1. When calculating her cash conversion cycle, her business was too low compared to her industry partners. She worked to increase accounts receivable by seven days and delayed her accounts payable by 14 days without penalty. This freed up \$200,000 in cash flow by simply managing cash flow.
2. When looking at her gross profit, her company was similar to industry peers. However, when factoring in her interest payments, loans, and the cost of growing a business, she was slowly going broke. She was able to restructure some of her debt using an SBA-backed loan. That helped her get working capital to assist with growth while extending the loan payments so she could continue to make payments.

# UNDERSTANDING YOUR RISK

Risk can be defined in many different ways. A banker has a different perspective than a business owner, and mitigating risk is a valuable strategy. After all, less risky decisions or operations could enhance the flow of capital – at least from the perspective of a loan officer or investor.



[Download](#)  
[Understanding](#)  
[Your Risk](#)  
[Worksheet](#)



## Examining Risk

When examining your risk, consider the following:

- Management team
- Market viability
- Product and service viability
- Financial management
- Key risk identification


*A series of worksheets and templates will guide toolkit users to identify and understand the risks within their operations. Those exercises may prompt new strategies and allow for strategic actions to enhance organizational resilience. See Appendix 2.*

## Funding For Communities

Understanding the development finance spectrum is critical to maximizing the resources available in a community. A toolbox approach brings together the best financing concepts into a comprehensive package for a community to meet its financial needs.



These five bedrock tools will be covered in this section:

- 1. Bonds**
- 2. Targeted Tools**  
Tax increment finance
- 3. Investment Tools**  
Federal and state tax credits
- 4. Alternative Lending Tools**  
Revolving loan funds
- 5. Federal and State Support Tools**  
EDA, USDA, IEDA, and HUD programs



Many financial resources exist at local, state, and federal levels to support businesses, organizations, and institutions, both at normal times and in the case of emergency.

*Knowing where to look for assistance can be frustrating. A series of loan and grant programs, as well as special funds available in 2021 for those responding to the COVID-19 crisis is located in Appendix 2.*



## RESOURCES FOR BUSINESS, NONPROFITS, & GOVERNMENTAL ENTITIES *(Continued)*

### Bonds

Bonds are the bedrock of public development finance. In its simplest form, a bond is a debt or a loan incurred by a government entity. The bonds are issued and sold to the investing public, and the proceeds are typically made available to finance the cost of a capital project.



Setting up a bond program is complex. This guide is an introduction to the different options. The 'Resources In Your Region' section on page 44 will help you find your Council of Government or Economic Development Group to explore further.

The following are examples of types of bond programs:

**Small Issue Industrial Development Bonds** — These are often referred to as small issue manufacturing bonds, and they are the most common tool used to finance the manufacturing industry.

**501(c)3 Bonds for Nonprofits** — Two types of bonds are mainly used for nonprofit organizations: qualified hospital bonds and qualified non-hospital bonds. The latter type is used for educational and charitable institutions.

**Exempt Facility Bonds** — Used to finance a wide variety of projects, including airports, mass commuting facilities, and water and sewage facilities.



## Resources For Business, Nonprofits, & Governmental Entities *(Continued)*

### Targeted Tools

A tax increment financing (TIF) district is a mechanism for capturing the future tax benefits of real estate improvements to pay for the present cost of those improvements. It can be used to secure funding for either distressed or undeveloped areas in a community.

Setting up a TIF district would require the following:

- Set the TIF district's geographic boundaries.
- Establish the initial assessed value of the land in the district.
- Create an analysis of current tax revenue from the property tax, sales tax, and other taxes to benchmark the current tax level.

A TIF district generates money for development or redevelopment for a local government by capturing the tax revenue above the initial assessed value during the life of the district. The tax increment from a TIF district is created without raising taxes or using base tax revenues. The TIF becomes a repayment stream for debt used to finance some aspect of what is driving the increase, such as retail, commercial, residential, or mixed-use development.

