

# SANDY HOOK REPORT

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**CHARITABLE RESPONSE TO THE DECEMBER 14, 2012  
SHOOTING AT  
SANDY HOOK ELEMENTARY SCHOOL  
IN NEWTOWN, CONNECTICUT**



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## TABLE OF CONTENTS

I. INTRODUCTION.....	3
II. THE ROLES AND RESPONSIBILITIES OF THE ATTORNEY GENERAL AND THE COMMISSIONER OF CONSUMER PROTECTION IN THE REGULATION OF CHARITIES	3
III. SUMMARY OF THE REPORT .....	4
IV. OVERVIEW OF SURVEY AND RESPONSES .....	6
V. ORGANIZATIONAL INFORMATION .....	6
B. Main Focus .....	7
C. Formation and Dissolution.....	8
D. Tax Classifications.....	10
E. Classifications of Employees & Volunteers Numbers .....	11
VI. FUNDS RAISED .....	12
A. Total Funds Raised .....	12
B. In-Kind Donations .....	12
C. Communication with Donors.....	13
D. Restricting Donations .....	14
E. Ongoing Fundraising .....	15
VII. FUNDS DISTRIBUTED.....	17
A. Total Amount Distributed & Types of Assistance Provided.....	17
B. Unspent Funds .....	20
C. Administrative Costs.....	24
D. Fundraisers Who Transferred Donations to Other Organizations .....	26
E. 501(c)(4) Non-Charitable Public Advocacy Organizations.....	27
VIII. NEXT STEPS .....	28
IX. LOOKING FORWARD – COLLABORATION & COMMUNITY .....	29
X. CONCLUSION .....	31

## **I. INTRODUCTION**

On December 14, 2012, twenty children and six adults were murdered at Sandy Hook Elementary School in Newtown, Connecticut.

The charitable response from the public to this senseless and horrendous tragedy was immediate, worldwide, and exceptionally generous. Within hours, donations poured in by the thousands as people gave to both national organizations and local charities, some newly created in response to the shootings. Foundations and corporations made generous donations to support the emerging needs of the community. Grassroots fundraising efforts were numerous, involving fundraisers, charitable promotions and solicitations, as caring individuals and communities mobilized support and relief. New challenges emerged for both established and newly-created organizations alike as they struggled to manage the volume of donations, identify the changing needs of the community, and coordinate activities with other organizations.

This report, jointly prepared by the Office of the Attorney General and the Department of Consumer Protection, tracks and documents the philanthropic response to the Sandy Hook tragedy, identifies successes and points out lessons learned. The information collected in the process of preparing this report will contribute to a better understanding of how both state charity regulators and the nonprofit sector can better prepare for and respond to future tragedies.

## **II. THE ROLES AND RESPONSIBILITIES OF THE ATTORNEY GENERAL AND THE COMMISSIONER OF CONSUMER PROTECTION IN THE REGULATION OF CHARITIES**

The Attorney General and the Commissioner of Consumer Protection have corresponding duties under Connecticut Law to ensure that gifts directed to Sandy Hook-related purposes are used as intended by the donors. The Attorney General, as chief legal counsel on behalf of the public interest in protecting charitable assets, has a duty to ensure that gifts directed to any public

or charitable purpose are used only as intended by the donors. The Attorney General also works in cooperation with the Commissioner of the Connecticut Department of Consumer Protection, to enforce state laws regulating solicitations for donations from the public that are represented to be for any public or charitable purpose. Connecticut law requires that anyone soliciting for Newtown-Sandy Hook-related charitable purposes must be registered with the Department of Consumer Protection.<sup>1</sup>

### **III. SUMMARY OF THE REPORT**

Within months of the tragedy at Sandy Hook Elementary School, Attorney General George Jepsen and Commissioner of Consumer Protection William M. Rubenstein asked organizations and individuals that had been identified as having engaged in charitable fundraising related to the Sandy Hook tragedy to complete a voluntary survey about their activities. In an effort to promote transparency, the initial survey questionnaire asked for key information on Sandy Hook-related fundraising and relief activities.<sup>2</sup> In the fall of 2013, a second survey was sent to those same fundraisers and others identified in the interim seeking updated information.<sup>3</sup> The survey sought information on a broad range of topics, including amounts raised and distributed, types of assistance provided, unspent and surplus funds, and administrative costs. The surveys were voluntary, and all figures and information contained in this report are based on self-reporting by the responding organizations.<sup>4</sup> In total, 77 organizations provided information in response to the

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<sup>1</sup> For information about state laws related to solicitation of charitable funds and registration, see <http://www.ct.gov/dcp/cwp/view.asp?a=1654&q=459952> or <http://www.ct.gov/ag/cwp/view.asp?a=4424&q=52063>.

<sup>2</sup> A list of respondents to the first survey and a copy of the survey questions are attached at Appendix I.

<sup>3</sup> See Appendix II for a copy of the second survey questions and a list of respondents.

<sup>4</sup> The second survey was created through the online program Survey Monkey which employs a “skip logic” technique that guides respondents through different paths of a survey based on their responses to certain questions. Therefore, most organizations were not prompted to answer all 47 questions, only questions deemed relevant based on previous responses.

surveys.<sup>5</sup> The Office of the Attorney General has been engaged in an ongoing review and verification process to confirm figures, seek clarification on some responses and address areas of potential concern.<sup>6</sup>

Based on the surveys, this report presents a quantitative analysis of the philanthropic response to the Sandy Hook shootings with the goal of providing the giving public information on how their gifts were utilized. We also hope to contribute to a public discourse on ways to improve efficient oversight and management of charitable donations and solicitation in preparation for future disaster relief.

This report is divided into seven sections summarized below:

- **Overview of Survey and Responses.** This section provides a detailed overview of our survey's questions and responses.
- **Organizational Information.** This section provides information on the specific purposes of the organizations participating in Sandy Hook-related fundraising, as well as other general information about the charities.
- **Funds Raised.** As detailed in this section, respondents reported raising over \$28 million in connection with the Sandy Hook tragedy. Seven organizations reported raising over \$1 million and these organizations account for 75% of the total funds raised.
- **Funds Distributed.** This section provides details on the over \$15 million raised that has been distributed by survey respondents. The largest percentage of these funds was granted to individuals, families or businesses.
- **Next Steps.** This section discusses specific steps our offices have taken and plan to take in our continued response to the Sandy Hook shooting to follow up on charitable fundraising conducted in the wake of the tragedy.
- **Looking Forward – Collaboration & Community.** This section identifies ways state regulators and the nonprofit community can partner and collaborate to enhance transparency and bolster donor confidence in disaster fundraising, consolidate resources,

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<sup>5</sup> These 77 organizations and individuals were identified as having engaged in Sandy Hook-related fundraising through news reports, the internet, and local community reporting. There may be other fundraisers that were not identified and, therefore, unintentionally omitted from the survey.

<sup>6</sup> Families who established funds in memory of their loved ones were not asked to participate in this survey out of respect for their privacy.

and increase coordination to ensure charitable needs are efficiently and effectively met while adhering to state law.

#### **IV. OVERVIEW OF SURVEY AND RESPONSES**

In March and April of 2013, Attorney General Jepsen and Commissioner Rubenstein asked approximately 70 organizations and individuals that had been identified as having engaged in charitable fundraising related to the Sandy Hook tragedy to complete a voluntary survey about their fundraising activities. This initial survey sought information on the amount of funds raised and received, plans for distribution, and whether these funds would be spent solely on Sandy Hook relief. These initial survey respondents were identified through news reports, the internet, and local community reporting.

In September of 2013, a second survey was sent to those same fundraisers and others identified since the initial survey seeking updated information. This second survey was more detailed and asked respondents to report more specifically on amounts raised and distributed, types of assistance provided, unspent and surplus funds, and administrative costs. This report is based primarily on responses received from this second survey. The goal of these two surveys was to track and record the philanthropic response to the Sandy Hook shooting in an effort to provide transparency and accountability to the giving public in light of the significant amounts of charitable funds raised in a short period of time.

Of the eighty organizations and individuals asked to complete the second survey, seventy seven organizations responded (see Appendix II), yielding a 96% response rate. The figures reported are based on self-reporting by the responding charities. Among the responding organizations are established public charities, community foundations, relief organizations, municipal agencies, and many individual grassroots fundraisers.

#### **V. ORGANIZATIONAL INFORMATION**

##### **A. Location of Respondents**

Not surprisingly, a breakdown of the responding organizations shows that a large majority are located in Connecticut (64). Many local residents and organizations rallied to show their support and provide assistance as evidenced in the thirty-six respondents located in Newtown/Sandy Hook. However, this outpouring of support was not limited to Connecticut, but stretched across the nation. Organizations located outside of Newtown/Sandy Hook, but in Connecticut, made up the third largest share of respondents (29). In all, thirteen respondents were located outside of Connecticut and represented ten states: California, Georgia, Illinois, Massachusetts, Missouri, New Jersey, New York, Ohio, Pennsylvania, and Tennessee.

<u>Total Respondents</u>	<u>Connecticut</u>	<u>Newtown/Sandy Hook</u>	<u>Outside of Connecticut</u>
77	64	36	13

## B. Main Focus

Respondents were asked to identify their main charitable or organizational purpose. The purpose of this inquiry was to better understand what types of groups were engaging in Sandy Hook-related fundraising. The vast range of responses is reflective of a tragedy in a small community where locals pledged their individual and collective support to the rebuilding efforts and donated their services. The most popular selected categories were "Philanthropic, Volunteerism, Grants" (12 organizations) and "Education" (8), with "Arts, Culture, and Humanities" (6) and "Human Services" (6) sharing the third most commonly cited purposes.



We collected additional information from the large number of organizations that elected "Other" instead of choosing a main focus category from our survey list:

- Some that chose "Other" are large organizations with missions that spanned multiple categories without one particular focus. Others were small, one-time fundraisers. For example, Sandy Hook Wrist Bracelets raised \$940 selling "Sandy Hook Angels 2012" bracelets and donated the funds to the "Sandy Hook School Support Fund c/o Newtown Savings Bank."
- Three groups electing "Other" hosted events to raise money. All five Newtown Fire Departments hosted a one day motorcycle ride called the "The Green Ribbon Ride," which raised funds to "remember and honor Newtown's 26 angels." George LeGrice, a Massachusetts resident, rallied car and motorcycle enthusiasts and hosted "Spike Rides for Sandy Hook" raising funds "to benefit victims and the first responders of the Sandy Hook Elementary tragedy." The Hartford Marathon Foundation hosted a 5K race "Sandy Hook Run for the Families."
- Three organizations stated a focus on building memorials. Among them was The Animal Center, which received over \$300,000 in donations to build an animal

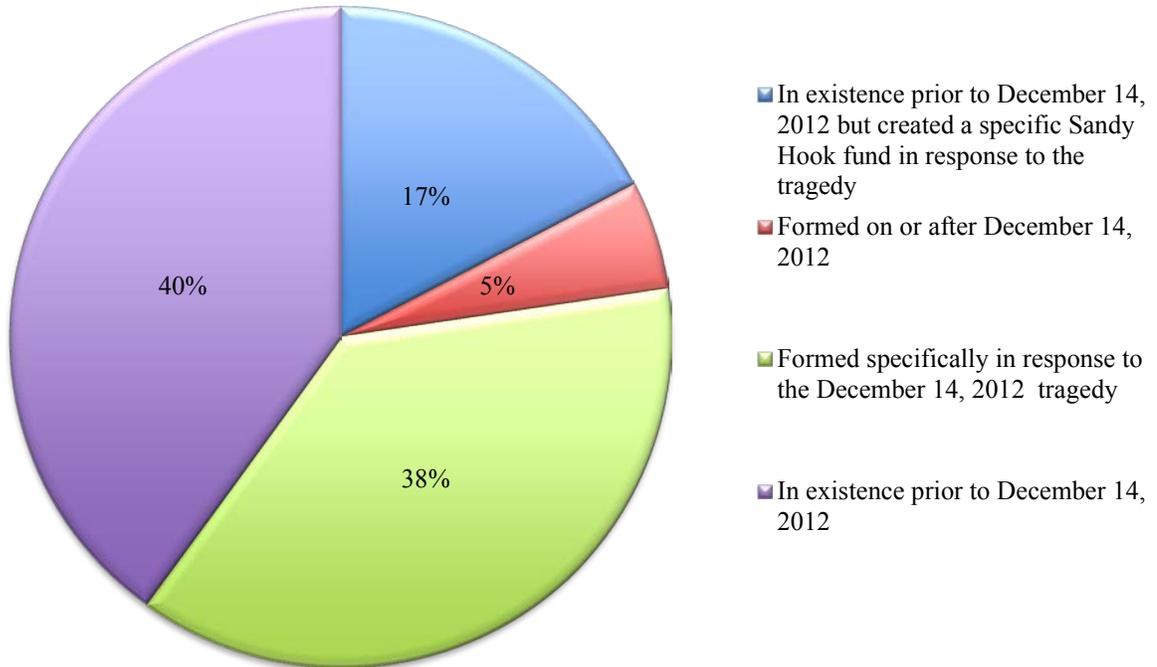
sanctuary in memory of one of the young victims who was an animal lover.

