

LABI EXPANDS SMALL BUSINESS DISASTER RELIEF FUND TO INCLUDE HURRICANE RITA VICTIMS

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(Baton Rouge, LA) – In response to the devastation wrought by Hurricane Katrina in south Louisiana and the coastal counties of Mississippi and Alabama in late August, the Louisiana Association of Business and Industry (LABI), with the assistance of the Baton Rouge Area Foundation, established the Small Business Disaster Relief Fund. The Fund is an ongoing initiative that will provide grants to help small businesses damaged by Hurricane Katrina get back into business as soon as possible by providing “gap funding” to cover expenses not covered by insurance.

Since the Fund was established, southwest Louisiana and the southeastern corner of Texas were hit by Hurricane Rita, leaving many small business owners and operators there with similar conditions that are threatening business’ viability in the Katrina-damaged region. To provide assistance to the businesses that suffered losses due to Hurricane Rita, the LABI Small Business Disaster Relief Fund has been expanded to allow small business owners and principals in those areas to apply for grants from the Fund.

“Many small business owners in southeast Texas, Lake Charles and parishes in southwest Louisiana are now facing the same problems as the businesses damaged by Hurricane Katrina,” said LABI President Dan Juneau. “Damage to facilities from wind and flooding, displaced workers and a lack of housing, as well as loss of income, will affect the livelihoods of thousands of small business owners and employees. To get these businesses back on their feet faster, LABI is expanding the Small Business Disaster Relief Fund to allow those affected by Hurricane Rita as well as Hurricane Katrina to apply for a grant from the Fund. Small businesses are truly the engines that drive our economy, and only when they are fully operational again will the areas hardest hit by these storms be able to survive economically,” concluded Juneau.

The Small Business Disaster Relief Fund is now even more in need of donations to assist the growing number of small businesses severely impacted by Hurricanes Katrina and Rita. Over 400 applications for grants have already been received and more are coming in each day. The Fund is supported by the U.S. Chamber of Commerce, the National Association of Manufacturers, Small Business California, and the National Small Business Association. The Manhattan Chamber of Commerce and the Oklahoma Association of Business and Industry – two groups all too familiar with rebuilding an economy following a disaster – have partnered with LABI to promote the Fund. And, the MBA students at San Diego State University are embarking on a number of fundraising projects to help small businesses in the affected states.

These donations may make the difference in whether or not a small business will once again be able to open its doors. Contributions are tax deductible (the Fund is a 501 (c) (3) nonprofit organization) and may be made by check (made payable to Small Business Disaster Relief Fund/BRAF) and mailed to:

Small Business Disaster Relief Fund/BRAF
402 N. 4th Street
Baton Rouge, LA 70802

Contributions may also be made through LABI's Web site (www.labi.org). Online contributions may be made by credit card, PayPal or instant checking account transfer.

All contributions will go directly to small businesses that need these funds to recover. Applications are handled anonymously to ensure total fairness in the grant selection process. Volunteers from the CPA Society, local Bar Association, and Independent Insurance Agents association have been recruited to screen the applications.

ELIGIBILITY AND APPLICATION PROCESS

LABI began accepting grant applications for the Small Business Disaster Relief Fund on September 15, 2005. Applications may be downloaded from the LABI Web site (www.labi.org), or contact the LABI office at (225) 928-5388 to have the application faxed or mailed. Completed applications should be mailed to:

Small Business Disaster Relief Fund/BRAF
P.O. Box 80752
Baton Rouge, LA 70898-0752

To be eligible for a grant, an applicant must be an owner or principal in a for-profit, private sector business that had fewer than 100 employees on August 29, 2005 (Katrina-related) or September 24, 2005 (Rita-related). Any affected business in a parish or county designated as a primary disaster relief area by the federal government is eligible to apply. The business must have suffered substantial losses or the potential of long-term business interruption as a direct result of the hurricanes.

The Small Business Disaster Relief Fund is not in place to give money to business owners who are permanently going out of business. Its role is to provide gap funding for elements insurance will not cover to assist small businesses' reentry into the economy. An important part of the application deals with how the applicant will use the grant to go back into business or bring the business up to prior levels of activity more quickly. Another important factor focuses on how many jobs the grant will help to restore.

Interested parties should access the LABI Web site at www.labi.org to initiate an application.