A TIF district is often used to advance economic development priorities, including:

- Support overall development within a geographic area.
- Develop industry niches and open new markets for services that do not exist.
- Guide public finance dollars towards targeted investment and development.
- Assist with sewer expansion and water repair for a community.
- Acquire properties and buildings.
- Expand or construct streets.

Tax increment financing provides local governments with a funding mechanism that does not rely on federal or state funds. The TIF district captures the tax increment itself and is drawn to direct benefits to a specific area, typically an economically disadvantaged area. The life of the district can be anywhere from 10-40 years or enough time to pay back the costs or bonds issued to fund the improvements.

*This is an introduction to TIF. Contact your local council of government to learn more.*

## RESOURCES FOR BUSINESS, NONPROFITS, & GOVERNMENTAL ENTITIES *(Continued)*

### **Investment Tools**

Tax credits can be used for several types of development projects, including targeting specific community sectors, such as low-income neighborhoods, historic districts, and underserved markets. Tax credits can help investment in an area or project by providing an increased internal rate of return for investors, reducing the interest rate on a particular financing package, or providing a repayment method for investors in place of cash.

Tax credit programs allow businesses and investors to claim a tax credit for committing resources to a project or business. The authorizer of the tax credit will determine the type of project and type of tax credit that can be used.

### **Federal Tax Credits Available**

**Historic Preservation Tax Incentives** — This type of incentive was designed to discourage the demolition of older buildings. It offers a credit against the total federal taxes owed. The credit is equal to 20% of qualified rehabilitation expenditures devoted to a historic structure and 10% for non-historic structures.

**New Markets Tax Credits** — This was created to generate additional capital for economic development projects in low-income communities. It provides a 39% federal tax credit for qualified equity investments working in targeted low-income communities.

**Low-Income Housing Tax Credits** — This promotes the construction and rehabilitation of housing for low-income individuals. Each year the state of Iowa receives an inflation-adjusted, per person funding allocation for the issuance of tax credits for qualified housing development. Iowa Finance Authority is responsible for issuing these tax credits.

### **State Tax Credits Available**

Iowa Economic Development Authority (IEDA) manages many of the state tax credit programs, which can be combined with federal tax credit programs. Listed below are a few of the programs administered through IEDA. More can be found at [iowaeda.com](http://iowaeda.com).

**Workforce Housing Tax Credit** — This credit assists with construction or rehabilitation of housing in communities with workforce housing needs. This program provides tax benefits to a developer to provide housing in Iowa communities, focusing especially on those projects using abandoned or empty properties.

**Redevelopment Tax Credits** — These credits are available for redeveloping abandoned or underutilized spaces, commercial properties, or public buildings. Developers in Iowa can receive tax credits for redeveloping properties known as brownfield and greyfield sites.



## Resources For Business, Nonprofits, & Governmental Entities *(Continued)*

### **Investment Tools** *(Continued)*

**Disaster Workforce Housing Tax Credit** — This credit is designed to provide incentives for broadband development and workforce housing in disaster-impacted areas of Iowa. It allows tax credits for qualified housing projects in counties with a presidential disaster declaration.

**Innovation Fund Tax Credit** — The Innovation Fund Tax Credit was created to stimulate venture capital investment in innovative Iowa businesses. Individual investors receive tax credits equal to 25% of an equity investment in a certified innovation fund.

**New Jobs Tax Credit** — This credit assists businesses and expands employment opportunities by applying a one-time corporate income tax credit for participants in a new jobs training program. Iowa offers this credit as an incentive for businesses that provide additional training to employees and expand their workforce.

### **Alternative Lending Tools**

**Revolving Loan Funds (RLFs)** — These financial tools can be used by small and mid-sized businesses to help them get started or expand. RLFs provide a business with a flexible source of capital that can be combined with other sources and funding options. RLFs are used in many instances to help provide gap funding between a loan amount and the amount the business needs.

