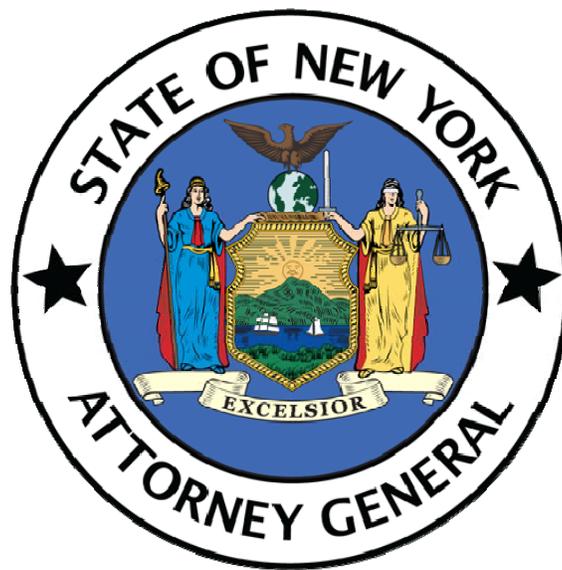


CHARITABLE RESPONSE TO HURRICANE SANDY

Interim Report

July 2013



Charities Bureau

New York State Attorney General

Eric T. Schneiderman

CHARITABLE RESPONSE TO HURRICANE SANDY

EXECUTIVE SUMMARY

On October 29, 2012, Hurricane Sandy struck the eastern seaboard, causing unimaginable devastation. Over 150 Americans lost their lives,¹ entire communities were destroyed, scores of homes, schools, hospitals and businesses were flooded, and millions were left without power. Seared permanently into our consciousness are the heart-wrenching images of grieving parents laying to rest their two young sons on Staten Island; Breezy Point residents staring at the remains of their homes; family photos, baby toys and children's artwork among the mountains of memories forming new landfills in the Rockaways.

The past eight months have witnessed not only immense tragedy but also extraordinary compassion and generosity. In Sandy's aftermath, thousands have rallied to provide assistance. As in previous disasters, our nation's charitable sector has risen to the occasion to help lead and organize the relief effort. During the storm and in its wake, charity professionals and volunteers helped individuals evacuate, staffed shelters and other relief sites, and brought assistance to those who could not leave their homes. In the following days and months, charities and their volunteers have provided meals, shelter, and medical and legal assistance. They have cleaned out homes, begun rebuilding, and provided cash grants, among a host of other services, demonstrating yet again the vital role nonprofits play in lifting up communities and people when hardship strikes.

This remarkable charitable effort was only possible because of the generosity of New Yorkers and others around the country who contributed hundreds of millions of dollars to help storm victims rebuild their lives. In light of the vast amount of funds collected and the massive needs that still remain, the Charities Bureau of the Office of the Attorney General has been collecting information from charities involved in Hurricane Sandy relief. Within weeks of the storm, the Charities Bureau sent questionnaires to approximately 90 charities raising funds in New York seeking information about their Sandy-related fundraising and relief activities.² In March and April 2013, the Charities Bureau sent follow up questionnaires seeking updated information. The Charities Bureau has posted the responses to the questionnaires on its website, www.charitiesnys.com. Sample questionnaires are attached to this report as **Appendix A**. A list of the responding organizations is attached as **Appendix B**.

This interim report accompanies the release of the second round of responses to the questionnaires.³ The report is divided into three sections. The first section, **Summary of Responses**, reports on the responses to the questionnaires, including the amounts raised and spent, how charities have been spending these funds, and whether they are being spent solely on Hurricane Sandy relief. It also provides quantitative analysis of the responses.

The figures reported below are based on self-reporting by the responding charities, and, in some cases, raise questions and concerns. The Charities Bureau is now launching an extensive review to verify the amounts provided and the purposes for which they were used.

Highlights include:

- The responding organizations reported raising over \$575 million in funds for Sandy relief, and spending over \$336 million, or 58% of that amount for Sandy relief. Not all of this money, however, has gone directly to help Sandy victims despite the widespread needs that persist; the responses reveal that funds have been used for overhead, administration, and other disasters.
- The responding organizations reported that \$238 million, or 42% of the total raised, was unspent as of April 2013, raising questions about why such a large amount sat in charities' bank accounts for so long rather than helping communities and families still in need.
- Some organizations also reported that donations would be used for Sandy relief only if they were "designated" or "specified" or "restricted" for such purpose. This practice raises a number of questions, including: How is the charity defining those terms? What does a donor need to do in order to "designate" that a donation be used for Sandy? How was that communicated to the public?
- The American Red Cross was the largest fundraiser, reporting having raised over \$299 million—more than all other organizations fundraising for Sandy relief combined.⁴ The American Red Cross reported that it established cut-off dates after which certain donations were no longer applied to Sandy relief. All donations made to its disaster relief fund online and by telephone from October 28, 2012 through November 26, 2012, and donations made by text through December 31, 2012, were applied to Sandy relief. After those dates, donations were not applied to Hurricane Sandy relief unless the donations were "restricted" to Hurricane Sandy or made in response to Sandy-specific fundraising.
- Seventeen organizations reported that they may use funds raised in response to Sandy to address other causes, which raises at least two important questions: Were these plans clearly communicated to donors and, more fundamentally, why are organizations spending Sandy donations on other purposes when so many Sandy victims still need so much?
- Organizations reported receiving donated goods and services valued at \$105 million, yet the methods used to value the donations were often unclear or inconsistent.