- Three respondents each of whom selected "Other" were individuals and not organizations, including Tara Gaston, a first year medical student who, along with friends from her Newtown High School soccer team, Cast Frobey and Alex Konneker, raised \$56,000 and donated the money to the Newtown Scholarship Association and the Newtown Memorial Foundation. Vanessa Valenzuela from Chicago, Illinois, solicited donations through the fundraising platform GiveForward.com for "families that suffered the loss of a loved one in the Sandy Hook tragedy." Ms. Valenzuela raised approximately \$1,176 and had those donations sent directly to the Sandy Hook School Support Fund. Tara Regan from Wentzville, Missouri, raised approximately \$7,700 for "individuals that were affected by the Sandy Hook tragedy," which she donated to four Newtown/Sandy Hook organizations.
- One organization, Newtown Youth Academy, categorized itself as a "Sports, Fitness and Wellness Facility" and raised \$124,406 to help provide programs to the community at no charge, including "[t]raining programs for adults and seniors (victims' families, teachers and first responders) & [o]pen [p]lay and various programs for [k]ids."
- The remaining organizations electing "Other" consisted of government organizations, community foundations, family relief funds, a first responder support group, and organizations addressing general Sandy Hook relief.

### **C. Formation and Dissolution**

Respondents were asked to specify the date of their formation. Thirty-eight percent (38%) of the Sandy Hook organizations were established specifically in response to the December 14, 2012 tragedy. Another seventeen percent (17%) were in existence prior to December 14, 2012, but created a specific Sandy Hook fund in response to the tragedy. Forty percent (40%) of the organizations were already in existence and had purposes that could incorporate the Sandy Hook specific donations.

## Organizations' Formation in Relation to December 14, 2012



The large number of newly created organizations reflects a spontaneous outpouring of sympathy and support in response to a horrible tragedy. Recognizing that many lacked previous or extensive experience in charitable solicitation, the Attorney General's Office and the Department of Consumer Protection reached out to local organizations and individual fundraisers to counsel and educate them on state and federal nonprofit and fundraising laws, the importance of adhering to donor intent, registration requirements and best practices.

Many of the newly created organizations focused on:

- "Youth Development,"
- "Human Services," or
- "Healthcare and Counseling."

Established organizations that were already in existence prior to the tragedy include organizations such as the Connecticut Credit Union League Charitable Foundation, Newtown Woman's Club, National Philanthropic Trust, National Service Charity, RYOT (a breaking news website) and the three Newtown municipal funds. The focus of these organizations was primarily:

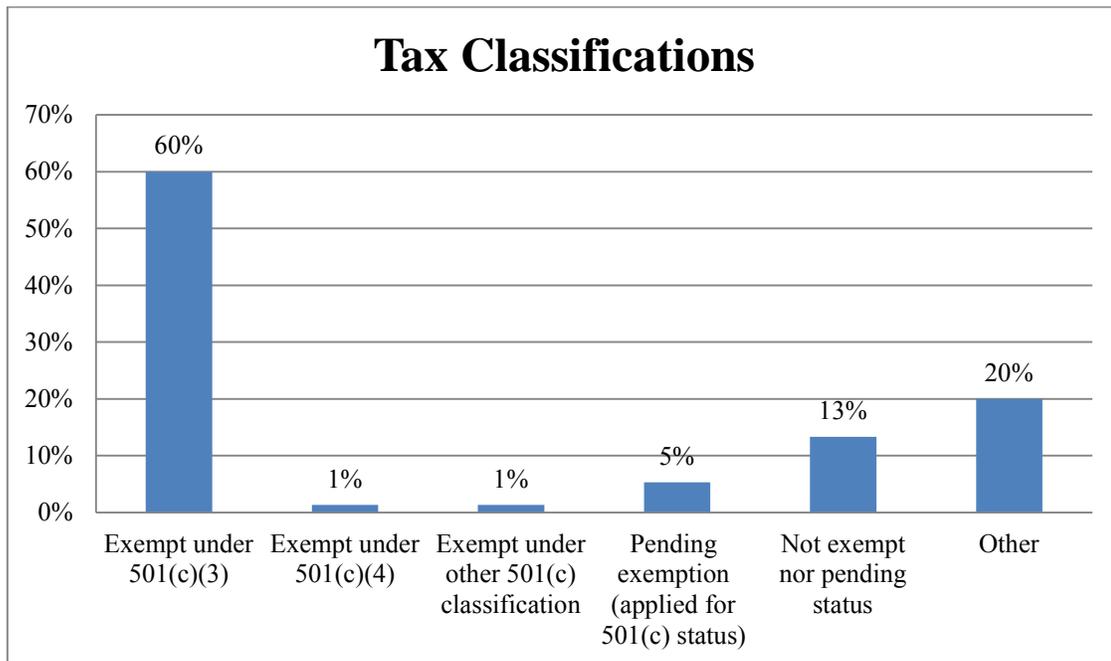
- "Philanthropic, Volunteerism, Grants" and
- "Municipal."

Of the total seventy-seven respondents, ten organizations reported that they had dissolved or disbanded. All ten dissolved or disbanded fundraisers had formed a fund or solicited funds from the general public specifically in response to the December 14, 2012 tragedy. Our offices are in the process of verifying that funds raised by these organizations have been accounted for and distributed pursuant to donor intent.

**D. Tax Classifications**

The majority of survey respondents identified themselves as Internal Revenue Code (IRC) 501(c)(3) charitable organizations. However, the second largest category selected was "Other." Organizations in the "Other" category included Newtown municipal funds, the Office of Victim Services (Connecticut Judicial Branch), Greater Hartford Police Federal Credit Union,<sup>7</sup> Young Lawyers Section of the Connecticut Bar Association, organizations making grants to other 501(c)(3) organizations, and one-time fundraisers.<sup>8</sup>

Only one respondent identified itself as a for-profit organization. Ohio-based Phoenix Events, LLC, raised over \$29,000 for the Newtown Park Gift Fund (to be managed and overseen by Newtown Parks and Recreation) with funds designated for the 26 Benches Project. According to the company, in the upcoming months, victims’ families will be approached and offered the opportunity to create their own personalized engraving on a park bench purchased for them to be placed in parks around the town.



<sup>7</sup> Greater Hartford Police Federal Credit Union ("GHPFCU") did not accept any cash donations. The GHPFCU posted a notice on their website instructing donors that they would accept checks made payable to either "Sandy Hook School Support Fund" or "Connecticut Credit Union Charitable Foundation." If checks were made payable to any other organization, they were returned to the donor along with a copy of the instructions posted on the website.

<sup>8</sup> Tax classifications were self-reported. Organizations electing "Other" may fall within one of the tax classifications identified in the survey. See I.R.C. § 501(c).

## E. Classifications of Employees & Volunteers Numbers

Half of all respondents reported having one or more full or part-time employees. Fifty-five organizations reported utilizing at least some volunteers and thirty-two organizations reported utilizing only volunteers.

Not surprisingly, respondents reported receiving an outpouring of support from volunteers, averaging twenty-one volunteers each. This figure may not include volunteers who pitched in for special events. Many praised the steadfast dedication of their volunteers. For example, My Sandy Hook Family Fund reported that "Robert Accomando and Deborah Accomando have provided over 1,900 hours of services without compensation."

Eight organizations reported having more than fifty full-time employees. These organizations were all in existence prior to December 14, 2012, and have missions beyond the scope of Sandy Hook relief. Three were managed by the municipality of the Town of Newtown and the other five were: American Red Cross, DonorsChoose.org, The University of Connecticut Foundation, Office of Victim Services (Connecticut Judicial Branch) and Save the Children Foundation. Fifteen staff members of Save the Children Foundation devoted the equivalent of sixty-eight working days to Sandy Hook relief efforts. The chart below highlights the Newtown and Sandy Hook survey respondents and the extensive use of volunteers.

<b>Newtown/Sandy Hook Respondents</b>	<b>Funds Raised</b>	<b>Full-Time Employees</b>	<b>Part-Time Employees</b>	<b>Volunteers</b>
Newtown-Sandy Hook Community Foundation, Inc.	\$12,002,705	0	1	8
Sandy Hook Promise Foundation	\$1,900,000	7	1	50
My Sandy Hook Family Fund	\$1,604,497	0	0	27
Newtown Youth and Family Services	\$1,245,921	12	20	20
Newtown Rotary Club Foundation	\$794,285	0	0	38
The Newtown Scholarship Association, Inc.	\$429,180	0	0	19
The Animal Center, Inc.	\$310,000	0	0	30
Newtown Lions Club Foundation, Inc.	\$309,220	0	0	65
Newtown Parent Connection, Inc.	\$263,673	0	0	9
Newtown Forest Association, Inc.	\$256,000	0	2	20
Angels of Sandy Hook Bracelets	\$134,570	0	0	1
Newtown Youth Academy	\$124,406	9	45	10
The Glenn R. Atkinson Memorial Scholarship Fund, Inc.	\$111,222	0	0	8
Ben's Lighthouse	\$77,486	0	0	20
Resiliency Center of Newtown	\$74,000	1	0	10
Newtown Strong / Newtown Proud	\$60,000	0	0	3
Healing Sandy Hook Through the Arts, Inc.	\$41,650	0	0	3
The Newtown Foundation, Inc.	\$36,343	0	0	40
12.14 Foundation	\$29,000	0	0	30
Sandy Hook Family Memorial	\$23,700	0	0	3
Sandy Hook Arts Center for Kids	\$22,500	0	0	10
Embrace Hope Sandy Hook	\$9,116	0	0	12
The Sandy Hook Project, Inc.	\$6,441	0	0	6
Newtown Woman's Club	\$6,398	0	0	83
Newtown Alumni Association Inc.	\$6,000	0	0	12

## VI. FUNDS RAISED

### A. Total Funds Raised

Respondents reported raising, collectively, approximately \$28 million in connection with the Sandy Hook tragedy.<sup>9</sup> Seven organizations reported raising over \$1 million and collectively account for 75% of the total funds raised. These figures are based on survey responses and individual communication with the Attorney General's Office between September 2013 and March 2014. See Appendix II for survey response dates. Distribution of funds as reported during that same time period will be discussed in detail in Section VII of this report.

Organizations Raising Over \$1 Million	
United Way of Western Connecticut-Sandy Hook School Support Fund	\$12,123,761
Sandy Hook Promise Foundation	\$1,900,000
My Sandy Hook Family Fund	\$1,604,497
Newtown Memorial Fund, Inc.	\$1,521,853
Newtown Youth and Family Services	\$1,245,921
The University of Connecticut Foundation, Inc.	\$1,074,361
Where Angels Play Foundation	\$1,069,000

### B. In-Kind Donations

Twenty-seven organizations reported receiving in-kind donations,<sup>10</sup> valued in total at approximately \$1.2 million. The Hartford Marathon Foundation reported the largest amount of in-kind donations, \$317,880, for shirts, services, equipment and goods used to produce the "Sandy Hook 5K Run for the Families."