*For more information on Revolving Loan Funds, see Appendix 4.*

### **Federal & State Support Tools**


*Appendix 4 includes an extended list of loan and grant programs offered by a range of entities, from the state of Iowa to federal agencies like USDA and HUD.*

*See Appendix 4 for Chapter 4 source material, along with worksheet examples and templates.*



**CONCLUSION**

**CONCLUDE**



The COVID-19 pandemic cost the lives of millions of individuals worldwide and ravaged local, regional, and national economies. No one saw it coming and almost no one was prepared to react. The impacts on families, communities, businesses, and institutions will be felt for years.

The crisis did provide an important lesson on the value of preparation and planning and the recognition that things can and will go wrong. With that recognition comes an appreciation for long-term resilience in the face of unforeseen challenges.

The goal of this toolkit is to provide a guide for organizations seeking a path toward, ultimately, survival. A resilient business, nonprofit, or institution can react to the unknown and position itself to adapt and adjust. However, the ability to do so isn't inherent in most operations — it takes time and a willingness to plan.

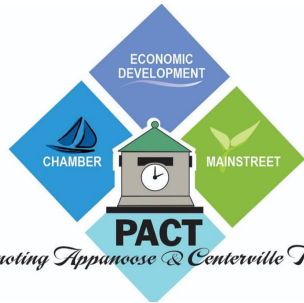
This guide is also not the definitive tool for resilience. There are internal and external resources that will enhance what is included. Take them with what is included here and build the best possible strategy map for your organization.



**RESOURCES  
IN YOUR REGION**

**RESOURCES**

# CHARITON VALLEY PLANNING & DEVELOPMENT COUNCIL OF GOVERNMENTS



## Centerville-Rathbun Lake Area Chamber of Commerce

Address: 128 North 12th Street Centerville, Iowa 52544

Phone: 641-437-4102

Phone: 1-800-611-3800

Email: [chamber@centervilleia.com](mailto:chamber@centervilleia.com)

Website: <https://centervilleia.com>



## Albia Chamber of Commerce

Address: 18 South Main Street Albia, Iowa 52531

Phone: 641-932-5108

Email: [albiachamber@albiachamber.org](mailto:albiachamber@albiachamber.org)

Website: [www.albiachamber.org](http://www.albiachamber.org)



## Chariton Area Chamber/Main Street

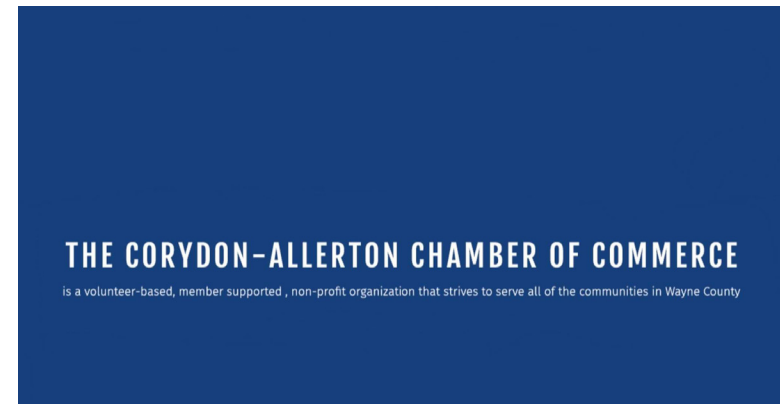
Address: 104 N. Grand Street Chariton, Iowa 50049

Phone: 641-774-4059

Email: [director@cacmsia.com](mailto:director@cacmsia.com)

Email: [office@cacmsia.com](mailto:office@cacmsia.com)

Website: [charitonchambermainstreet.com](http://charitonchambermainstreet.com)



## Corydon/Allerton Chamber of Commerce

Address: 101 W. Jackson Street Corydon, Iowa 50060

Phone: 641-872-1826

## Main Street Centerville

Address: 115 E Van Buren Street Centerville, IA 52544

Phone: 641-895-2088

Email: [director@mainstreetcenterville.com](mailto:director@mainstreetcenterville.com)