The second part of this report, **Key Issues and Next Steps**, discusses these and other issues, and identifies areas in which the Charities Bureau is obtaining additional information from charities, including:

- **Ensuring Sandy Donations Go To Sandy Relief.** In the light of the significant needs that exist and the public's expectations that donations are being used to help storm victims, the Charities Bureau is requiring further information from charities and taking additional steps to ensure that funds raised in the name of Hurricane Sandy relief are in fact used for that purpose.
- **Understanding Why Sandy Donations Remain Unspent.** The Charities Bureau is assessing why substantial funds remained unspent months after the storm hit, and whether organizations have realistic plans and the capacity to use the funds they raised for Sandy relief.
- **Clarifying Direct Expenses.** Charities reported spending substantial amounts directly on Hurricane Sandy relief. The Charities Bureau is requiring further information about the nature of these expenditures, including how much of this money was spent to cover new incremental costs resulting directly from Hurricane Sandy relief efforts and how much was spent to pay for pre-existing fixed costs, such as personnel and warehouse space, that the organization was already obligated to pay.
- **Assessing the Adequacy of Gift-in-Kind Valuation.** Many organizations received large amounts of donated goods and services. The Charities Bureau is requiring further information about the methods used to value in-kind donations, which were inconsistent and in some cases unclear.
- **Promoting Effective Eligibility Criteria.** The Charities Bureau is also evaluating the eligibility criteria organizations used to make cash grants, and whether systems are in place to prevent fraud and to ensure that funds are directed where they are needed.

Based on the Charities Bureau's review of the responses to the questionnaires and its discussions with nonprofit leaders, it is clear that opportunity exists for the nonprofit sector to be better prepared and coordinated for the next large-scale disaster. The final part of the report, **Preparing for Next Time**, identifies ways to enhance transparency in disaster fundraising, improve communication to ensure needs are met as effectively and quickly as possible in future disasters, and increase coordination among nonprofits to achieve administrative efficiency and a more effective local community response.

SUMMARY OF RESPONSES

Question 1: What is the dollar amount of donations and pledges that your organization has raised to date in response to Hurricane Sandy?

Organizations reported raising over **\$575 million** in cash donations in response to Hurricane Sandy. Donations were received from the general public, corporations, private foundations, religious organizations, and other nonprofit organizations.

Much of this funding is concentrated among a small number of organizations – five of the organizations account for almost 80% of the funds raised. The American Red Cross accounts for over half of the total money raised, with \$299.3 million raised through March 31, 2013.

Top Five Recipients of Sandy Donations	
American Red Cross	\$299,300,000
Robin Hood Foundation	\$64,825,000
The Mayor's Fund to Advance NYC	\$57,002,470
The Salvation Army	\$20,532,000
Empire State Relief Fund	\$14,500,761

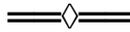
Several organizations reported raising substantially more money for Hurricane Sandy than they typically would otherwise. As listed on the following chart, twelve organizations reported Hurricane Sandy fundraising totals that exceed 50% of the total revenue reported in their most recently available annual financial report.

Organization ⁵	Amount Raised for Sandy Relief	Most Recent Annual Revenue ⁶	Sandy Funds as Percentage of Revenue
Carl V. Bini Memorial Foundation	\$444,182	\$40,591	1094%
Graybeards	\$1,100,000	\$200,661	548%
Friends of Rockaway/Giants of Generosity	\$345,315	\$125,727	275%
Team Rubicon	\$1,367,571	\$574,673	238%
Stephen Siller Tunnel To Towers Fdn	\$6,000,000	\$3,168,753	189%
Red Hook Initiative	\$1,200,000	\$744,114	161%
The Mayor's Fund to Advance NYC	\$57,002,470	\$53,437,461	107%
Waves For Water	\$1,100,000	\$1,281,370	86%
Rebuilding Together NYC	\$264,319	\$346,171	76%
Occupy Sandy/Alliance For Global Justice	\$1,266,872	\$2,021,270	63%
Disaster Chaplaincy Services	\$24,168	\$44,419	54%
Emergency Children's Help Organization	\$327,472	\$657,087	50%

In addition to cash, organizations collected donated goods and services, referred to as "**gift-in-kind**" donations. Fifty-three organizations⁷ reported receiving gift-in-kind donations valued at a total of **\$105 million**, and distributing almost \$99 million worth of those goods and services in connection with their relief efforts. The donated goods include food, clothing,

cleaning supplies, toys and books, medicine, furniture, major household appliances, fire-fighting equipment and utility vehicles. Organizations also reported donations of services, including cleaning and construction, shelter staffing, medical/mental health service provision, and legal assistance.

Organizations reported a range of methodologies to value gift-in-kind donations. The most frequently cited valuation methods were market value, wholesale value and valuations provided by donors. Several organizations also reported using retail value or some percentage of retail value for gift-in-kind contributions.



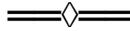
Question 2: Are the amounts reported above being used solely for Hurricane Sandy relief? If not, please indicate the portion of those funds that have or will be used for other purposes and describe those purposes.

Most organizations reported that the funds they raised in response to Hurricane Sandy would be used solely for Hurricane Sandy relief. However, it is unclear from the responses of some charities how that determination was made, especially since the charities claimed to be raising money for other activities at the same time. Some charities reported that funds may not be used directly for Hurricane Sandy relief but may be used for other disasters, or deposited in an emergency disaster fund, or used to pay pre-existing administration and overhead costs (such as salaries). The Charities Bureau is concerned that some organizations may not have been sufficiently clear to donors that *not* all funds raised in response to Sandy fundraising appeals are going towards Sandy relief.

Certain organizations said funds would be used solely for Hurricane Sandy relief if the donations were "designated," "specified" or "restricted" for Hurricane Sandy relief, or met other criteria. Brother's Brother Foundation, for example, reported that "100% of funds and in-kind donations designated for Sandy relief are being used for Sandy relief." Operation Blessing International reported that "100% of donations restricted for Hurricane Sandy relief were used solely for Hurricane Sandy relief efforts."

The American Red Cross, the largest fundraiser, reported that it raised \$187.1 million in "restricted" donations for Hurricane Sandy, meaning that the donations were made in response to a Sandy-specific appeal, such as the November 2, 2012 telethon, or the donor indicated that the funds were to be used for Sandy relief. The American Red Cross reported that, of the funds donated to its disaster relief fund, all telephone and online donations raised from October 28, 2012 through November 26, 2012 and text donations through December 31, 2012 – totaling \$112.2 million – were allocated to Hurricane Sandy relief. After those dates, "unrestricted" donations were not allocated to Sandy relief.

