



## **United Way of South Hampton Roads Foundation**

### **Recovery Emergency Aid for Disaster Years**

#### ***READY Response Fund***

#### **CASE STATEMENT**

**Local United Way agencies rely on annual campaign revenue, operating reserves and select appeals for disasters or catastrophic events. Given the current state of the economy, annual campaigns are projected to decline, while needs continue to increase. The unpredictability of natural or man-made disasters creates a significant funding void for these United Way agencies.**

**The United Way Foundation Board of Trustees established a fund – The READY Response Fund – as a creative approach to this potentially problematic situation. The Board endorsed the development of a proactive plan for growing assets in a disaster response fund established using residual funds (\$17,000) from the 2008 Suffolk Tornado disaster. The READY Response Fund has a threshold goal of \$400,000 in order to build sufficient corpus from which distributions may be made.**

#### **Background**

In 1963, approximately one-third (33%) of all charitable dollars raised nationally went directly to agencies that provided food, clothing and shelter to the poor. In 2008, only 9% of all charitable dollars raised went to those human services, while the number of families entering the “at risk” or poor category increased dramatically. During a disaster, whether natural or man-made, these human service agencies bear the added burden of responding to those in need of food, clothing or shelter.

In 2009, the United Way Board of Directors voted to establish the READY Response Fund in the United Way Foundation with the balance of funds raised from contributions to the 2008 Suffolk Tornado Relief (\$17,634).

**This program is consistent with the mission and purposes of The United Way of South Hampton Roads—its Board and programs—by responding to a compelling unmet need or gaps in assistance and community support during a time of disaster.**

## **Program Description**

The READY Response Fund shall be established and administered in accordance with the following guiding principles:

- To serve as a pro-active fund development program providing for the most pressing, **unmet** needs of disaster victims and service responders by establishing a permanent, long term source of funds
- To be a source for emergency funding (grants and distributions) to agencies and/or collaborative ventures serving families and individuals during times of national, regional, local disasters—both natural and man-made
- Consistent with the traditional role of the United Way as a convener of community partners, to serve as an umbrella for agencies and others in disaster planning, intervention and follow-up to assure efficiency, avoidance of duplication and maximization of resource allocation.

## **Financial Plan**

The initial goal is to establish a fund in the nature of an endowment of at least \$400,000 which shall be invested under the auspices of the United Way Foundation Board of Trustees. The intent is to provide a fund which will generate revenue to be distributed to provide disaster assistance. Funds will be raised through contributions by individuals and others. In addition, in the event the United Way shall receive short term donations for immediate disaster assistance not otherwise needed to respond to such events, any unspent funds shall be transferred to the READY Response Fund.

The Board of Trustees shall develop a spending plan which is consistent with the intention that the READY Response Fund shall provide a safety net to address catastrophic community disasters which create burdens and needs beyond those ordinarily addressed by the annual campaign. Distributions of income and growth from the Fund shall be made in accordance with the guidance adopted by the United Way Foundation Board of Trustees. The Board of Trustees may distribute principal of the Fund if circumstances demand it.

## **Distribution of READY Response Fund**

Distributions shall be made from the READY Response Fund utilizing established United Way procedures. The UW Community Funding process—through which volunteers serving on the Emergency Assistance Panel oversee and recommend annual funding to agencies providing emergency assistance—will serve as the conduit for screening funding requests from agencies for second responder assistance. After review and approval, UW Community Funding will report the expenditure of funds to the UWF Board of Trustees. Funds shall be provided only to 501(c) (3) organizations.