Website: [www.mainstreetcenterville.com](http://www.mainstreetcenterville.com)

## Appanoose Economic Development Corporation

Address: 128 North 12th Street Centerville, Iowa 52544

Phone: 641-437-4102

Email: [director@appanoosecounty.org](mailto:director@appanoosecounty.org)

Website: [www.appanoosecounty.org](http://www.appanoosecounty.org)

Description: Home Base Iowa Appanoose County is located in South Central Iowa, where people have a strong work ethic and community leaders are always happy to welcome new businesses. Appanoose County is well-known for its outstanding advanced manufacturing businesses, which are served by the Appanoose County Community Railroad (APNC). Centerville, the county seat, is home to a high-quality K-12 school district, cutting-edge healthcare and hospital facilities, a vibrant shopping district, and Indian Hills Community College, which provides customized job training programs for local businesses. The county also encompasses 10 other communities filled with great civic pride and two additional, excellent school districts. Also, Honey Creek Resort is one of Iowa's premier lodging and recreational facilities, located on beautiful Rathbun Lake. Appanoose County is a truly an outdoor playground, featuring over 12,000 acres of public hunting ground, bountiful fishing, boating, camping, multiple hiking trails, and three golf courses. Take a closer look at Appanoose County – it's a great place to grow your business and raise your family!

## Lucas County Development Corporation

Address: PO Box 803, 115 S Main St, Chariton, IA 50049

Phone: 641-203-1924

Email: [lucascountydevelopmentcorp@gmail.com](mailto:lucascountydevelopmentcorp@gmail.com)

Description: The mission of the Lucas County Development Corp is to foster and encourage economic development activities which attract, develop, improve, and retain various industries and businesses, along with a focus to strengthen our community and provide a sustainable future for the citizens of Lucas County.



## Source Material

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Unknown. Communications in Crisis – “Who You Gonna Call?” And What Will You Say? AgilityRecovery. 7 April 2014. <https://www.agilityrecovery.com/article/communications-crisis-who-you-gonna-call-and-what-will-you-say>.

## Appendix 1

### Chapter 1 Materials For Download

- [Organizational Assessment Worksheet](#)

### Business Emergency Preparedness Social Media Toolkit

- <https://www.ready.gov/business-emergency-preparedness-social-media-toolkit>

## Appendix 2

### Chapter 2 Materials For Download

- [Operations Worksheet](#)
- [Organizational Continuity Resource Worksheet](#)
- [Hardware & Software Inventory Worksheet](#)
- [Reduce Potential Disruptions Worksheet](#)
- [Emergency Response Plan Worksheet](#)

### Forming an Emergency Response Plan

- [https://www.ready.gov/sites/default/files/2020-09/business\\_emergency-response-plans.pdf](https://www.ready.gov/sites/default/files/2020-09/business_emergency-response-plans.pdf)

### Business Continuity Resource Requirements

- <https://www.ready.gov/sites/default/files/2020-03/business-continuity-resource-worksheet.pdf>

### Business Emergency Preparedness Toolkit

- <https://www.ready.gov/business-emergency-preparedness-social-media-toolkit>

### Inland Flooding Toolkit

- [Ready Business Inland Flooding Toolkit](#)
- [Spanish Ready Business Inland Flooding Toolkit](#)



## Power Outage Toolkit

- [Ready Business Power Outage Toolkit](#)
- [Spanish Ready Business Power Outage Toolkit](#)

## Severe Weather Safety Toolkit

- <https://www.ready.gov/severe-weather-safety-social-media-toolkit>

## Severe Wind/Tornado Toolkit

- [Ready Business Severe Wind Tornado Toolkit](#)
- [Spanish Ready Business Severe Wind Tornado Toolkit](#)

## Ready Business Workshop “How-To” Guide

- [https://www.ready.gov/sites/default/files/2020-04/ready\\_business\\_how-to-guide.pdf](https://www.ready.gov/sites/default/files/2020-04/ready_business_how-to-guide.pdf)