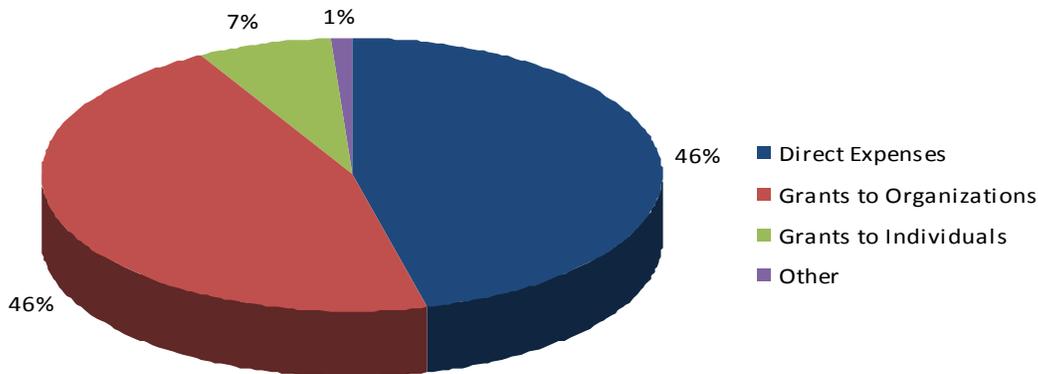
These practices raise a number of questions, including: What did a donor need to do in order to "restrict" or "designate" a donation for Sandy? How did the charity define those terms? Was that information communicated clearly to donors?



Question 3: How much has your organization spent or disbursed on Hurricane Sandy relief to date? Part 3(a) asked for the total amount; Part 3(b) asked organizations to break down the total into direct expenditures on supplies and/or services; grants or funding provided to other organizations; grants or funding provided to individuals, families or businesses; disbursements of gift-in-kind contributions; and other expenses.

Organizations reported spending a total of **\$336,034,695** for Hurricane Sandy relief, or 58 percent of all funds raised. As illustrated in the following chart, the two largest reported categories of expenditures are **direct expenses** and **grants to other organizations**, which collectively represent over 90% of the expenditures reported.

Spending on Hurricane Sandy Relief



Direct expenses was the largest category of expenditures reported by organizations, totaling \$154 million. Direct expenses are expenditures incurred for goods and services, as compared to cash grants made to individuals or organizations. Direct expenses reported include the purchase of relief supplies, shipping costs, warehouse costs, transportation costs, and costs for the shelter and feeding of volunteers. In some cases, organizations also reported as direct expenses payments to vendors on behalf of individuals impacted by the storm.⁸ Some organizations also appear to have reported fixed administration and overhead costs as direct expenses; for example, using Hurricane Sandy relief funds to pay a portion of the salaries of permanent employees or the costs of existing warehouse space, not just the incremental costs resulting directly from this storm. The Charities Bureau is obtaining information from organizations about the extent of this practice and its justification.

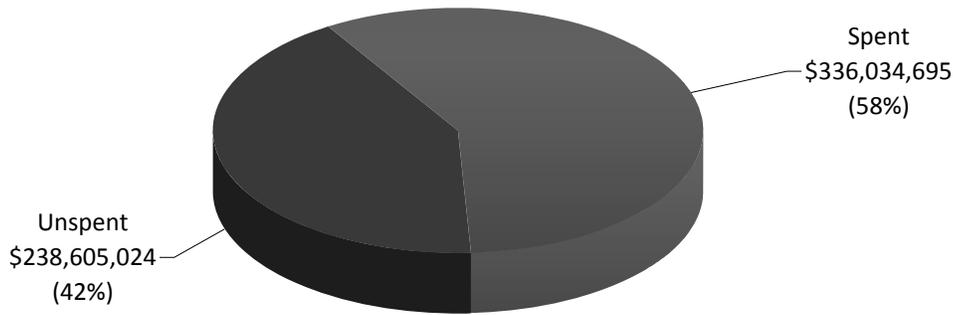
Organizations reported **grants to other organizations** totaling over \$153 million. Robin Hood Foundation was the largest grantmaker, reporting that it granted \$68.3 million to other organizations conducting Sandy-relief work.

A small percentage of the funds spent – 7% – has gone to **direct grants to individuals, families or businesses**. The reports revealed that many organizations, rather than making direct grants, elected to provide assistance by paying for needed supplies and services, or in the form of grants to other organizations that in turn made cash grants to storm victims. For example, the Mayor's Fund to Advance New York City and the Brooklyn Community Foundation, among others, reported making grants to other groups that in turn made grants to small businesses and displaced families.

The "**other**" category covered miscellaneous expenses not reported in other categories.

Significantly, the surveyed organizations reported having a total of \$238,605,024 in **unspent cash** contributions based on spending as of March and April 2013.⁹ This represents 42% of the total \$575,089,877 cash raised.

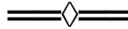
Hurricane Sandy Funds Spent vs. Unspent



Twenty-nine (33%) of the organizations reported spending 50% or less of donations raised for Hurricane Sandy. Twelve (14%) of the organizations reported spending 25% or less of the funds raised for Hurricane Sandy relief. The responses suggest a variety of reasons why funds may be unspent, including time needed to distribute, process, and review applications for assistance; maintaining funds to help with longer-term recovery needs or unmet needs; time needed to receive building licenses; and time needed to negotiate and finalize agreements