The most frequently cited in-kind donations were related to staging events, including venue space, speakers, advertising, marketing, food and drink for volunteers, t-shirts, related goods and services. Other types of in-kind donations included: professional mental health services, legal and accounting services, school supplies, hand held radios for teachers, therapy reference books, children's books, gift cards and items for community needs. Sandy Hook Promise

<sup>9</sup> Respondents were asked for the total cash/cash equivalents. The survey defined cash equivalents as "assets that are readily converted to cash, including, but not limited to, money orders, paper checks, gift certificates/gift cards, and stock." Total funds raised include funds from organizations that did not actively fundraise but accepted donations. Total funds raised may have increased for individual organizations since completion of their survey. Response dates vary as surveys were completed between September 2013 and March 2014, see Appendix II for survey response dates. Some organizations' total funds raised reflect their total funds raised after completion of the survey through additional individual communication with our offices. We used best-efforts to clarify and identify duplicative funds (funds raised by one organization but transferred to another organization for distribution or services to the community) through individual communications with the organizations. For example, Sandy Hook Promise Foundation reported to us that in addition to the \$1.9 million it raised, the organization facilitated approximately \$532,000 in aid and assistance paid directly to families affected by the tragedy by connecting "angels" willing to provide assistance with families who had specific needs, a service that maintained the privacy of the families and the integrity of the organization.

<sup>10</sup> Respondents were instructed: "in-kind donations are contributions of goods or services, other than cash grants, including, but not limited to, food, clothing, use of equipment, materials, or facilities."

Foundation received an in-kind donation from OPI nail polish company of 10,000 bottles of a proprietary new color named “Sandy Hook Green.” The Foundation valued these at a cost of \$2.50 per bottle for a total in-kind donation of \$25,000.

America Responds With Love, a Valley Forge, Pennsylvania non-profit headed by Richard McDonough, with support from over 200 volunteers, provided assistance to the community by re-utilizing over 5,000 surplus stuffed animals and comfort pillows sent to Sandy Hook from across the country. These items were in excess of what could be used by victims and Town residents and were distributed to people in-need in communities such as Alabama, Colorado, Delaware, New Jersey, New York and Pennsylvania in schools, police departments, hospitals, mental health programs, and shelters. The organizations used a "conservative value of \$5 per stuffed animal" for a total in-kind donation amount of \$25,000.

Most organizations valued the in-kind donations by their fair market value or donor provided fair market value. Other methods included wholesale value and retail value, as represented on the individual survey responses.

### **C. Communication with Donors**

We asked respondents to identify any representations they made in fundraising appeals about how donations would be used. Under Connecticut law, all gifts intended for a charitable purpose must be used for the purpose(s) intended by the donor.<sup>11</sup> Representations made to the public by organizations raising funds are critical in determining the purposes for which donations must be used.

Most organizations reported that the funds raised in response to the tragedy were to be used specifically for Sandy Hook-related purposes. Sandy Hook Promise Foundation, a notable exception, reported that it solicited donations for its two-fold mission of helping the community through the tragedy and a broad-based program, national in scale, to prevent the causes of gun violence by educating and empowering parents to make changes in their communities.

Representations made during fundraising activities by respondents ranged from the very broad to very specific. Often the broad representations gave the fiduciary organization significant discretion to determine distribution, while the very specific representations left little room for interpretation. For example, broad representations communicated to donors consisted of appeals such as "Sandy Hook relief" (Angel of Hope for Newtown- monies donated to Newtown Youth and Family Services to be used for counseling), "the families" (Newtown Pride- monies donated to My Sandy Hook Family Fund who made direct cash donations to the victims' families). Examples of specific representations are appeals such as "to support college costs for any siblings or dependents who lost their lives and any student enrolled at the elementary school at the time of the tragedy" (The University of Connecticut Foundation, Inc.) and DonorsChoose.org, who told donors “[g]iving [c]ards would be provided to Sandy Hook teachers to fund classroom projects in their school.”

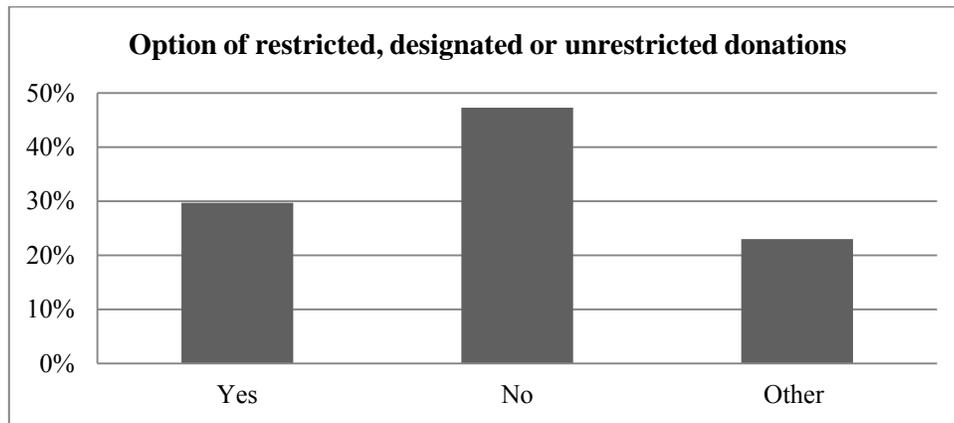
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<sup>11</sup> See C.G.S. §§ 45a-514 and 47-2; *Yale v. Blumenthal*, 225 Conn. 32 (1993); *Coit v. Comstock*, 51 Conn. 352 (1884).

Mental health, community needs, victims’ families, memorials, scholarships and art programs were the most common purposes communicated to donors. Other examples of purposes communicated to donors included recreation activities, park benches, school safety and first responders.

#### **D. Restricting Donations**

Respondents were asked whether donors were given the option to give restricted, designated or unrestricted donations. Restricted donations are funds restricted by the donor for a specific purpose, while unrestricted funds are generally free of restrictions and available for general use by the organization. Designated funds are typically unrestricted dollars that are designated for a specific purpose by the organization.



Of the organizations that gave the donor the option of restricting a donation, the most popular methods reported for restricting the donation included specific requests from donors either in written notes or notations made on their checks. For example, Where Angels Play Foundation responded, "If they wanted to donate towards a particular playground or in a victim's name, we allowed them to do so in the memo of their check and kept a separate account for each playground." The Resiliency Center of Newtown used a "specific class in QuickBooks for all Newtown-related donations. Each program or event is assigned a specific event ID. We distinguish donations through the class and event IDs." One organization reported providing the restriction on its website, and another, Cultural Alliance of Western Connecticut, allowed donors to "select the option available on [the] website to restrict the donation; all donations were categorized according to the wishes of the donor."

Because some organizations held fundraisers for a specific cause, they designated the funds donated as funds as "restricted." The Newtown Foundation, Inc. responded, "we held specific fundraisers for: 1) scholarships for Peace Jam conferences, and 2) National Vigil for victims of gun violence at National Cathedral in Washington in December."

Of the seven organizations raising over \$1 million, two reported that they provided donors with an option of giving for a restricted purpose: Where Angels Play Foundation, which raised funds specifically for playgrounds dedicated to the twenty-six victims who lost their lives, reported that it gave donors the option of designating a gift for a particular playground or in honor

of a particular victim, and Sandy Hook Promise Foundation reported that it refined its fundraising after the first few months by giving donors an option to donate to a restricted Community Fund dedicated to providing aid and assistance to families who lost loved ones, those wounded and others in the community impacted by the tragedy (as distinguished from the second part of the organization's two-fold mission, to prevent the causes of gun violence through education and empowerment).

**E. Ongoing Fundraising**

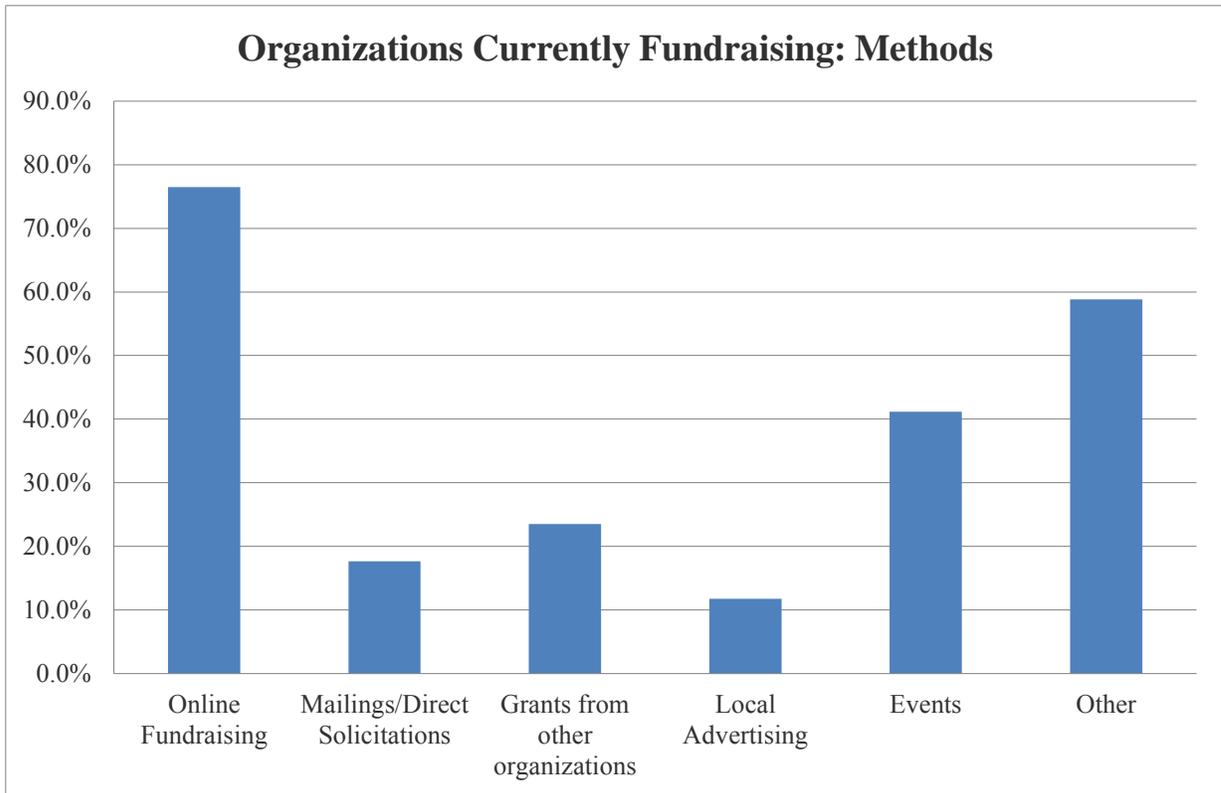
Sixteen organizations responded that they continue to solicit or accept funds for Sandy Hook relief purposes.<sup>12</sup>

Five of these organizations raise funds specifically for families who lost loved ones and others in the community affected by the tragedy. For example, the Connecticut Yankee Council, Boy Scouts of America continues to raise funds for five Scouting families who lost children in the tragedy. Five other organizations raise funds for counseling and therapy services, and five continue to raise funds for memorials, including Where Angels Play Foundation which, in the spring of 2014, plans to build ten more playgrounds dedicated to victims who lost their lives.

<b>Organizations That Continue to Raise Funds for Sandy Hook Relief</b>
Angels of Sandy Hook Bracelets
Ben's Lighthouse
Connecticut Yankee Council, Boy Scouts of America
Embrace Hope Sandy Hook
My Sandy Hook Family Fund
Newtown Alumni Association Inc.
Newtown Lions Club Foundation, Inc.
Newtown Memorial Fund, Inc.
Newtown Pride
Newtown Rotary Club Foundation
Resiliency Center of Newtown
Sandy Hook Family Memorial
Sandy Hook Promise Foundation
The Sandy Hook Project, Inc.
United Way of Western Connecticut-Sandy Hook Workers Assistance Fund
Where Angels Play Foundation

We also asked these organizations how they are conducting their ongoing solicitation efforts. The results are shown in the chart below.