# Appendix 3

## Chapter 3 Materials For Download

- [Contact Hub Worksheet](#)
- [Crisis Communication Plan Worksheet](#)

## Crisis Response and Communication

- <https://www.ready.gov/crisis-communications-plan>

# Appendix 4

## Chapter 4 Materials For Download

- [Understanding Current Cash Flow Worksheet](#)
- [Understanding Your Risk Worksheet](#)

## COVID FUNDING FOR FOR-PROFIT AND NONPROFIT ENTITIES

There are many resources to help organizations — both for-profit and nonprofit — at times of need. That can include instances during a crisis or otherwise. The following list of assets is not all-inclusive but does provide an important overview of the most-used programs.

### SBA Economic Injury Disaster Loans

How much can a business borrow?

- SBA will determine your loan amount based on working capital needs.
- Interest rates:
  - » 3.75% small businesses
  - » 2.75% for nonprofit organizations
- Terms up to 30 years
- Payments deferred for one year

How can loan funds be used?

- Working capital loans
- Pay fixed debts, payroll, accounts payable, and other bills that could have been paid had the disaster not occurred
- Can now use to refinance for long-term debt

Collateral requirements?

- Over \$25,000 require collateral
- SBA will not decline a loan for lack of collateral.

Important information

- Apply online at [www.SBA.gov/Disaster](http://www.SBA.gov/Disaster) — no cost to apply and no obligation to take the loan if offered

### Paycheck Protection Plan (PPP)

The Paycheck Protection Program (PPP) provides loans to help businesses keep their workforce employed during the COVID-19 crisis. Borrowers may be eligible for PPP loan forgiveness.

How much can a business borrow?

- Currently, there is a first and second round of PPP.
- Calculate the average monthly payroll costs.

- » Monthly payroll costs include gross wages up to a max of \$100,000 per employee.
- » (+) Any pre-tax employee contributions for health insurance, life, disability, vision, and dental insurance
- » (+) Employer contributions to employee retirement plans
- » (+) Employer state and local taxes assessed on employee compensation, primarily state unemployment insurance tax
- Monthly payroll costs x 2.5 = maximum loan amount
- Monthly payroll costs x 3.5 = maximum loan amount for NAICS 72 sectors if applying for a second round

#### Loan details

- PPP loans have an interest rate of 1%.
- Loans issued prior to June 5, 2020, have a maturity of two years. Loans issued after June 5, 2020, have a maturity of five years.
- Loan payments will be deferred for borrowers who apply for loan forgiveness until SBA remits the borrower's loan forgiveness amount to the lender. If a borrower does not apply for loan forgiveness, payments are deferred 10 months after the end of the covered period for the borrower's loan forgiveness (between eight weeks and 24 weeks).

#### Collateral requirement

- No collateral or personal guarantees are required.

#### How can funds be used?

- Funds can be used for payroll costs, rent, and utilities.

#### Who is eligible?

- Sole proprietors, independent contractors, and self-employed persons
- Any small business concern that meets SBA's size standards (either the industry size standard or the alternative size standard)
- Any business, 501(c)(3) or 501(c)(6) nonprofit organization, 501(c)(19) veterans organization, or tribal business concern (Sec. 31(b)(2)(C) of the Small Business Act) that meets the SBA's size standard.

### USDA Business and Industry Guaranteed Loan Program (COVID-specific)

This program offers loan guarantees to rural businesses and agricultural producers for working capital to prevent, prepare, and respond to the economic impacts of COVID-19. *Application deadline: September 15, 2021, unless extended.*

#### How much can a business borrow?

- Loan amounts may vary but can be guaranteed up to 90% with terms up to 10 years.

How can loan funds be used?

- These loans must be used as working capital to prevent, prepare for, or respond to the effects of the COVID-19 pandemic.

Collateral requirement

- Sufficient collateral is required at least equal to the loan amount.