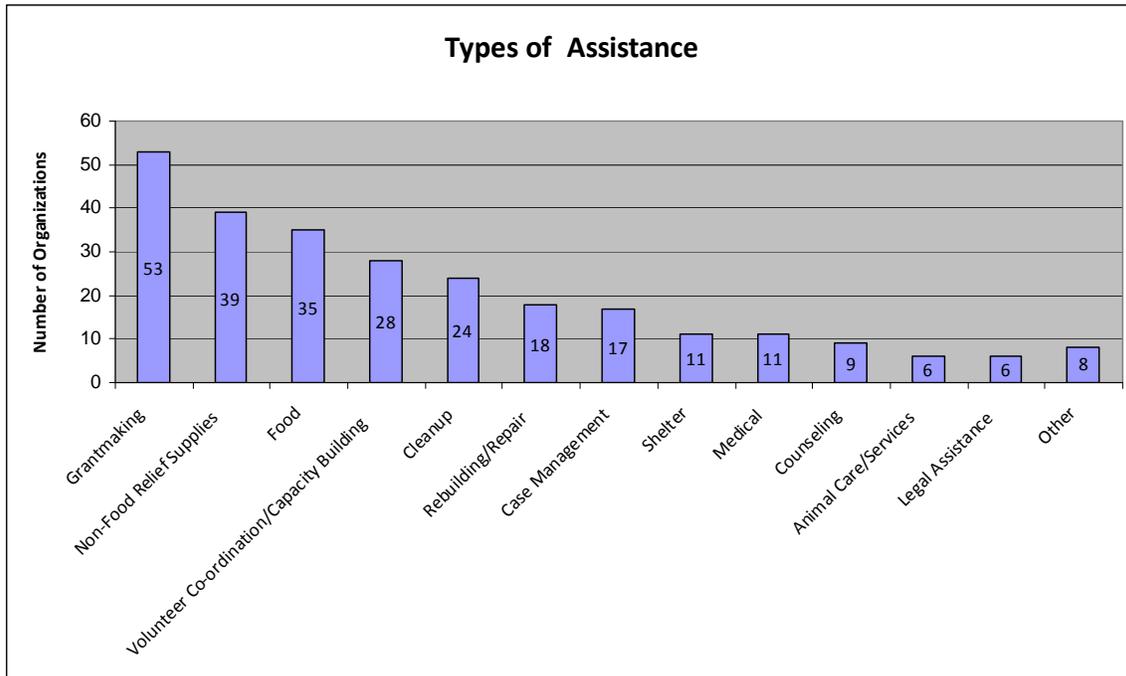
Highest Percentage of Unspent Funds			
Organization	Total Funds Raised For Sandy Relief	Unspent Funds	Unspent (%)
Center for Disaster Philanthropy	\$442,498	\$442,498	100%
United Methodist Comm. on Relief	\$8,665,389	\$8,311,875	96%
International Relief Teams	\$65,074	\$61,138	94%
Rebuilding Together NYC	\$264,319	\$247,716	94%
World Renew	\$929,609	\$863,798	93%

with sub-grantees. Several organizations also reported that they were initially assisting with cleanup and distribution of emergency supplies and were transitioning towards more substantial rebuilding efforts. Other organizations reported that they were only focused on mid- and long-term needs, or were waiting to determine where funding gaps and unmet needs exist. Some of the organizations that described maintaining reserves for longer term needs report participating in Long Term Recovery Committees, Unmet Needs Committees, and Voluntary Organizations Active in Disasters groups, which bring together multiple organizations to share information regarding unmet needs and remaining funds.



Question 4: Please describe the types of assistance that your organization provided to those affected by Hurricane Sandy. What populations or geographical areas have been (or will be) served by your organization in response to Hurricane Sandy?

Organizations reported providing a broad range of assistance in response to the storm. The following chart shows the types of assistance provided by organizations (most organizations reported providing more than one type of assistance). The three most common categories were financial grants, non-food relief supplies, and food. The "Other" category includes activities such as distribution of books and toys, provision of childcare, transportation for those impacted by the storm, and employment assistance. Many organizations reported providing services in more than one geographic area. The most frequently reported geographic areas being served were Queens, New Jersey, Brooklyn, Staten Island, and Nassau County.



Question 5: Has your organization provided grants or funding to other organizations for Hurricane Sandy relief efforts? If so, which organizations have received those funds, what is the dollar amount provided to them and what is the intended use of the funds? What policies and procedures does your organization follow to determine the need for such funding and to monitor the use of funds?

Almost half of the organizations (46%) reported providing grants or funding to other organizations. These grants, totaling \$153 million, supported over 840 organizations, ranging from traditional relief agencies to food banks to housing development nonprofits to local governments. Grants covered a broad range of services, including direct cash assistance to individuals, purchasing food and relief supplies, funding temporary housing, paying for mold remediation programs and other clean-up and construction efforts, and hiring volunteer coordinators and case managers.

Organizations reported varying policies and procedures to determine need and monitor funding, including using internally developed criteria and goals; requiring written applications; reviewing applications by committee; site visits; conversations with grantee

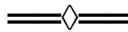
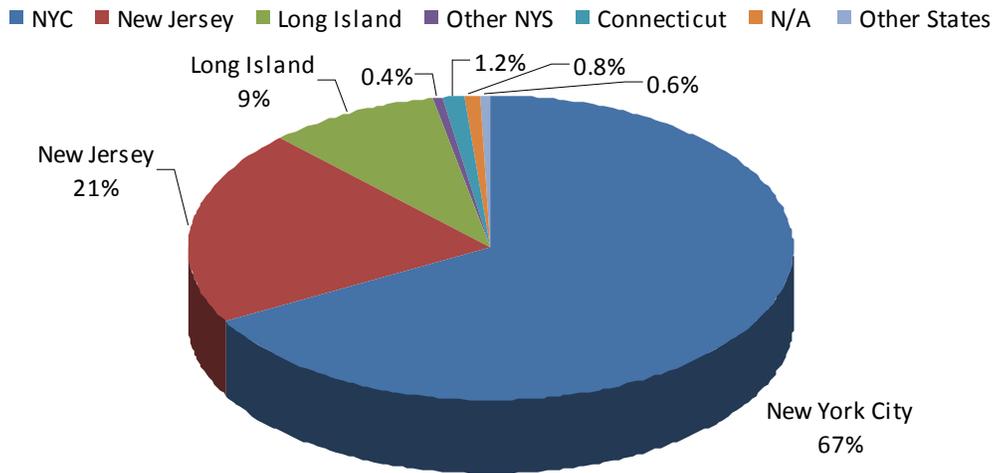
Top Five Grantmakers	
Robin Hood Foundation	\$68,300,000
The Mayor's Fund to Advance NYC	\$47,410,961
UJA-Federation of NY	\$12,205,506
American Red Cross	\$7,500,000
United Way of NYC	\$4,780,537

representatives; disbursing funds in tranches; and requiring periodic grantee reports. Most organizations provided too few details to meaningfully assess the adequacy of the procedures used, while five organizations did not report using any particular criteria or reporting requirements.

