

Limited Eligibility for Equipment and Capital Purchases (for local authorities)

There may be times when a local authority is required to purchase equipment to prepare for or respond to a disaster – such as additional pumps in a severe flood or additional sprinklers to protect buildings from a wildfire – because it was not possible or practical to source the equipment through a mutual aid or rental agreement.

Equipment That Cannot be Reused

Equipment and supplies that cannot be reused/added to inventory after the event such as N95 masks or cleaning supplies for evacuation centres are eligible for Disaster Financial Assistance (DFA). Local authorities must provide a justification for the equipment's use and maintain records outlining the dates when the equipment was used, period of time in-use, and details on any expenses associated with the use of the equipment.

Capital Purchases

While there are restrictions on the eligibility of capital purchases, local authorities may recover some of these expenses through the DFA program. Manitoba Emergency Management Organization (EMO) can work with local authorities to determine which expenses will be eligible for DFA.

Depreciation Cost Eligibility

The DFA program recognizes that new assets lose value because of event-related use. Local authorities can claim for the difference between the original purchase price and the asset's remaining market value (i.e., what it could be sold for). A local authority can also claim the costs of operating the equipment during the disaster period.

Original Cost: \$1,500
Value After Event: \$1,200
DFA Claim: \$300

Example: Determining residual market value

A generator is purchased for \$1,500 during a disaster because there is a shortage of generators available to rent. It is used for 60 days following the disaster. A certified dealer determines that the generator now has a residual value of \$1,200. The local authority would receive \$300 in DFA plus the costs to operate the generator.

Mitigation and Preparedness Program (MPP)

If a [Mitigation and Preparedness Program](#) is established following a DFA eligible event, local authorities can submit a proposal to use their funding for equipment purchases.

There are limitations:

- The equipment must help mitigate future disaster impacts or improve emergency preparedness.
- Only equipment purchased after the disaster begins is eligible for MPP.

Original Cost: **\$1,500**

Value After Event: **\$1,200**

DFA Claim: **\$300**

MPP Claim: **\$900**

Capital purchases are not automatically eligible for DFA. Talk to your Manitoba EMO liaison about potential restrictions and how to effectively invest mitigation funding.