Important information

- Land may be used only to support rural businesses, including agricultural producers, that were in operation on February 15, 2020.
- Eligible businesses must be in a rural area not in a city or town with a population of more than 50,000 inhabitants.

## CARES Act Revolving Loan Fund Program

The CARES Act RLF program is designed to assist private industrial and commercial borrowers negatively impacted by the COVID-19 pandemic. This RLF is funded in part by the U.S. Department of Commerce's Economic Development Administration and varies by local partner organization.

- Terms up to seven years for working capital, including inventory
- Terms up to 10 years for fixed asset loans
- 0% to 4% interest

## FUNDING FOR NONPROFIT ENTITIES

### USDA Community Facilities Direct Loan and Grant Program

This program provides affordable funding to develop essential community facilities in rural areas. Facilities include health care clinics, adult and childcare centers, assisted living facilities, and many other community-based initiatives.

What kinds of funding are available?

- Low-interest direct loans or grants

What are the terms?

- Funding is provided through a competitive process.
- Loan repayment terms may not be longer than useful life or a maximum of 40 years.

What are eligible rural areas?

- Rural areas including cities, villages, and townships with no more than 20,000 residents

#### Important information

- Grants and direct funding have many additional requirements. Talk to your local council of government to learn more.

### Local Philanthropy and Community Foundations

Both private and community foundations can be sources of financial support for nonprofit organizations. They vary by location but are mission-oriented and often consider nonprofits to be eligible applicants. In Iowa, the Iowa Council of Foundations is a source of information for most philanthropic entities in the state.

### FUNDING FOR FOR-PROFIT

#### SBA 7(a) Loan Program

How much can a business borrow?

- Loan amounts up to \$5 million
- Terms up to 25 years
- Payments deferred for one year

How can loan funds be used?

- Pay fixed debts, payroll, accounts payable, and other bills that could have been paid had the disaster not occurred
- Can now use to refinance for long-term debt

Collateral requirements?

- Over \$350,000 require collateral

Important information

- SBA partners with financial institutions such as banks and credit unions.
- You will need to reach out to your bank or credit union who underwrites, closes, and services the loan.

Go to <https://www.sba.gov/partners/lenders/microloan-program/list-lenders> to find a lender in your area.

## SBA Community Advantage 7(a) Pilot Loan Program

How much can a business borrow?

- Loan amounts up to \$250,000
- Terms up to 25 years

How can loan funds be used?

- Community Advantage is a pilot program introduced by the U.S. SBA to meet the credit, management, and technical assistance needs of small businesses in underserved markets.

Collateral requirement

- Over \$350,000 require collateral

Important information

- SBA partners with financial institutions such as banks and credit unions.
- You will need to reach out to your bank or credit union who underwrites, closes, and services the loan.

Go to <https://www.sba.gov/partners/lenders/microloan-program/list-lenders> to find a lender in your area.

## SBA Microloan Program

How much can a business borrow?

- Loan amounts up to \$50,000 with terms up to seven years

How can loan funds be used?

- These loans are for supplies, furniture, fixtures, materials, equipment, or working capital.

Collateral requirement

- Required at your lender's discretion. They will look at your debt-to-income ratios for the past two years and your cash flow position.

Important information

- Decisions to approve are made by the lender, not SBA.

## SBA 504 Program

A 504 loan can be used for a range of assets that promote business growth and job creation.

These include the purchase or construction of:

- Existing buildings or land
- New facilities
- Long-term machinery and equipment

Or the improvement or modernization of:

- Land, streets, utilities, parking lots and landscaping, or existing facilities

A 504 loan cannot be used for:

- Working capital or inventory
- Consolidating, repaying, or refinancing debt
- Speculation or investment in rental real estate

Repayment terms

- Both 10- and 20-year maturity terms

## Revolving Loan Funds (RLFs)

How much can a business borrow?

- Typically, between \$10,000 and \$250,000
- Terms vary from three to five years for working capital and up to 10 years for machinery
- Some revolving loan funds fill a gap for financing

How can loan funds be used?