The vast majority of grantmaking for Hurricane Sandy relief was concentrated in a small number of charities. Five organizations accounted for over 91% of all grantmaking reported, representing over \$140 million of the \$153 million granted. Robin Hood Foundation reported the largest amount of grantmaking activity, followed by the Mayor's Fund to Advance New York City. Most of the cash grants reported were used to fund programs and services in New York City.

The following chart shows the geographical scope of cash grants made by the five largest grantmakers.

Funding by Largest Grantmakers



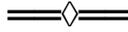
Question 6: Has your organization provided direct grants or funding to individuals, families or businesses for Hurricane Sandy relief? If so, please describe the types of the assistance that your organization has provided to date. What policies and procedures does your organization follow to determine the need for such funding and to monitor the use of funds? For the purposes of this question please include any items such as emergency cash assistance, loans, gift/debit cards or direct payment of expenses on behalf those impacted by Hurricane Sandy.

Grants to individuals, families and businesses represent 7% of the funds expended. The organization reporting the largest amount of direct grants is the Empire State Relief Fund, which reported granting \$7.8 million to provide direct financial assistance to homeowners, through the Housing Trust Fund Corporation. Organizations also reported providing direct grants to small businesses which suffered losses due to flood damage and lost business, as well as cash assistance to individuals and gift cards to home improvement warehouses, supermarkets, and other stores. Some organizations reported direct payments to vendors in this category.

Grants to Individuals, Families or Businesses	
Empire State Relief Fund	\$7,791,142
American Red Cross	\$5,700,000
Catholic Charities Diocese of Brooklyn and Queens	\$1,947,840
Stephen Siller Tunnel To Towers Foundation	\$1,850,000
Catholic Charities Diocese of Rockville Centre	\$1,439,000

Here also, organizations reported a range of policies and procedures to determine eligibility and monitor funding. The Empire State Relief Fund, for example, reported using data from

FEMA-verified damage assessments. Other organizations reported requiring applicants to complete application forms and provide documentation of damage or costs incurred, some conducted site visits or in-person interviews, while some reported making grants or providing gift cards simply based on residency in an impacted area. Some organizations reported that applicants had to be approved by a committee or the board of directors of the organization.

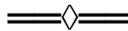


Question 7: What is your organization's plan for using any surplus funds not spent for Hurricane Sandy relief?

In light of the large amount of donations raised and the significant unmet needs that exist, there is strong interest in what charities plan to do with any surplus donations remaining after the charities have completed their work. Seventeen organizations reported that they plan to use funds not spent for Hurricane Sandy relief for other purposes, including contributions to a general disaster relief fund, conducting research, and use for other disaster relief efforts.

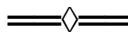
Plans for Surplus	# of Orgs
Expects to expend all funds on Sandy	68
Use on non-Sandy programs	17
Will donate to other organizations for Sandy relief	2
Will refund donors	1
Will seek donor approval to redirect funds for other purposes	1

The Charities Bureau is obtaining additional information so it can assess the appropriateness of using donations for other purposes to the extent any surplus exists. Sixty-eight organizations reported no plans for a surplus. The Charities Bureau is obtaining information to verify how these determinations were made.



Question 8: Has your organization received funding from other organizations for Hurricane Sandy relief efforts? If so, please identify the organizations that provided the funds, the amount received and a description of how the funds have been or will be used.

Most of the organizations reported that they received grants from other nonprofit organizations. In total, 55 organizations reported that they received funding from other organizations for Hurricane Sandy relief efforts, representing approximately \$76 million, or 13%, of the \$575 million raised for Hurricane Sandy relief.¹⁰



Question 9: Is your organization still conducting fundraising for relief efforts? If so, please describe the methods by which you are raising funds.

Twenty-two organizations reported that they were still conducting fundraising for Hurricane Sandy relief, with online fundraising being the most popular method used. Organizations also reported applying for assistance from corporations, foundations, or other nonprofits, as well as engaging in other fundraising practices, such as local advertisements and events. These 22 organizations reported having nearly \$43 million in unspent funds for Sandy relief. Thirteen of the 22 charities reported spending less than 50% of their Sandy donations, representing \$32 million in total unspent funds. The Charities Bureau is obtaining additional information from these organizations to understand better the need for additional fundraising.



Question 10: Is your organization still conducting relief efforts? If so, please describe how individuals, businesses or organizations seeking assistance can contact your organization.

Fifty-three organizations reported that they were still conducting relief efforts or supporting the relief efforts of other organizations as of the date of their responses. A list of the contact information provided by charities is available at www.charitiesnys.com.

KEY ISSUES AND NEXT STEPS

Based on the responses, the Charities Bureau has identified five key issues warranting further information and review.

1. Understanding Why Sandy Donations Remain Unspent

Over \$4 out of every \$10 raised for Hurricane Sandy remained unspent months after the storm hit. Of the 68 organizations reporting that they expect to use all of the funds raised for Sandy relief, 23 reported that they have spent less than half of the money they raised. The Charities Bureau is obtaining additional information from organizations that have significant unspent funds to better understand why funds have not been spent, whether the organizations have realistic plans to use this money, and whether charities that have vastly increased their budgets due to Hurricane Sandy donations have the capacity to effectively use the funds they raised.

2. Ensuring Sandy Donations Go To Sandy Relief

A number of organizations reported they are applying donations for Sandy relief only if the funds were "designated" or "restricted" for such purpose. Also, some organizations reported that they established additional criteria, such as internal deadlines, for allocating donations to Sandy relief. The Charities Bureau is seeking clarification from these organizations to understand the basis on which these determinations were made and how they were communicated to donors. After a disaster strikes, it is important that charities make clear to donors whether their donations will be applied towards relief for that disaster or whether it will be used for other purposes.