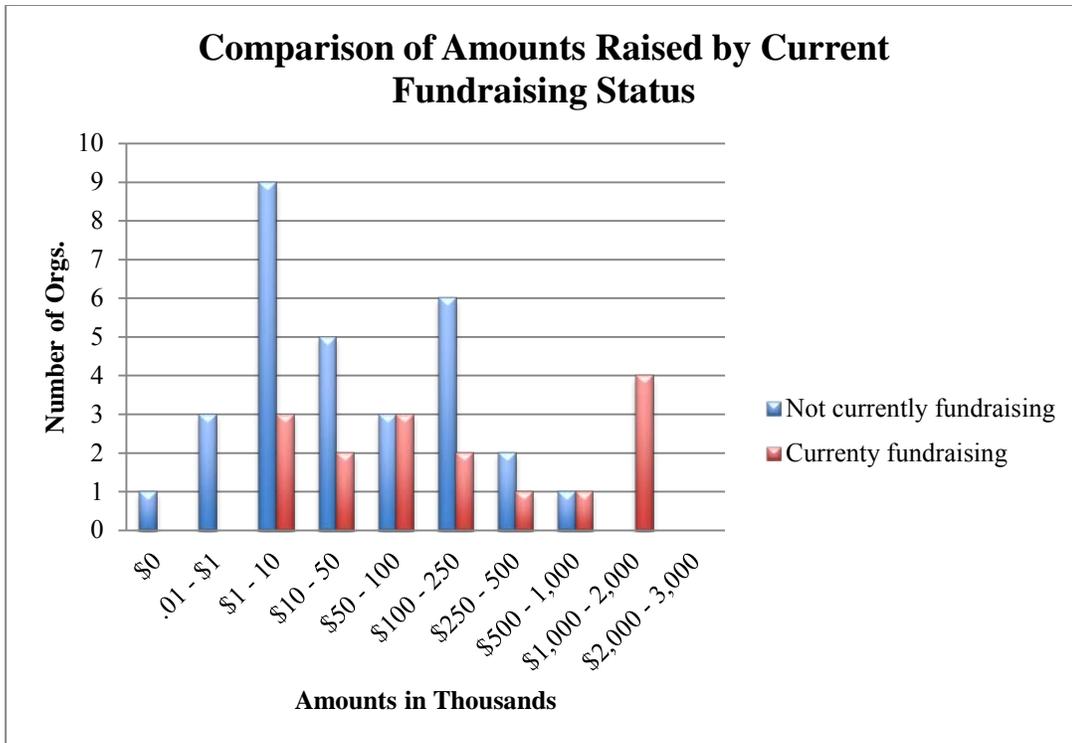
<sup>12</sup> Of the nineteen organizations that answered "Other" in response to whether they are currently raising funds for Sandy Hook relief efforts, nine organizations responded that they continue to receive donations but no longer solicit donations.



\*Organization could elect multiple types of methods.

Forty of the survey respondents reported that they are no longer actively raising funds for Sandy Hook relief, although some continue to accept donations. Some who continue to accept donations for Sandy Hook-related purposes reported that they no longer engage in direct fundraising for that purpose, citing "passive fundraising," "unsolicited donations," "word of mouth," and "sale of items" as methods of receiving or accepting Sandy Hook specific contributions. This group spent an average of 149 days actively fundraising before ceasing activities.

Below is a comparison of total funds raised by organizations that are no longer actively soliciting funds and organizations that continue to solicit funds for Sandy Hook related purposes.



## VII. FUNDS DISTRIBUTED

### A. Total Amount Distributed & Types of Assistance Provided

Over \$15 million of the approximately \$28 million contributed to Sandy Hook-related charities has been distributed, based on survey responses and individual communication with the Attorney General's Office between September 2013 and March 2014. As detailed below, funds were distributed or expended by the fundraising organizations for a wide variety of purposes. By far the largest category of distributions was grants or funding to individuals, families or businesses, representing more than \$11 million of the total \$15 million in distributions or expenditures intended to benefit the victims and the community.<sup>13</sup>

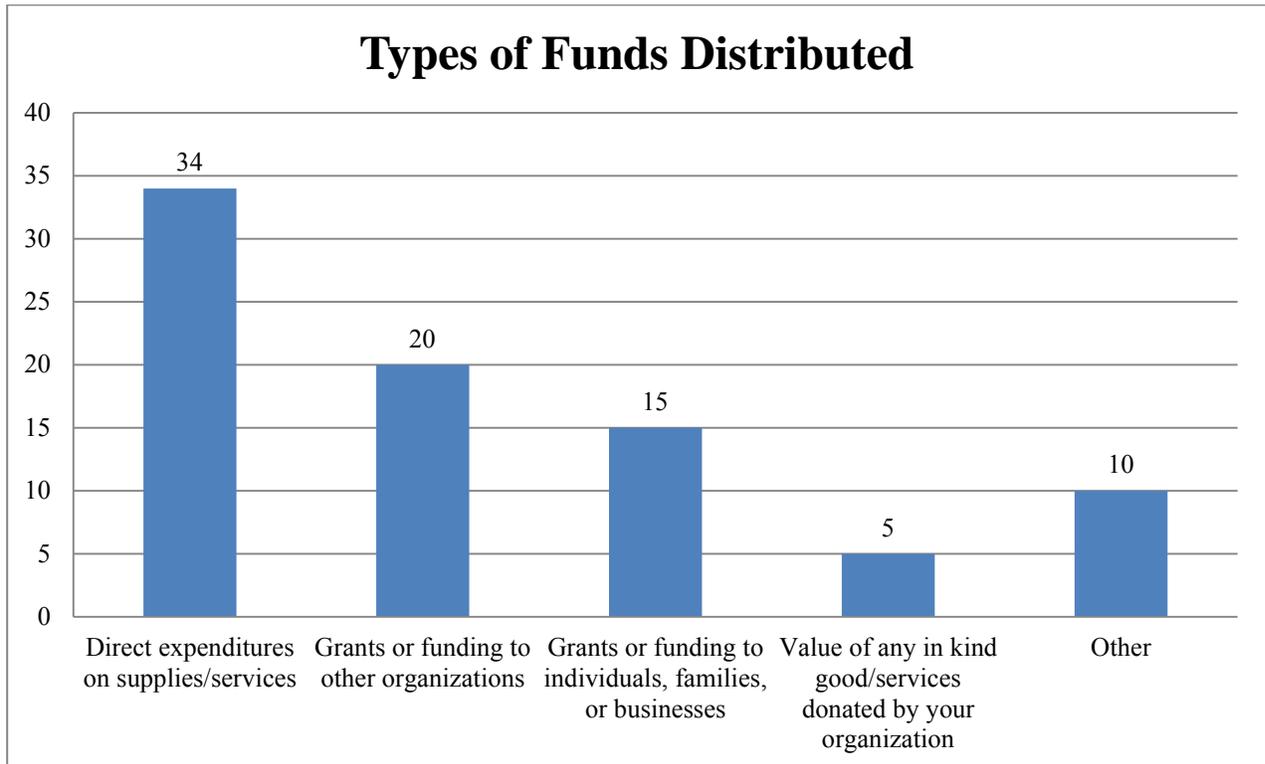
<sup>13</sup> The families of the twenty-six victims who lost their lives are among the beneficiaries of the more than \$11 million in grants or funding to or for the benefit of individuals, families or businesses. It should be clear, however, that the class of beneficiaries of the donated funds was much broader and included, for example, individuals who were injured by the shooter, other children, teachers and administrators who were in the school at the time, and first responders, and that in most circumstances, the families affected have had limited or no involvement in decision making regarding the disbursement of charitable funds.

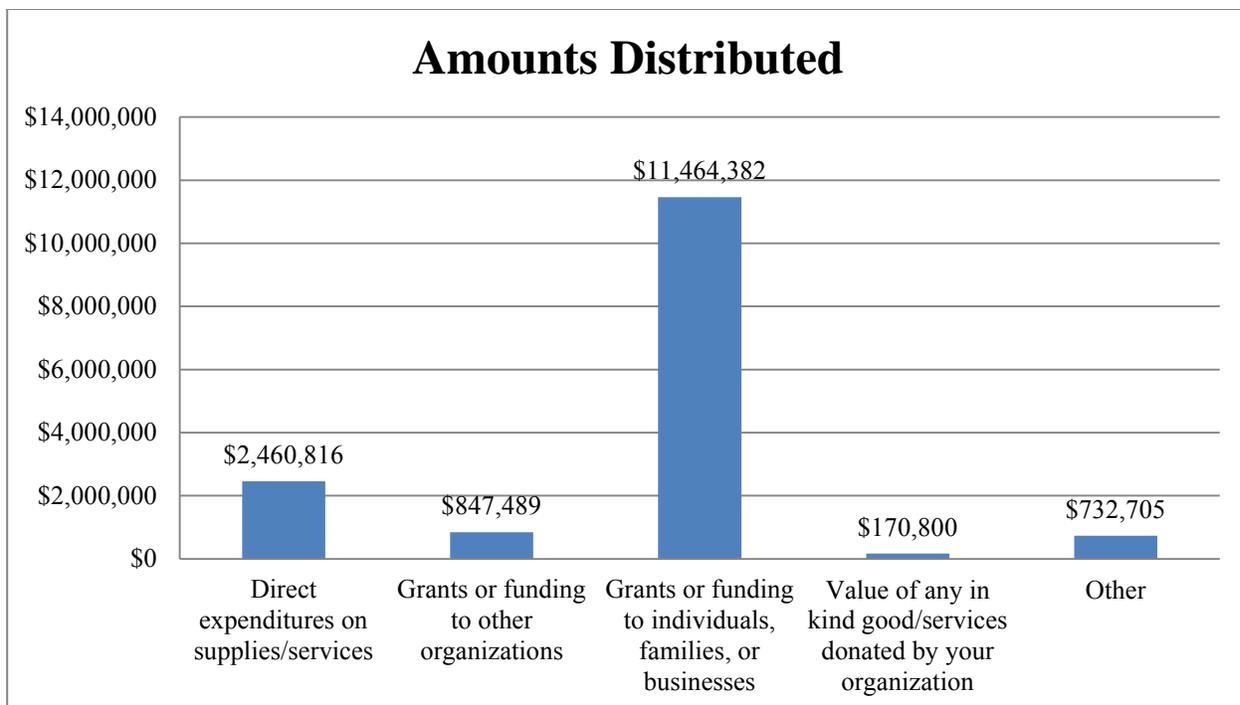
## Types of Assistance Provided and Funds Distributed

The most common types of assistance provided by the survey respondents included: direct donations to families and/or individuals (17 organizations selected this category), contributions to other organizations (15) and mental health counseling (13).

Eight organizations have provided programs for children, including art therapy, music therapy, community outreach events and general youth development. Other types of assistance reported include scholarships (7), direct payment of bills/expenses (7), funding for memorials (6), and direct donations to first responders (6).

Other types of expenditures included paying for the gym memberships of the families and first responders and covering transportation costs for child care. One organization took Newtown teens on a mission trip to Oklahoma for tornado clean-up and recovery. According to the respondent, the purpose of the trip was “to help our teens to gain perspective on their own plight by helping others in need.”





\* The three United Way of Western Connecticut funds were excluded from the “Other” category as they acted mostly as pass-through funds. In addition to serving as the conduit for \$12,123,761 donated by the public to the Sandy Hook School Support Fund (See Appendix III), the United Way of Western Connecticut raised \$703,802 expressly for the immediate needs of the families and community in the days and weeks following the tragedy. United Way of Western Connecticut coordinated with the Newtown Rotary Club, the Office of Victims Services, and the Newtown Memorial Fund to distribute those restricted funds to families, first responders and others who were faced with needs for which they needed assistance following the tragedy. United Way also accepted donations of \$153,183 for the Sandy Hook Workers Assistance Program and Fund (fund operated by the Office of Victim Services), which funds were transferred to the Treasurer in accordance with Public Act No. 13-275.

### "Other" Distributions

Eight organizations categorized their distributions as “Other.” They include:

- Newtown Scholarship Association, Inc., distributed \$135,000 in scholarship money, categorized all these scholarship funds as "Other."
- Cultural Alliance of Western Connecticut reported spending all of the funds it raised for Sandy Hook purposes, \$137,335, to establish the Healing Newtown Through the Arts Support Fund which "provided assistance with infrastructure, planning, and development of a sustainable organization focused on the arts to help the community through the healing process."
- Newtown Children's Museum, Inc. distributed \$50,576 by providing free programming to the children of Newtown and surrounding communities at their temporary museum space.