- Operating capital
- Acquisition of land and buildings
- New construction, facade, and building renovation
- Landscape and property improvements
- Machinery and equipment

## Important information

- As a public investment instrument, revolving loan funds are expected to result in public good — namely projects contributing to economic growth and community revitalization.
- Borrowers must address performance measures such as:
  - » Number and type of jobs created or retained
  - » Increase in tax revenue
  - » Private funding relative to public investment
- While RLFs take on projects with above average risk, borrowers are held to standard financial requirements in loan security and will need the following:
  - » Business plan
  - » Business experience and management information
  - » Credit history, financial statements, and cash flow projections

## Iowa Finance Authority State Revolving Fund (SRF)

The State Revolving Fund (SRF) is the best choice to finance the design and construction of Iowa water and wastewater infrastructure.

The Clean Water SRF funds wastewater treatment, sewer rehabilitation, stormwater quality improvements, and non-point source projects.

The Drinking Water SRF funds water treatment plants or improvements to existing facilities, water line extensions to existing unserved properties, water storage facilities, wells, and source water protection efforts.

The Department of Natural Resources (DNR) and the Iowa Finance Authority (IFA) jointly administer the SRF. The DNR administers the environmental and permitting aspects to get projects ready for financing. This includes engineering and design approval and construction permits. DNR staff assists applicants through the environmental review process. IFA manages the financing side of the programs. IFA staff works with applicants on loan approvals and disbursements.

### [Clean Water Loan Program](#)

- Publicly owned wastewater treatment works, including those owned by cities, counties, sanitary districts, and utility management organizations are eligible.
- For non-point source projects, both public and private entities are eligible, including farmers, landowners, watershed organizations, landfills, and rural homeowners.



### Drinking Water Loan Program

- Public and private community water systems whether they are for profit or not for profit, non-transient noncommunity public water supplies if they are either publicly owned or are not for profit, and transient non-community systems if they are owned by government entities are eligible.

### Construction Loans

- SRF has the lowest cost funds compared to other financing options, with interest rate of 1.75% for loans of up to 20 years. The extended loan term is up to 30 years, based on the average life of the project components, for all Clean Water SRF loans. Communities considered disadvantaged under DNR rules can receive 1.75% on loans from 20-30 years. Other extended term loans will be at 2.75%. For Drinking Water SRF loans, only disadvantaged communities (based on Community Development Block Grant criteria) can qualify for extended terms and the interest rate is 1.75%. There is a 0.5% origination fee and a 0.25% annual servicing fee on outstanding principal.

### Planning & Design (P&D) Loans

- P&D loans are offered at 0% interest for up to three years to cover engineering and project development costs. P&D loans can be rolled into an SRF construction loan, or paid off with other permanent financing.

### Non-point Source Loans

- Low-interest loans are available to public and private borrowers to address stormwater management, inadequate septic systems, landfill closure, lake restoration, soil erosion control, brownfield cleanup, manure management, and much more.

## **OneRD Guarantee Loan Initiative**

USDA has removed unnecessary regulations to increase private investment in rural businesses and rural economic development projects and to improve customer service within four flagship loan guarantee programs. USDA implemented a standard set of requirements, processes, and forms for four Rural Development programs including,

- Water and Waste Disposal Guaranteed Loan Program
- Community Facilities Guaranteed Loan Program
- Business and Industry Loan Guarantee Program
- Rural Energy for America Guaranteed Loan Program

## USDA Community Facilities Direct Loan and Grant Program

This program provides affordable funding to develop essential community facilities in rural areas. Facilities include health care clinics, adult and childcare centers, assisted living facilities and many other community-based initiatives.

What kinds of funding are available?

- Low-interest direct loans and grants
- Maximum amount is \$100 million
- 80% loan guarantee by USDA

What are the terms?

- Loan repayment terms may not be longer than useful life or a maximum of 40 years.

What are eligible rural areas?

- Rural areas with populations of 50,000 residents or less

Important information

- To get started with this program contact your local Council of Government.