In addition, seventeen organizations reported that they may use donations for purposes other than Hurricane Sandy relief. The Charities Bureau is following up with these organizations to determine the justification for their plans. The Charities Bureau is also reviewing the advertising and fundraising appeals by organizations to ensure that funds raised for Hurricane Sandy relief are being used consistently with what donors were told. Where appropriate, the Charities Bureau will ask organizations to consider redirecting funds they are not using for Hurricane Sandy relief to other organizations that are continuing to provide assistance.

3. Clarifying Direct Expenses

While some organizations fully described their direct expenditures, others provided little or no explanation. In a number of the responses, it was not clear what an organization's direct cost entailed or how the amounts were calculated. Additionally, in some cases organizations may have attributed a portion of their fixed costs to their direct expenses. For example, previously budgeted salaries or rent may have been counted as direct

expenses spent on Hurricane Sandy, while other organizations only used Hurricane Sandy donations for incremental costs resulting from the relief efforts. The Charities Bureau is following up with organizations to get more detailed information about their direct expenditures and the methodologies used in reporting them.

4. Assessing the Adequacy of Gift-in-Kind Valuation

Over \$105 million in gift-in-kind contributions were reported to have been raised in response to Hurricane Sandy, nearly \$99 million of which was then distributed. In light of the significant amount reported and the lack of consistency and clarity in valuation methodologies, the Charities Bureau is reviewing how the contributions were valued. Valuation has implications for donors in terms of tax deductions, and also for the organizations' financial reporting. High valuations of gift-in-kind donations may cause a charity's income or programs to be inflated on an organization's financial reports, allowing potential contributors and the broader public to believe a much higher level of charitable activity is taking place.

5. Promoting Effective Eligibility Criteria

Direct cash grants to individuals can provide much needed urgent help, but also requires effective procedures to determine eligibility and screen applicants. These procedures serve to not only protect against fraud but also to ensure that funding is not distributed disproportionately to certain individuals or communities. The responses reflect a lack of consistency in how organizations are engaging in this function, and how they are coordinating with other entities to ensure recipients are not collecting more than they need from multiple sources. The Charities Bureau is seeking more detailed information to better understand the challenges organizations faced in determining individual need and identify opportunities for improvement.

PREPARING FOR NEXT TIME

The nonprofit sector has an important opportunity to build on the successes of the Hurricane Sandy response, and to learn lessons for the future. The Hurricane Sandy relief effort has provided insight into the strengths of community in New York, but also revealed where gaps may exist between service providers and the communities that need them. Now is the time to evaluate the relief and recovery response and to plan for the future.

In addition to reviewing responses, the Charities Bureau has reached out to nonprofit leaders to ask for their preliminary observations on lessons learned. These conversations highlighted challenges faced by the nonprofit sector in responding to a large-scale disaster, and steps that can be taken to better prepare for the future. Based on these conversations and its own work, the Charities Bureau intends to partner with the nonprofit sector to identify ways to enhance transparency in disaster fundraising, improve communication to ensure needs are met as effectively and quickly as possible, and increase coordination among nonprofits to achieve administrative efficiency and more effective local community response. Areas that will be focused on include:

- **Transparent Fundraising.** As this Report highlights, relief organizations depend on the generosity of the public. The relationship between donors and charities must be based on trust. To promote donor confidence and ensure transparency, charities should adopt guidelines that make clear to donors what relief services they will be providing, whether they will be providing those services directly or by granting funds to other organizations, and what will happen if not all funds raised for a particular disaster are spent. If charities do not plan to spend donations on immediate disaster relief, it is important to make that point clear to donors. It is also important that charities have in place internal policies on how to solicit and handle a large influx of funds before the fundraising begins. This will make charities better prepared to get their messages out when future disasters occur, and will also provide potential donors with the information they need to decide which charities to support. Charities should also periodically post information about how they are spending contributions so that donors will know when and how their dollars are being used.
- **Efficiency of Response.** When Sandy hit, approximately 90 organizations quickly commenced fundraising operations, from well-known national organizations to lesser-known local organizations, to newly formed community groups. Many of those organizations, in turn, re-granted funds they raised, ultimately funding at least 800 other organizations, some of which then further re-granted funds. While this level of decentralized relief may have benefits – each organization brings to the effort its own expertise, community connections and donor base – it also raises potential concerns. For example, overlapping and redundant administrative and overhead functions may dissipate donations so that less is available for disaster victims. Newly formed organizations or organizations whose budgets significantly increased from large

influxes of donations may not have the experience or infrastructure to efficiently use those funds. For these reasons, the starting point for evaluating the charitable response to Hurricane Sandy is the structure the nonprofit sector employed to raise, distribute and use relief funds and whether greater coordination and centralized activity would improve the amount and quality of relief available to disaster victims.

- **Collaboration and Community.** It is clear that disaster relief is a community effort that requires collaboration among nonprofits and a real understanding of the communities they serve. In some communities, organizations providing Hurricane Sandy relief had not previously worked in that community, with each other or with the relevant government agencies. As a result, many organizations worked in silos and duplicated efforts, rather than planning together and coordinating their relief activities. For collaboration to be effective, relationships must exist and lines of communication must be established **before** the next disaster strikes. Such relationships are difficult to create in the middle of an emergency. There is an opportunity now to evaluate where relationships can be enhanced, assess community needs and determine how to strengthen networks going forward.
- **Tracking and Coordinating Assistance.** Technology is critical to matching needs with available resources, both during and in the aftermath of a disaster. Centralized databases that track funding and services are essential to ensure that funding, goods and services are distributed where they are most needed, while protecting against duplication and fraud. Although certain case management systems exist to track and coordinate assistance to victims, not all charities providing Hurricane Sandy relief were aware of these systems, had access to them or the capacity to use them effectively.¹¹ Nor do these databases allow for the broader communication and information sharing among nonprofits that may be necessary to determine how to best allocate and distribute donations. Now is an important time to assess existing systems and discuss whether upgrades or entirely new systems should be developed in advance of the next disaster.
- **Disaster Management Planning.** Nonprofits should also put in place disaster management plans on how to continue to provide services to their communities in the wake of disaster, as well as to communicate needs to potential donors. As in Hurricane Sandy, power, phones and computers may be unavailable, and alternative procedures will need to be relied on to assess what goods and services may be needed. Likewise, organizations should take steps to ensure that their data is backed up, and that they have ways of communicating with their employees, volunteers and constituent communities, so they are in a position to promptly respond if a disaster strikes.