- Angel of Hope for Newtown distributed \$15,000 on the purchase and installation of a bronze "Angel of Hope" statute at the St. Rose of Lima Parish in Newtown.
- Connecticut Yankee Council Boy Scouts of America raised \$65,331 for five scouting families who lost family members in the tragedy. The organization donated the funds directly to the families or to foundations established by or for the families of those five victims.
- The Town of Newtown Park Gift Fund, which is dedicated to any public purpose related to parks and recreation, has distributed \$28,580 of contributions received from the public. The Town reported that the majority of the funds will be used for the Dickinson Park Playground.
- Sandy Hook Promise Foundation categorized an estimated \$250,000 of their distribution as "Other," described as: "Expenses incurred by the organization in pursuit of providing community assistance and healing includes various expenses ranging from outside contract services (therapists and specialists, for example), supplies, and venue rentals, as well as staff time to perform work in the community [and] programs such as our 'Moving Forward' lecture series."
- The Newtown Police Union reported spending approximately \$30,000 on "events" and expenses intended to "repair the morale of the department," such as co-pays for psychiatric treatment, medical bills, and lost wages for officers.

## **B. Unspent Funds<sup>14</sup>**

Of the \$28 million raised, there remains approximately \$12,452,476 million in unspent funds as reported on survey responses submitted through March 2014. Nearly half of the responding organizations reported that they have unspent funds or undisbursed gift-in-kind donations.<sup>15</sup> The responses suggest a variety of reasons why funds may be unspent including: awaiting approval of certain projects (such as memorials), awarding of scholarships in the future, and maintaining funds for the long term needs of the community, such as mental health counseling.<sup>16</sup> We will continue to reach out to these organizations to assess why funds remain unspent and whether they have a plan and the capacity to handle these unspent funds, and to provide guidance as appropriate in their disbursement in accordance with donor intent.

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<sup>14</sup> See Appendix II for survey response dates. Unspent funds amounts may have changed since survey response dates.

<sup>15</sup> Respondents were advised that "[U]nspent funds are defined as funds that were raised specifically for Sandy Hook relief and will be disbursed for that purpose in the future, but have not yet been disbursed. They do not include funds that were raised specifically for Sandy Hook relief, but will not be allocated or disbursed for Sandy Hook relief." The Attorney General's Office gave the larger organizations the opportunity to provide additional detail about their unspent funds after reviewing their surveys.

<sup>16</sup> Voices for Heroes, Inc. did not solicit donations for Sandy Hook relief. They sold CDs and plan to donate the proceeds to Sandy Hook relief. The organization reports \$1,100 in unspent funds because they are working to recoup this money from a vendor so that it may be donated for Sandy Hook relief.

## Distribution of Funds by Largest Fundraisers

Organizations reporting unspent funds were among the largest fundraisers. Each of the top ten fundraisers reported having some unspent funds.<sup>17</sup> Of the approximately \$23 million cumulatively raised by these ten fundraisers, approximately \$10 million, or approximately 45%, remains unspent. Most of the largest fundraisers report that they intend to use their funds for a variety of purposes, such as mental health counseling and youth programs.

- The largest fund, Newtown-Sandy Hook Community Foundation, Inc., has \$4,307,304 (36%) remaining of the \$12,002,705 raised, as of the survey response date of October 7, 2013. The organization responded that these "funds are expected to last to address long term community needs. Using Distribution Committees and needs assessments it is anticipated spending is 10-15 years." This is consistent with representations made to donors that their donations were unrestricted. See also Appendix III.
- My Sandy Hook Family Fund raised \$1,604,497 and has disbursed over 99% of those funds in direct distributions to the 26 families who lost loved ones in the tragedy.
- The Newtown Memorial Fund raised \$1,521,853 and reported that it has \$1,014,226 (67%) of that amount remaining. These funds are intended to create a perpetual fund for unmet future needs. The Fund stated that "[we will] continue to provide funding assistance for medical and mental health expenses for those affected by the Sandy Hook tragedy as administered by OVS (State Office of Victim Services): we will make additional scholarship grants for future college-bound students as administered by NSA, and; we will financially contribute toward a meaningful physical town memorial."
- The Sandy Hook School Foundation raised \$986,000 and reported \$967,788 (98%) of that amount remaining. The organization reports that it is "in the process of partnering with the school district, school administration and school PTA leadership to identify areas of need." The organization plans to use the funds over a thirteen year period to coincide with the graduation of the last of the Sandy Hook students from Newtown High School. Remaining funds will, according to the Foundation, "be used for support of cultural arts events, mental health counseling, SHS staff support, SHS family events, enhanced teacher appreciation and support."
- The Fairfield County Community Foundation raised \$899,514 in response to Sandy Hook and reported \$866,590 (96%) of that amount remaining. The funds will be used in perpetuity to address broader mental health needs and to support education, public safety and at risk youth in the Fairfield County with preference given to Newtown. The Foundation reports that some of these funds are endowed.

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<sup>17</sup> United Way of Western Connecticut was excluded from this question as they acted as a pass through to the Newtown-Sandy Hook Community Foundation, Inc. Responses from the latter were used for this section.

- The Town of Newtown – Sandy Hook Special Revenue Fund raised \$799,649 and reported \$502,571 (63%) of that amount remaining. The organization stated that the Sandy Hook Special Revenue Fund is dedicated to "projects with a public purpose" and that have not yet begun. The Sandy Hook Memorial Sidewalk account constitutes a portion of the Special Revenue Fund. The funds donated for the Memorial Sidewalk, \$14,973 as of November 12, 2013, are retained in the Special Revenue Fund pending commencement of the project.
- Newtown Rotary Club Foundation raised \$794,285 and reported \$371,287 (47%) of that amount remaining. The Foundation set up the Newtown Rotary Sandy Hook School Fund which is dedicated "to the victims of the Sandy Hook School tragedy, their families and those in the Newtown community who have been affected, to help support both their short term and long term needs." In response to the survey question addressing unspent funds, the organization responded, "Our funding of needs is an ongoing process" that is based "solely on demand."

### **Scholarships**

Three organizations reported unspent funds specifically dedicated to future scholarships.

- The University of Connecticut Foundation, Inc. raised \$1,074,361 and reported \$1,061,265 (99%) of that amount remaining. According to the Foundation, "the funds will be used as dependents, siblings and those attending the school during the tragedy attend The University of Connecticut. It is estimated the funds will be spent over the next 15 to 20 years."
- The Newtown Scholarship Association, Inc. raised \$429,180 and reported \$294,180 (69%) of that amount remaining. The organization provided \$135,000 in approved scholarships for the 2013-2014 academic year and, upon reapplication, plans to continue to make awards to these students over the next three years. The Association reports that future Sandy Hook related scholarships will be awarded as long as the organization continues to receive additional donations for the scholarships.
- The Glenn R. Atkinson Memorial Scholarship Fund, Inc. raised \$111,222 for scholarships in memory of one of the victims. The Fund has \$91,222 (80%) of the total raised remaining and reported that it will donate those remaining funds to other 501(c)(3) organizations that grant scholarships.

### **Mental Health**

- Newtown Youth and Family Services raised \$1,245,921 and reported \$1,025,126 (82%) of that amount remaining. As the designated mental health agency for the Town of Newtown, the organization has "hired numerous full time staff to fulfill the request of the Board of Education to provide support in the schools, plus the great demand of services needed in the community." According to the organization,

unspent funds will cover salaries for mental health professionals and operational costs in the near future and "no timeline is projected due to the severity of the situation and the mental health needs of the community."

- The Newtown Lions Club Foundation raised \$309,220 and reported \$105,548 (34%) of that amount remaining. The Foundation plans to keep this account active for ten years to pay for counseling.
- Walnut Hill Community Church raised \$205,520 and reported \$118,000 (57%) remaining. The Church represented to donors that funds donated would be used for "Counseling support, Community Support & School/Town Support." The organization believes that "there will be long-term needs in the areas listed within our purpose."
- The Newtown Police Union received \$210,410 in unsolicited donations from the public and reported \$180,000 (86%) remaining. The Union reports that they expect these funds to be used towards supporting officer's mental health over the next three years.

### **Memorials/Parks/Playgrounds**

- Three organizations all focused on funding memorials have not disbursed any funds. The Newtown Forest Association, Inc. (which raised \$256,000), Sandy Hook Family Memorial (which raised \$23,700) and Sandy Hook Elementary Memorial Fund (which raised \$6,927) reported that they are waiting for the Town of Newtown to designate memorial plans before moving forward with their respective memorial projects.
- Where Angels Play Foundation, an organization building playgrounds dedicated to the victims of Sandy Hook, raised \$1,069,000 and reported \$541,000 (51%) of that amount remaining. This organization continues to solicit contributions in order to build ten more playgrounds dedicated to the twenty-six individuals who lost their lives on the day of the tragedy. The organization reported that the projects should be complete by September 2014.
- The Town of Newtown – Park Gift Fund reported that it still has \$132,566 (83%) of the total \$158,827 contributed to the Fund. It reports that the majority of these funds "will be disbursed as soon as the Dickinson Park Playground project gets underway." Funds were designated for any "public purpose relating to parks and recreations," specifically any of the following town projects: 26 Trees, Victory Gardens, 26 Benches, or the Dickinson Playground.

### **Funds Reserved for Other Future Programming**

Within the category of unspent funds, a handful of respondents reported unspent funds reserved for future charitable programming.

- The Newtown Parent Connection, Inc. raised \$263,673 and reported \$186,928 (71%) remaining. The organization states that "these funds will be used in future programming that will be offered to the community to address such issues, as mental health, substance abuse prevention, and counseling." The organization plans to hold an annual "Parent University" that will focus on topics related to community healing. Future expenditures on programming will be made according to need.
- The Resiliency Center of Newtown raised \$74,000 and reported \$40,110 (54%) in unspent funds. The funds will be used to support the ongoing programming expenses of the Center. Donors were told that cash donations would support the Center, "specifically a physical space and the counseling/programs that RCN would provide to the community."
- The Newtown Children's Museum, Inc., which raised \$95,348 and reports \$23,634 (24%) remaining, will use the funds to operate their temporary space providing free programming to the children of Newtown and the surrounding communities.
- The Newtown Alumni Association Inc. raised \$6,000 and reported \$2,000 (33%) of the total as remaining unspent. The organization reported that it plans to use the funds at a later time for a memorial or for a project benefiting the citizens of Newtown.
- The Office of Victim Services ("OVS"), which did not serve as a direct fundraiser, received \$218,566 and reported \$143,314 (66%) of that amount remaining unspent as of the date of the survey response. Charitable organizations were asked by the state to solicit and accept donations for the fund. Gifts, donations and grants constituted the primary source of funding for the program. These funds are to be used pursuant to House Bill 6599 Special Act No. 13-1, which provides for the establishment of the Sandy Hook Workers Assistance Program and Fund. The legislation provides that the Fund is authorized to run through August 31, 2015. OVS expects to expend unspent funds on applications received through June 30, 2014. See <http://www.jud.ct.gov/crimevictim/SandyHook.pdf>.

### **C. Administrative Costs**

Respondents were asked for details on general overhead or fixed administrative costs as well as how they communicated to donors that donated funds would be used for these purposes.

The chart below identifies those organizations that had raised over six figures (more than \$100,000) and reported using Sandy Hook related funds for overhead costs and compares the total funds raised by each organization to those overhead costs.

<b>Organization</b>	<b>Total Funds Raised</b>	<b>Amt. used for Overhead Costs</b>	<b>Overhead Costs as % of Total</b>
Newtown-Sandy Hook Community Foundation, Inc.	\$12,002,705	\$16,782	<1%
Newtown Memorial Fund, Inc.	\$1,521,853	\$3,747	<1%
Newtown Youth and Family Services	\$1,245,921	\$379,287	30%
Where Angels Play Foundation	\$1,069,000	\$10,000	1%
Newtown Lions Club Foundation, Inc.	\$309,220	\$10,122	3%
Newtown Police Union	\$210,410	\$4,000	<1%
Newtown Youth Academy	\$124,406	\$65,012	52%

As the chart demonstrates, the average overhead cost for most was between <1% and 3%. However, there were two organizations that indicated significantly higher percentages of overhead costs: The Newtown Youth Academy (52%) and the Newtown Youth and Family Services (30%). Explanations offered by both of these organizations indicate that each appears to have misclassified expenses directly related to charitable services for Sandy Hook relief as overhead expenses.