## USDA Water and Waste Disposal Guaranteed Loan and Grant Program

This program helps private lenders provide affordable financing to qualified borrowers to improve access to clean, reliable water and waste disposal systems for households and businesses in rural areas. Funds may be used to improve facilities for drinking water, sanitary sewers, solid waste disposal, and storm water disposal facilities.

What kinds of funding are available?

- Low-interest direct loans and grants
- 80% loan guarantee by USDA

What are the terms?

- Loan repayment terms may not be longer than useful life or a maximum of 40 years.

What are eligible rural areas?

- Rural areas with populations of 50,000 residents or less

## USDA Community Facilities Program — Transportation Infrastructure

Upgrading or building new transportation infrastructure can come at a high cost, especially for small communities with limited resources. This program offers affordable financing through its loan and grant program.

Types of projects that can be used:

- Road and bridge construction or repair,
- Pedestrian safety upgrades,
- Accessibility improvements,
- Commuter bike lane or path development,
- Other enhancements that would support the Safe Routes to School initiative
- Public transportation system upgrades
- Construction or repair of transportation department facilities

What kinds of funding are available?

- Low-interest direct loans or competitive grants
- 80% loan guarantee by USDA

What kinds of projects are competitive for grants?

- Very small and low-income communities seeking assistance with projects valued at less than \$250,000 are the most competitive applicants for grant funding.

What are eligible rural areas?

- Rural areas with populations of 20,000 residents or less

## Community Development Block Grant (CDBG)

The Iowa Economic Development Authority (IEDA) administers the federal Community Development Block Grant (CDBG) program in all of Iowa's incorporated cities and counties, except those designated as HUD entitlement areas (larger cities). Authorized under the Housing and Community Development Act, the program has a main goal to "develop viable communities by providing decent housing and suitable living environments and expanding economic opportunities, principally for persons of low and moderate incomes."

All projects must meet the National Objectives as defined by HUD, including:

- Community Facilities and Services: Assists projects such as day care facilities, senior centers, vocational workshops, and stormwater projects.
- Downtown Revitalization Fund: Rehabilitates blighted downtown buildings.
- Employment Transportation: Provides transportation for individuals to travel to job activities or job education opportunities.
- Housing Rehabilitation: Assists communities with preserving existing housing stock and creating new housing opportunities.
- Opportunities and Threats Fund: Reserves funds for communities facing an imminent threat to the public requiring immediate assistance.
- Water and Sewer: Assists cities and counties with projects such as sewer, water, and wastewater treatment system improvements, storm sewer projects, and rural water connections.

## EDA Build to Scale Program

EDA's Office of Innovation & Entrepreneurship is committed to furthering tech-based economic development initiatives that accelerate high-quality job growth, create more economic opportunities, and support the future of the next generation of industry-leading companies. Funding is available for organizations that aid companies in developing the next generation of technologies. Under the Build to Scale Program, EDA has two separate competitions that are due in April of each year if funding allows.

Types of competitions

- Venture Challenge is for those who seek to support entrepreneurship and accelerate company growth in their community or region.
- Capital Challenge provides operational support for the formation, launch, or scale of investment funds that seek to invest their capital in scalable startups (i.e., venture funds, seed funds, angel funds) or to organizations with a goal to expand capital deployment within a community, region, or regional industry (i.e., angel networks or investor training programs).

Types of projects that can be used:

- A state
- An Indian tribe
- A city or other political subdivision of a state
- A nonprofit organization
- An institution of higher education
- A public-private partnership
- A science or research park
- A venture development organization
- An economic development organization

#### Match

- Applicants must provide matching share equal to at least 50% of the total project cost.

#### Request limits

- Venture Challenge applicants may not exceed \$750,000 and may not exceed \$1,500,000 over a three-year project period.
- Capital Challenge applicants may not exceed \$400,000 in funding over a three-year project period.



# **RESILIENCE TOOLKIT**

For Small Business