CONCLUSION

In the wake of Hurricane Sandy, Americans again showed their generosity and the charitable sector reaffirmed its vital role in rebuilding lives and communities. Hundreds of millions of dollars have been raised since Hurricane Sandy, and significant amounts of that have been spent. But the sobering fact is that so much work remains to support Sandy victims. Those whose lives were disrupted by Hurricane Sandy face a long and uncertain road ahead. Many continue to experience delays in receiving insurance payments and governmental assistance. Given the significant unmet needs that exist, it is critically important for charities to continue to help those still impacted by the storm. The Attorney General's Charities Bureau will continue its efforts to ensure that contributions for Hurricane Sandy relief are effectively used, and that those impacted by this disaster receive the assistance they so desperately need.

¹ According to the National Hurricane Center, Hurricane Sandy caused 159 deaths in the United States; 72 deaths were directly attributable to the storm and an additional 87 deaths were indirectly caused by hypothermia due to power outages, carbon monoxide poisoning, accidents during cleanup effort and other causes. http://www.nhc.noaa.gov/data/tcr/AL182012_Sandy.pdf

² Eighty-nine organizations received and responded to the second round of questionnaires. Charities were chosen as recipients based on indications in the press and/or on the internet that they were involved in Hurricane Sandy relief work or fundraising for Hurricane Sandy relief. Due to the large number of organizations involved in the relief efforts, it may be that some charities that were unintentionally omitted from the survey.

³ The numbers provided by the organizations are reported as of varying dates in late March-April 2013. The questionnaire requested that organizations respond by March 22, 2013. Some organizations requested and were granted extensions on their responses. Also, in the event an organization submitted its response to the first-round questionnaire after first-round results had been posted on the Charities Bureau website, the organization was sent the second-round questionnaire at a later date and received an extension for its response.

⁴ In its Six Month Update, released publically on April 25, 2013, the American Red Cross reported that its Hurricane Sandy donations increased to over \$302 million. For consistency, this report uses the \$299.3 million figure in its analysis.

⁵ For Friends of Rockaway, the figure in the Most Recent Annual Revenue column reflects the reported revenue of Friends of Rockaway's fiscal sponsor, Giants of Generosity, for fiscal year ending June 30, 2012. For Occupy Sandy, the figure in the Most Recent Annual Revenue column reflects the reported revenue of Occupy Sandy's fiscal sponsor, the Alliance for Global Justice, for fiscal year ending March 31, 2012.

⁶ The revenue information reported in this chart was derived from reports filed with the New York Attorney General's Charities Bureau and the Internal Revenue Service.

⁷ Five organizations did not assign values to the gift-in-kind donations they received.

⁸ For example, some organizations are paying building contractors directly on behalf of those whose homes were destroyed. Goodwill Industries also reported as a direct expense store credit given to those impacted by the storm towards the purchase of goods from Goodwill stores.

⁹ Additional funds may have been spent, since relief efforts are ongoing.

¹⁰ The Charities Bureau identified a small number of discrepancies in the reporting of grants, where the granting and grantee organizations reported different amounts for the same grant. The Charities Bureau is following up with the relevant organizations for clarification.

¹¹ For example, the Coordinated Assistance Network ("CAN") - <http://www.can.org/> - a shared database, is being used by some Sandy relief organizations and their case managers to track assistance to relief recipients.

Appendix A

Sample Questionnaires Sent to Charities

New York State Office of the Attorney General
Charities Bureau

Hurricane Sandy Relief Information

Name of Organization: _____

1.	What is the approximate dollar amount of donations and pledges that your organization has received to date in response to Hurricane Sandy?
2.	Will these funds be used solely for Hurricane Sandy relief? If not, approximately what portion will be used for Hurricane Sandy relief and what other purposes will funds be used for?
3.	Approximately how much has your organization spent to date on Hurricane Sandy relief?
4.	What services has your organization provided to those affected by Hurricane Sandy? What populations or geographical areas are being served by your organization in response to Hurricane Sandy? What services does it expect to provide in the future?
5.	Has your organization provided funding to other organizations for Hurricane Sandy relief efforts? If so, which organizations have received those funds and what is the approximate dollar amount provided to them? How does your organization determine the need for funding?

6.	Has your organization provided, or does it intend to provide, direct financial assistance to individuals, families or businesses for Hurricane Sandy relief? If so, what is the approximate dollar amount that your organization has provided to date and approximately how much direct financial assistance does it expect to provide in the future? How does your organization determine the need for assistance?
7.	Does your organization have a plan in place on how to use any surplus funds not spent for Hurricane Sandy relief? If so, please describe that plan.

Name and title of representative

Date

Please email this document with your responses to sandyresponse@ag.ny.gov by December 11, 2012. You may obtain an electronic copy of this document by emailing a request to that same address.

**New York State Office of the Attorney General
Charities Bureau**

Hurricane Sandy Relief Information - March 2013 Update

PLEASE NOTE: In answering the questions below, please update the information you provided in response to our earlier questionnaire. If there has been no change in the information previously provided in response to any question, please indicate "no change." However, where financial information is requested, please provide aggregate amounts to date, rather than since the date of your earlier response.