Newtown Youth Academy ("NYA") reported using overhead funds for "operational building cost assistance, administrative/instructor costs to run programs." NYA provided free arts and sports activities and free supervised play. They also partnered with other organizations to sponsor programs and provided free use of their facility and staff. The programs run by NYA directly benefited the Newtown community and families affected by the tragedy. Therefore, direct expenses related to those programs are better classified as charitable program expenses and not overhead.

Newtown Youth and Family Services ("NYFS") is the designated mental health agency for the Town of Newtown. The organization has seen a 75% increase in its client base since the shooting. They have been asked by the Newtown Board of Education to provide social workers in the school. The organization has been providing free walk-in crisis support since in the shooting. NYFS reported that unspent funds were used to hire "additional therapists to assist with mental health services of the community" and to "cover[ing] the cost of expanding office space to an unused portion of our building" to accommodate the expanded services for the community. These appear to be reasonable charitable program expenses to further the organization's mission to provide a continuum of care to residents of the greater Newtown area, rather than overhead expenses.

Other responses to our inquiry concerning administrative costs included the following:

- Sandy Hook Arts Center for Kids ("SHACK") spent donated funds on "rent, insurance, supplies, utilities and overhead." SHACK was a new organization that built itself "from scratch" immediately following the tragedy and faced significant costs building an entirely new infrastructure. SHACK indicated that donors were told that a portion of their gift would go to support overhead costs.

- Where Angels Play Foundation, an organization that raised funds to build playgrounds in memory of the victims, allocated funds to run events, pay for meals for volunteers, buy building tools and supplies, and pay for the salary of one administrative employee. Donors were notified that "their donation goes towards paying for the playground and other things that make the building of the playground possible."
- The Resiliency Center of Newtown reported that donors were informed that their donation would support overhead costs stating that they were raising funds for "a physical space in Newtown that would provide counseling/programming to people in need in the community with as much of those programs being free of charge as possible. As a result, the idea of rent, utilities, and covering costs associated with delivering programming was clearly implicit in that message."
- DonorsChoose.org raised funds for "Giving Cards" to be used for Sandy Hook teachers' classroom projects. This charitable organization maintains a fundraising facilitator website that enables donors to make contributions for many different purposes or organizations. It was in existence prior to December 12, 2014, has sixty full-time employees and ten part-time employees. The organization takes a set fee from the donations made on the website and directs the balance to the represented purpose, in this case the "Giving Cards" for Sandy Hook teachers' classroom projects. The organization reported: "We disclose on our web site that there is a \$30 per project fulfillment fee. In addition, the person using the giving card on a classroom project may donate an optional 15% towards DonorsChoose.org operating expenses. Approximately 85% of donors donate the optional 15%."

#### **D. Fundraisers Who Transferred Donations to Other Organizations**

Twenty-two organizations granted a total of approximately \$975,000 to other organizations.<sup>18</sup> The Hartford Marathon Foundation was the largest of these fundraisers. It gave all of the \$450,143 from its Sandy Hook Run event to United Western Way of Connecticut – Sandy Hook School Support Fund. Six organizations reported granting money to Newtown Youth and Family Service, which was the most frequent recipient of respondent funds.

About half of the money transferred by fundraisers to other nonprofit organizations went to organizations that provided services directly to Sandy Hook victims and community. Grants to organizations that did not directly solicit funds for Sandy Hook generally totaled \$10,000 or less each.

The Newtown Police Union did not engage in direct solicitation. The organization has received approximately \$210,410 in unsolicited donations since the tragedy. The organization came to our attention when two fundraisers (Spike Rides for Sandy Hook and Adopt A Sandy Hook/Newtown Cop Program/Mothers Embrace Yoga in Shelton) reported donating over \$51,000

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<sup>18</sup> This number does not include the money raised by UWWC-SHSSF on behalf of NSHCF.

in public contributions for Sandy Hook tragedy related purposes to this group. In order to provide public disclosure concerning its use of donations to benefit first responders, the Police Union agreed to complete our survey. The Union reported that it has been operating on the premise that donations were intended to be "spent on the officers affected" and the understanding that donors were told that "money would be spent on the affected officers and would not go to any political party." The Union reported that approximately \$30,000 has been distributed since the tragedy on "various events intended to repair the morale of the department," "co-pays for psychiatric treatment of officers," and "medical bills" for a sick officer. They have not given money to other organizations, but have distributed money to individual officers.

#### **E. 501(c)(4) Non-Charitable Public Advocacy Organizations**

We received multiple calls from donors to Sandy Hook Promise or The Newtown Foundation expressing concerns about potential use of charitable gifts for non-charitable activities related to public advocacy for legislation on gun control, school safety, or other public policy issues. Our investigation found that the non-charitable public advocacy activities were carried out on behalf of, and funded by, sister organizations of charities established in response to the Sandy Hook tragedy. The sister organizations were incorporated separately as non-charitable entities but were operated, for each, under common administration with the sister charity. Specifically, we found that:

1. **Sandy Hook Promise Action Fund**, which is non-charitable corporation subject to the requirements of public advocacy organizations pursuant to Internal Revenue Code (IRC) § 501(c)(4), shares an office, employees and governing directors with:  
**Sandy Hook Promise Foundation**, a charitable organization subject to the full benefits and requirements of IRC § 501(c)(3); and
2. **The Newtown Action Alliance**, which is non-charitable corporation subject to the requirements of public advocacy organizations pursuant to Internal Revenue Code (IRC) § 501(c)(4), shares an office, employees and governing directors with:  
**The Newtown Foundation**, which is a charitable organization subject to the full benefits and requirements of IRC § 501(c)(3).

Connecticut law requires that gifts invited from the public must be used solely for the purpose represented to the public in the solicitation.<sup>19</sup> Donations to a 501(c)(3) charitable organization cannot be commingled with the funds of a non-charitable (c)(4) organization, and cannot be used for any expense or activity of a non-charitable (c)(4) organization. Solicitations must clearly identify whether the contribution requested will be directed to the charitable organization or the (c)(4) non-charitable organization.

All four of the organizations identified solicit donations from the public. During our investigation, we asked that the organizations provide greater clarity to donors and the public in

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<sup>19</sup> Conn. Gen. Stat. § 21a-175 et seq.; Conn. Gen. Stat. § 45a-514.

distinguishing activity of the non-charitable (c)(4) organization from the activity of the (c)(3) charitable organization. Specifically, we asked that the four organizations set up separate internet webpages for each organization, and that they clearly state on all internet sites and in all literature whether a requested donation or an activity is for the charitable purposes of the respective charitable organization, or for the non-charitable public advocacy purposes of the respective (c)(4) organization. The organizations were cooperative in our review of their practices and responsive to our requests.

Each of the four organizations represented to us that they are accounting for gifts and expenses separately, including separate accounting for employee time, office space and equipment use, and that funds for the respective organizations are not being commingled. We will continue to follow up with the organizations to ensure ongoing compliance with all legal requirements and public disclosures. While public disclosures for (c)(4) non-charitable organizations are less strenuous than for (c)(3) charitable organizations under federal law, each of the four organizations voluntarily provided responses to our surveys.

## **VIII. NEXT STEPS**

Based on the survey responses and initial follow up, we have identified key issues and next steps our offices have identified as warranting further review and discussion:

- The Office of the Attorney General has posted on its website a [disaster relief guide](#) specific to charitable solicitation in the wake of tragedy. We will continue to update and provide instructional materials on this and other subjects.
- We continue to identify and contact organizations that engage in Sandy Hook-related fundraising to educate them on their fiduciary responsibilities and alert them to federal and state laws surrounding charitable monies.
- Our offices will continue to reach out to organizations who reported unspent funds to assess why funds remain unspent, whether they have a plan and the capacity to handle these unspent funds, and to provide guidance as appropriate in their disbursement in accordance with donor intent.
- We will continue to follow up and request more specific information from the organizations that transferred funds from other organizations and recipient organizations to ensure that the funds transferred are used for the original purposes represented to the public by the soliciting organizations.
- Our offices will continue our involvement in a working group comprised of multi-state charity regulators and nonprofit organizations to discuss tangible steps we can all take to improve communication and collaboration in preparation for future disasters.

## IX. LOOKING FORWARD – COLLABORATION & COMMUNITY

While no one tragedy is identical to any other, it is critical that regulators and the nonprofit sector share and learn from experience to improve the response to disaster relief in the future. Based on the survey responses, we have identified several key issues that will inform our continued vigilance with regard to Sandy Hook-related funds and our preparation for the charitable responses to future tragedies and natural disasters. Now is the time to reflect on the charitable response to the Sandy Hook tragedy and evaluate how and where we can fill in gaps and improve. These key areas include:

- **CT Care Fund:** In response to the Sandy Hook shooting, Governor Malloy proposed legislation to create the Connecticut Coordinated Assistance and Recovery Endowment (CT CARE) Fund for victims of disasters and other emergencies. If called into action, the Fund will establish separate accounts restricted to each emergency, as well as a separate endowment for operations and sustainability. This approach is intended to ensure that 100% of the donations for a specific tragedy or emergency are used for relief related to that specific event. The legislated infrastructure is intended to be the primary repository available immediately to receive private donations in response to an emergency or disaster, to account for those donations, and to distribute the dollars in accordance with the intent of the donors. See Legislation at Appendix IV. In the event of future tragedy, the CT Care Fund promises to be a great benefit to donors, affected communities, and regulators.
- **Solicitation and Legal Requirements:** Within hours of the shooting, organizations both local and national, quickly commenced fundraising to support the victims. While well-intended, it is critical that any person or entity who engages in charitable fundraising understand the legal requirements and fiduciary responsibilities of managing and distributing charitable monies. Our offices moved quickly and proactively to contact and meet with fundraisers to educate them on their registration responsibilities, to provide guidance, to share best practices, and to direct them to independent legal counsel on tax related issues. State regulators and those engaged in charitable fundraising must communicate to ensure state laws are followed and fiduciary responsibilities are met. In that spirit, our offices are committed to continuing to work with the nonprofit sector on improving the infrastructure for the management of donations and preparing a coordinated response to disaster fundraising. The disaster relief guide posted on the Office of the Attorney General's website is a step in that effort: [disaster relief guide](#).
- **Communication Practices:** While not a specific requirement under the law, we encourage fundraisers and organizations to coordinate with community leaders to establish ways to open and maintain non-intrusive lines of communication with victims and families most affected by a tragedy. Feedback provided to our office expressed concern that often decisions were made about soliciting or distributing donated funds for purposes that did not necessarily represent the preferences or the individual needs of victims, or the families, or the community most affected by the tragedy. Some expressed feelings of heightened despair, grief and, at times, even anger, at the insufficient sensitivity demonstrated by well-meaning organizations or individuals who

initiated fundraising for a self-determined purpose promoted as a memorial or tribute in the name of a child or adult who was murdered, without asking the family first about using the victim's name in fundraising, and instead of directing donations to a local charity or fund that can respond more effectively to the actual needs of the families and community most affected by the tragedy. While reasonable minds may differ on decisions made regarding the purposes of fundraising and the allocation of undesignated charitable donations, and donor intent must always be upheld, significant confusion can be avoided and concerns can be addressed through appropriate, sensitive and transparent communication. As an example, the My Sandy Hook Family Fund, which reported raising funds for distribution directly to the twenty-six families who lost loved ones, assigned a community volunteer who acted as a liaison to each individual family. This allowed for clear communication about each family's needs and preferences that was not intrusive for the family. While this model would not be possible in all circumstances, it offers an example of how fundraisers and organizations can coordinate with the community for effective fundraising that is sensitive and responsive to victims of tragic events and their specific needs in the days, weeks and years following a tragedy.

- **Consolidating Resources for Sustainable Support:** Tragedies of this scale raise challenges in identifying the diverse needs of affected communities, avoiding duplication in meeting those needs, and avoiding gaps in the charitable response. For an excellent example of how to tackle this problem head on, we need not look any further than the partnership forged between GE Capital and the Town of Newtown. Within months of the tragedy, GE contacted Newtown First Selectwoman Pat Llodra to offer a team of executives to help in the aftermath of the tragedy. Three volunteers stepped in to help the town cope with a broad spectrum of needs from public relations to event management, and organizing the flood of charitable fundraising. Tom Kelleher, a GE executive and local Newtown resident, volunteered to act as the point person to help oversee the charitable funds created in the wake of the tragedy. Kelleher created a website ([www.newtowncharities.org](http://www.newtowncharities.org)) that lists charities and helped donors decide how and where to contribute. He also worked directly with these organizations to help consolidate activities and avoid duplication of resources. Kelleher also contacted our offices and connected the charities with the regulators for discussions surrounding legal requirements, best practices and resources to help ensure the organization's sustainability. Together, state regulators and charitable leadership play a critical role in ensuring that the needs of the community are met, while avoiding duplication and overlap in the disbursement of funds. This collaborative and communicative approach provides a model worthy of emulation.
- **Transparency in Raising Funds:** One of the biggest challenges charities faced in the wake of the shooting was ensuring transparency and maintaining donor confidence with respect to charitable donations. The public response to this tragedy was immediate and the pure volume of gifts that poured in from all over the world was staggering. Ongoing or existing charities should take the opportunity to learn from this experience and conduct an inventory of their preparedness for future high stress events. For example, what is the organization's mission and how could it be applied to various types of disasters, does the organization have a plan to handle a sudden influx of

donations, is the organization equipped to communicate clearly with potential donors about the purposes of fundraising, and how would the organization handle unspent or surplus funds. These are all discussions that charities should have before they begin to receive or solicit donations on a large scale. Our offices will continue to be a resource for charities with questions about solicitation, fiduciary responsibilities and donor intent.

- Our offices will continue our vigorous investigation and enforcement activities as charities regulators. We stand ready to take swift action against those we identify as soliciting under fraudulent representations misappropriating funds in violation of donor intent.

## **X. CONCLUSION**

In the wake of the Sandy Hook shooting, the giving public demonstrated great generosity, and the charitable sector answered the call to provide assistance to a grieving community. As a nation, we have learned from past disasters that the needs of those directly impacted and their community will endure. The Office of the Attorney General and the Department of Consumer Protection remain vigilant in their work to ensure that contributions for ongoing Sandy Hook relief continue to be used as donors intended to meet those needs. It is also critical that, as discussed above, we apply lessons learned to ensure an effective charitable response in other future tragedies.

**APPENDIX I**  
**FIRST SURVEY RESPONDENTS, COMPLETION DATES**  
**& SAMPLE FIRST SURVEY**

Organization	Response Date
12.14 Foundation, Inc.	09/12/2013
Adopt A Sandy Hook/Newtown Cop Program/Mothers Embrace Yoga in Shelton	03/30/2013
America Responds With Love, Inc.	04/09/2013
American Red Cross	04/30/2013
Angel of Hope for Newtown	07/23/2013
Angels of Sandy Hook Elementary	08/01/2013
Artists Collective, Inc. (Sent in error not a fundraiser)	03/28/2013
Autism Speaks	06/13/2013
Ben's Lighthouse Fund	04/03/2013
Children's Memorial Walkway	06/14/2013
Connecticut Bar Association - Young Lawyers Section	05/22/2013
Connecticut Community Foundation	04/03/2013
Connecticut State Grange Foundation, Inc. a.k.a. Sandy Hook Angels Fund	04/04/2013
Connecticut Yankee Council, Boy Scouts of America, Pack 170 Memorial Fund	04/05/2013
CTPTSA /Ryan Kraft/Sandy Hook School PTA/Sandy Hook Elementary Victims Relief Fund	04/12/2013
Cultural Alliance of Western Connecticut	04/12/2013
DonorsChoose.org	04/12/2013
Fairfield County Community Foundation	04/04/2013
Fairfield County Community Foundation	05/10/2013
Funeral Consumer Alliance of CT	03/30/2013
Gray Foundation, Inc.	04/09/2013
Greater Hartford Police Federal Credit Union aka Newtown Victims Relief Fund	05/10/2013
Hartford Marathon Foundation, Inc./Sandy Hook Run for the Families 5K	04/11/2013
Healing Newtown Arts Fund	04/12/2013
Healing Sandy Hook Through the Arts, Inc.	04/12/2013
Kevin's Community Center Free Clinic	05/08/2013
Kris Schwartz (Angels of Sandy Hook Bracelets)	06/17/2013
Mothers Embrace Yoga In Shelton/Adopt A Sandy Hook/Newton Cop Program	03/30/2013
My Sandy Hook Family Fund	04/11/2013
National Philanthropic Trust	06/19/2013
National Service Charity aka Newtown Family Recovery Fund	06/18/2013
Newtown Children's Museum, Inc. (d/b/a EverWonder Children's Museum)	04/08/2013
Newtown Cultural Arts Commission (NCAC)	04/12/2013
Newtown Family Recovery Fund aka National Service Charity	06/18/2013
Newtown Forest Association, Inc./Sandy Hook School Memorial Tree Fund	04/01/2013
Newtown Kindness	04/05/2013
Newtown Lions Club Foundation, Inc.- Sandy Hook Elementary Fund	04/07/2013
Newtown Memorial Fund	04/01/2013
Newtown Parent Connection, Inc.	05/23/2013
Newtown Pride	04/07/2013
Newtown Rotary Club Foundation, Inc.- Newtown Rotary Sandy Hook School Fund	04/01/2013
Newtown- Sandy Hook Community Foundation, Inc.	04/03/2013
Newtown Strong/Newtown Proud	05/04/2013

Newtown Woman's Club	07/01/2013
Newtown Youth Academy, Inc.	04/11/2013
Newtown Youth and Family Services	04/12/2013
Nourish Newtown	05/22/2013
Phoenix Events, LLC	04/01/2013
Playground Fund/Newtown Center Pediatrics	03/29/2013
Ryan Kraft/Crowdrise.com	04/02/2013
Ryan Kraft/CTPTSA/Sandy Hook School PTA/Sandy Hook Elementary Victims Relief Fund	04/12/2013
RYOT Foundation	07/03/2013
Sandy Hook Angels Fund a.k.a. Connecticut State Grange Foundation, Inc.	04/04/2013
Sandy Hook Arts Center For Kids	06/11/2013
Sandy Hook Children's Foundation, Inc.	04/11/2013
Sandy Hook Elementary Memorial Fund	05/06/2013
Sandy Hook Elementary School Memorial Fund	06/21/2013
Sandy Hook Elementary School Memorial Scholarship aka Newtown Scholarship Association	05/06/2013
Sandy Hook Family Healing Fund	06/28/2013
Sandy Hook Family Memorial	04/11/2013
Sandy Hook Memorial Fund	08/21/2013
Sandy Hook Newtown CT Forever Angels Fundraiser	04/09/2013
Sandy Hook Promise Action Fund	06/14/2013
Sandy Hook Promise Foundation	04/12/2013
Sandy Hook Run for the Families 5K- Hartford Marathon Foundation, Inc.	04/11/2013
Sandy Hook School PTA/CTPTSA/Ryan Kraft/Sandy Hook Elementary Victims Relief Fund	04/12/2013
Sandy Hook Volunteer Fire & Rescue Co., Inc.	04/12/2013
Sandy Hook Wristbands	08/26/2013
Save the Children Federation, Inc.	04/08/2013
Spikes Ride for Sandy Hook	06/19/2013
Strides for Sandy Hook	06/20/2013
The Animal Center, Inc.	04/09/2013
The Glenn R. Atkinson Memorial Scholarship Fund, Inc.	04/09/2013
The Graceful Planet Moving Center	05/07/2013
The Green Ribbon Ride (The Five Newtown Ct Fire Dept's)	07/16/2013
The Judicial Branch, Office of Victim Services	04/10/2013
The Newtown Scholarship Association, Inc.	04/10/2013
The Sandy Hook Project, Inc.	08/12/2013
The University of Connecticut Foundation, Inc.	04/09/2013
Town of Newtown - Park Gift Fund	05/22/2013
Town of Newtown -Sandy Hook Private Purpose Trust Fund/Town of Newtown	04/01/2013
Town of Newtown-Sandy Hook Special Revenue Fund	04/01/2013
United Way of Milford, Inc.	05/07/2013
United Way of Western Connecticut-Immediate Needs Fund	04/11/2013
United Way of Western Connecticut-Sandy Hook School Support Fund	04/11/2013
United Way of Western Connecticut-Sandy Hook Workers Assistance Fund	04/11/2013
Voices for Heroes, Inc.	05/06/2013

Connecticut Office of Attorney General and  
Connecticut Department of Consumer Protection

Sandy Hook 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 the Sandy Hook tragedy?
  
2. Will these funds be used solely for victims of the Sandy Hook tragedy? If not, approximately what portion will be used for relief for victims and what other purposes, and in what proportions, will funds be used for?
  
3. Approximately how much has your organization spent to date related to the Sandy Hook tragedy?
  
4. What services has your organization provided to those affected by the Sandy Hook tragedy? What populations or class of victims are being served by your organization in response to the Sandy Hook tragedy? What services does it expect to provide in the future?
  
5. Has your organization provided funding to other organizations for purposes related to the Sandy Hook tragedy? 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 Sandy Hook 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 purposes related to the Sandy Hook tragedy? If so, please describe that plan.

\_\_\_\_\_  
Name and title of representative

\_\_\_\_\_  
Date

**APPENDIX II  
SECOND SURVEY, RESPONDENTS  
& COMPLETION DATES**

<b>Organization</b>	<b>Date:</b>
12.14 Foundation	11/13/2013
26.4.26 Foundation	01/18/2014
Adopt a Sandy Hook/Newtown Cop Program	10/28/2013
America Responds with Love, Inc.	11/08/2013
American Red Cross	11/15/2013
Angel of Hope for Newtown	09/27/2013
Angels of Sandy Hook Bracelets	11/15/2013
Ben's Lighthouse	10/22/2013
Connecticut State Grange Foundation, Inc.	12/13/2013
Connecticut Yankee Council, Boy Scouts of America	10/28/2013
CT Community Foundation	12/04/2013
Cultural Alliance of Western Connecticut	11/13/2013
DonorsChoose.org	10/08/2013
Embrace Hope Sandy Hook	12/09/2013
Fairfield County Community Foundation	11/14/2013
Gray Foundation, Inc.	11/18/2013
Greater Hartford Police Federal Credit Union	12/02/2013
Hartford Marathon Foundation	11/01/2013
Healing Sandy Hook Through the Arts, Inc.	10/17/2013
Kevin's Community Free Clinic	01/22/2014
My Sandy Hook Family Fund	11/20/2013
National Philanthropic Trust	10/21/2013
National Service Charity Inc.	10/09/2013
Newtown Action Alliance	01/22/2014
Newtown Alumni Association Inc.	10/23/2013
Newtown Children's Museum, Inc.	10/28/2013
Newtown Forest Association, Inc.	12/03/2013
Newtown Kindness	09/27/2013
Newtown Lions Club Foundation, Inc.	10/31/2013
Newtown Memorial Fund, Inc.	10/01/2013
Newtown Parent Connection, Inc.	11/16/2013
Newtown Police Union	03/06/2014
Newtown Pride	01/18/2014
Newtown Rotary Club Foundation	11/14/2013
Newtown Strong / Newtown Proud	09/27/2013
Newtown Woman's Club	11/13/2013
Newtown Youth Academy	01/07/2013
Newtown Youth and Family Services	11/14/2013
Newtown-Sandy Hook Community Foundation, Inc.	10/07/2013
Office of Victim Services	11/21/2013
Phoenix Events, LLC	01/06/2014
Resiliency Center of Newtown	12/06/2013
RYOT	09/27/2013