Name of Organization: _____

1.	What is the dollar amount of donations and pledges that your organization has raised to date in response to Hurricane Sandy? If your organization has received any donated (in-kind) goods or services, please describe those in-kind donations and explain how you determined their value in sections (b) and (c).	
(a)	Category	Raised to Date
	Cash/cash equivalents	
	Outstanding pledges	
	Value of goods and services (in-kind) donated to your organization	
(b)	Description of in-kind donations:	
(c)	Explanation of how in-kind donations were valued:	
2.	Are the amounts reported above being used solely for Hurricane Sandy relief? If not, please indicate the portion of those funds that have or will be used for other purposes and describe those purposes.	

3.	How much has your organization spent or disbursed on Hurricane Sandy relief to date?		
(a)	Amount: \$_____		
(b)	Please detail the above amount by completing the categories below:		
	Category	Amount to Date	
	Direct expenditures by your organization on supplies and/or services (please only include any expenditures paid by your organization for direct Hurricane Sandy relief and not grants or funding provided to individuals, businesses or other organizations)		
	Grants or funding provided to other organizations for Hurricane Sandy relief		
	Grants or funding provided to individuals, families or businesses for Hurricane Sandy relief (please include any items such as emergency cash grants, loans, gift/debit cards or similar assistance)		
	The value of any goods or services donated (in-kind) to your organization that were disbursed in response to Hurricane Sandy.		
	Other (please describe)		
4.	Please describe the types of assistance that your organization has provided to those affected by Hurricane Sandy. What populations or geographical areas have been (or will be) served by your organization in response to Hurricane Sandy?		
5.	Has your organization provided grants or funding to other organizations for Hurricane Sandy relief efforts? If so, which organizations have received those funds, what is the dollar amount provided to them and what is the intended use of the funds? What policies and procedures does your organization follow to determine the need for such funding and to monitor the use funds?		

6.	Has your organization provided direct grants or funding to individuals, families or businesses for Hurricane Sandy relief? If so, please describe the types of the assistance that your organization has provided to date. What policies and procedures does your organization follow to determine the need for such funding and to monitor the use funds? For the purposes of this question please include any items such as emergency cash assistance, loans, gift/debit cards or direct payment of expenses on behalf those impacted by Hurricane Sandy.
7.	What is your organization's plan for using any surplus funds not spent for Hurricane Sandy relief?
8.	Has your organization received funding from other organizations for Hurricane Sandy relief efforts? If so, please identify the organizations that provided the funds, the amount received and a description of how the funds have been or will be used.
9.	Is your organization still conducting fundraising for relief efforts? If so, please describe the methods by which you are raising funds.
10.	Is your organization still conducting relief efforts? If so, please describe how individuals, businesses or organizations seeking assistance can contact your organization.

Print Name and Title of Representative

Date

Signature of Representative

Please email this document with your responses to sandyresponse@ag.ny.gov by March 22, 2013. You may obtain an electronic copy of this document by emailing a request to that same address.

Appendix B**Responding Organizations**

1.	AARP Foundation
2.	Acupuncturists Without Borders
3.	Afya Foundation
4.	All Hands Volunteers
5.	American Humane Association
6.	American Red Cross
7.	American Society for the Prevention of Cruelty to Animals
8.	AmeriCares Foundation Inc.
9.	B'nai B'rith International
10.	Best Friends Animal Society
11.	Breezy Point Disaster Relief Fund
12.	Breezy Point Relief Foundation
13.	Brooklyn Recovery Fund
14.	Brother's Brother Foundation
15.	Carl V. Bini Memorial Foundation
16.	Catholic Charities Diocese of Brooklyn and Queens
17.	Catholic Charities Diocese of Rockville Centre
18.	Catholic Charities of the Archdiocese of New York
19.	Catholic Charities of the Diocese of Albany
20.	Center for Disaster Philanthropy
21.	Children's Hunger Fund
22.	Church World Service
23.	City Harvest
24.	Citymeals-on-Wheels
25.	Convoy of Hope
26.	Direct Relief International
27.	Disaster Chaplaincy Services
28.	Doctor Theodore A. Atlas Foundation
29.	Educational Alliance, The
30.	Emergency Children's Help Organization (ECHO)
31.	Empire State Relief Fund
32.	Episcopal Relief & Development
33.	Federation of Protestant Welfare Agencies
34.	Feed the Children
35.	Food Bank for New York City
36.	Giants of Generosity/Friends of Rockaway
37.	Gleaning For The World
38.	Goodwill Industries of Greater New York and Northern New Jersey, Inc.
39.	Graybeards
40.	Habitat for Humanity International
41.	Heart to Heart International
42.	Hispanic Federation
43.	Hope for New York
44.	Hope For The Warriors

45.	Humane Society of New York
46.	Humane Society of the United States, The
47.	ICNA Relief
48.	International Relief Teams
49.	International Rescue Committee
50.	Islamic Relief USA
51.	Jewish Disaster Response Corps
52.	Jewish Federations of North America, Inc., The
53.	Kids in Distressed Situations, Inc.
54.	Liberty Street Relief Fund
55.	Make the Road New York
56.	MAP International
57.	Matthew 25 Ministries
58.	Mayor's Fund to Advance New York City, The
59.	Metropolitan Jewish Health System Foundation
60.	Modest Needs Foundation
61.	National Firefighters Endowment
62.	New York Cares
63.	New York City Coalition Against Hunger, The
64.	New York Communities for Change
65.	New York Police Disaster Relief Fund
66.	National Urban League
67.	Occupy Sandy
68.	Operation Blessing International
69.	Rebuilding Together
70.	Rebuilding Together NYC
71.	Red Hook Initiative
72.	Robert R. McCormick Foundation
73.	Robin Hood Foundation
74.	Rockaway Waterfront Alliance
75.	Salvation Army, The
76.	Samaritan's Purse
77.	Save the Children Federation Inc.
78.	ShelterBox USA
79.	Stephen Siller Tunnel To Towers Foundation
80.	Team Rubicon
81.	UJA-Federation of New York
82.	United Methodist Committee on Relief
83.	United Way of Long Island
84.	United Way of New York City
85.	Waves For Water
86.	We Care NYC
87.	World Renew
88.	World Vision International
89.	YWCA of the City of New York