Sandy Hook Arts Center for Kids	01/17/2014
Sandy Hook Elementary Memorial Fund	10/02/2013
Sandy Hook Elementary School Memorial Fund	09/27/2013
Sandy Hook Family Healing Fund	01/15/2014
Sandy Hook Family Memorial	10/23/2013
Sandy Hook Memorial fund	11/18/2013
Sandy Hook Newtown CT Forever Angels Fundraiser	12/05/2013
Sandy Hook Promise Action Fund	12/06/2013
Sandy Hook Promise Foundation	01/21/2014
Sandy Hook School Foundation	11/15/2013
Sandy Hook Wrist Bracelets	11/01/2013
Save the Children Federation, Inc.	01/21/2014
Spike Rides for Sandy Hook	11/05/2012
Strides for Sandy Hook 5k	11/14/2013
The Animal Center, Inc.	11/13/2013
The Connecticut Credit Union League Charitable Foundation	11/15/2013
The Glenn R. Atkinson Memorial Scholarship Fund, Inc.	01/03/2014
The Graceful Planet Moving Arts Center	01/10/2014
The Green Ribbon Ride	05/18/2013
The Newtown Foundation Inc.	01/22/2014
The Newtown Scholarship Association, Inc.	11/15/2013
The Sandy Hook Project, Inc.	11/18/2013
The University of Connecticut Foundation, Inc.	11/13/2013
Town of Newtown - Park Gift Fund	11/12/2013
Town of Newtown - Private Purpose Trust Fund	11/12/2013
Town of Newtown - Sandy Hook Special Revenue Fund	11/12/2013
United Way of Milford, Inc.	10/11/2013
United Way of Western Connecticut-Immediate Needs Fund	11/12/2013
United Way of Western Connecticut-Sandy Hook School Support Fund	11/12/2013
United Way of Western Connecticut-Sandy Hook Workers Assistance Fund	11/14/2013
Voices For Heroes, Inc.	01/20/2014
Walnut Hill Community Church	01/23/2014
Where Angels Play Foundation	01/03/2014
Young Lawyers Section of the Connecticut Bar Association	11/17/2013

## **SECOND SURVEY**

# SANDY HOOK RELIEF SURVEY- SEPTEMBER 2013 UPDATE

## Welcome to the Sandy Hook Fundraising Survey

In their continued effort to promote transparency and encourage charitable giving, Attorney General George Jepsen and Consumer Protection Commissioner William M. Rubenstein are asking all organizations that have engaged in charitable fundraising in the wake of the tragedy at Sandy Hook Elementary School to complete this survey. Within months of the shooting, the Attorney General and the Commissioner sent questionnaires to organizations seeking information about their Sandy Hook-related fundraising and relief activities. This follow up survey seeks updated information and will be compiled into a report which will be made available to the public.

When completing the survey please remember:

- 1) Use the "next" and "previous" buttons in the survey to move from page to page rather than your browser's arrow buttons.
- 2) There is a section at the end of the survey for questions or comments.
- 3) Please do not include dollar signs (\$) or question marks (?) in your responses.
- 4) An asterick (\*) before a question indicates that a response is required in order to move to the next question.
- 5) Please call or email us with any questions or concerns. We can be reached at (860) 808-5020 or [Caitlin.Calder@ct.gov](mailto:Caitlin.Calder@ct.gov).
- 6) Please complete this survey no later than **November 15, 2013**.

Thank you for participating in our survey.

## Funds Raised

### 1. What is the total dollar amount of cash donations and pledges that your organization has raised to date in response to the Sandy Hook tragedy?

A. Cash/cash equivalents\*

B. Outstanding pledges

\* Cash equivalents are assets that are readily converted to cash, including, but not limited to, money orders, paper checks, gift certificates/gift cards, and stock

### \*2. Did your organization receive gift-in-kind donations\*?

Yes

No

# SANDY HOOK RELIEF SURVEY- SEPTEMBER 2013 UPDATE

\* In-kind donations are contributions of goods or services, other than cash grants, including, but not limited to, food, clothing, use of equipment, materials, or facilities

## In Kind Goods/Services Information

**3. Please provide a description and value of the donated goods/services:**

**\*4. Please select the methodology by which you valued the gift-in-kind donation:**

- Fair Market Value
- Wholesale Value
- Donor Provided Fair Market Value
- Retail Value
- Other (please explain)

**5. Approximate date(s) of receipt of donated goods/services:**

**\*6. What were donors told their donation(s) would be used for?**

**\*7. Did donors have the option of giving a restricted, designated or unrestricted donation?**

- Yes
- No
- Other (please specify)

## Restricted/Designated Funds

# SANDY HOOK RELIEF SURVEY- SEPTEMBER 2013 UPDATE

8. Please explain what process the organization used to restrict a donation.

9. Please explain what a donor needed to do in order to restrict a donation.

10. How did the organization define such restriction or designation?

11. What steps did you take to ensure that a Sandy Hook donation was allocated for Sandy Hook relief?

12. For what period of time did your organization collect and/or accept funds specifically for Sandy Hook relief?

From:      MM    DD    YYYY  
               /  /   
To:            /  /

\*13. Is your organization currently fundraising for Sandy Hook relief efforts?

- Yes  
 No  
 Other (please specify)

# SANDY HOOK RELIEF SURVEY- SEPTEMBER 2013 UPDATE

## 14. Please select the methods by which you are raising funds:

- Grants from other organizations
- Local Advertising
- Mailings/Direct Solicitations
- Online Fundraising
- Events
- Other (please specify)

## Dissolved/Disbanded

### 15. Has your organization dissolved or disbanded? If yes, please explain what steps you have taken to close down your activities.

## Funds Distributed

# SANDY HOOK RELIEF SURVEY- SEPTEMBER 2013 UPDATE

## \*16. What types of assistance has your organization provided to those affected by the Sandy Hook tragedy?

- Direct Donations to Families and/or Individuals
- Food
- Non-Food Relief Supplies
- Raising Funds For Another Organization
- Counseling
- Direct Payment of Bills/Expenses
- Scholarships
- Direct Donations to First Responders
- Grant Making
- Mental Health Counseling
- Legal Assistance
- Medical Assistance
- Long Term Needs
- Other (please specify):

## \*17. Please provide the total dollar amounts that your organization has spent or distributed on Sandy Hook relief to date?

Direct expenditures on supplies/services	<input type="text"/>
Grants or funding to other organizations	<input type="text"/>
Grants or funding to individuals, families, or businesses	<input type="text"/>
Value of any in kind good/services donated by your organization	<input type="text"/>
Other	<input type="text"/>

## \*18. Has your organization provided grants or funding to other organizations for Sandy Hook relief?

- Yes
- No

## SANDY HOOK RELIEF SURVEY- SEPTEMBER 2013 UPDATE

19. Please provide the name of each organization(s) that received grants or funding from your organization for Sandy Hook relief AND the total dollar amount provided to each organization.

20. What is the intended use of the grants or funding?

21. Please explain what processes or standards your organization uses to determine who is eligible to receive grants or funding and how those standards may be modified in the future.

22. Please explain what standards or processes are in place to monitor the use of the grants or funding.

23. Please explain the standards or processes established for determining when funds are no longer needed for the recipient organization's purposes related to the Sandy Hook Elementary School tragedy and what representations have been made to donors concerning any excess funds.

\*24. Has your organization provided direct grants or funding to individuals, families or businesses for Sandy Hook relief?

Yes

No

# SANDY HOOK RELIEF SURVEY- SEPTEMBER 2013 UPDATE

**25. Please describe the types of assistance that your organization has provided to date:**

- Cash Grants
- Direct payment of Expenses
- Gift/Debit Cards or Similar Assistance
- Loans
- Other (please specify)

**26. Please explain what process or standards your organization uses to determine who is eligible to receive assistance and how those standards may be modified in the future.**

**27. Do you confirm that individual recipients are not collecting money for the same relief from multiple sources? If so, how?**

**\*28. Did you draw on any funds raised specifically for Sandy Hook relief to pay for general overhead or fixed administrative costs?**

- Yes
- No

**29. Please provide the total dollar amount of Sandy Hook relief funds that were used to pay for general overhead or fixed administrative costs.**

**30. Please explain and describe in detail the nature of these general overhead or fixed administrative costs.**

## SANDY HOOK RELIEF SURVEY- SEPTEMBER 2013 UPDATE

**31. Please explain how you communicated to donors that their donation would be used for this purpose.**

### Unspent Funds

**\*32. Are there any unspent funds or undisbursed gift-in-kind donations?**

Yes

No

\* Unspent funds are defined as funds that were raised specifically for Sandy Hook relief and will be disbursed for that purpose in the future, but have not yet been disbursed. They do not include funds that were raised specifically for Sandy Hook relief, but will not be allocated or disbursed for Sandy Hook relief.

### Unspent Funds Information

**33. Please provide the total dollar amount of unspent funds to date.**

**34. Please provide the value of undisbursed gift-in-kind donations.**

**35. Please explain why there are unspent funds or undisbursed gift-in-kind donations.**

**36. Please explain how and when you expect to distribute these unspent funds or undisbursed gift-in-kind donations.**

### Surplus Funds

**\*37. Are there any surplus funds?**

Yes

No

# SANDY HOOK RELIEF SURVEY- SEPTEMBER 2013 UPDATE

\* Surplus funds are defined as funds that were raised specifically for Sandy Hook relief, but will not be allocated or disbursed for Sandy Hook relief. They do not include "unspent spends," which are defined as funds that were raised specifically for Sandy Hook relief and will be disbursed for that purpose in the future but have not yet been disbursed.

## Surplus Funds Information

**38. Please provide the total dollar amount of surplus funds to date.**

**39. Please explain the standards or processes established for determining surplus funds.**

**40. Please explain why there are surplus funds.**

## Organizational Information

**\*41. Which tax classification best describes your organization?**

- Exempt under 501(c)(3)
- Exempt under 501(c)(4)
- Exempt under other 501(c) classification
- Pending exemption: We have applied for, but not yet received, 501(c) status from the IRS
- Not exempt: We are not a nonprofit organization or we do not have exempt or pending status
- Other (please specify):

# SANDY HOOK RELIEF SURVEY- SEPTEMBER 2013 UPDATE

## \*42. Which category describes the main focus of your organization?

- Arts, Culture, Humanities
- Crime Prevention and Legal Affairs
- Education
- Environment
- Healthcare and Counseling
- Human Services
- Municipal
- Philanthropic, Volunteerism, Grants
- Public Safety, Disaster and Crisis Intervention
- Religious
- Youth Development
- Other (please specify):

## \*43. Which category best describes your organization?

- In existence prior to December 14, 2012
- In existence prior to December 14, 2012, but created a specific Sandy Hook fund in response to the December 14, 2012 tragedy
- New organization that formed **specifically** in response to the December 14, 2012 tragedy
- New organization that formed on or after December 14, 2012

## \*44. Please provide your best estimate for the total number of employees you have in the following categories:

Full-Time Employees:

Part-Time Employees:

Volunteers:

# SANDY HOOK RELIEF SURVEY- SEPTEMBER 2013 UPDATE

**\*45. Please provide the organization's contact information:**

Contact Person/Position	<input type="text"/>
Name of Organization	<input type="text"/>
Address	<input type="text"/>
City / Town	<input type="text"/>
State / Province	<input type="text"/>
ZIP / Postal Code	<input type="text"/>
Email	<input type="text"/>
Phone	<input type="text"/>

**46. Comments/Questions: is there anything additional you would like to share with us regarding any of your previous responses to this survey or your Sandy Hook fundraising efforts?**

**\*47. This survey was completed by:**

Name:	<input type="text"/>
Position:	<input type="text"/>
Date:	<input type="text"/>
Your organization's EIN and/or state Department of Consumer Protection Registration number	<input type="text"/>

## **APPENDIX III**

**ATTORNEY GENERAL'S AUGUST 7, 2013 LETTER TO THE NEWTOWN-SANDY  
HOOK FOUNDATION, INC. AND UNITED WAY OF WESTERN CONNECTICUT**

# State of Connecticut

GEORGE JEPSEN  
ATTORNEY GENERAL



Hartford

August 7, 2013

Dr. Charles Herrick  
President  
Newtown-Sandy Hook Foundation, Inc.  
c/o Newtown Savings Bank  
30 Main Street  
Newtown, Connecticut 06470

Ms. Kim Morgan  
Chief Executive Officer  
United Way of Western Connecticut  
85 West Street  
Danbury, Connecticut 06810

Dear Dr. Herrick and Ms. Morgan:

The purpose of this letter is to follow up on my May 30, 2013 letter and this Office's conclusion that the Newtown-Sandy Hook Community Foundation, Inc. (Foundation) did not act contrary to donor intent in determining the distribution allocation for direct payments to the families most affected by the tragedy.<sup>1</sup> The purpose of this letter is to provide additional information about donor intent, clarify the scope of my initial review, and provide a summary of my Office's continued review. While I neither endorse nor oppose any particular decision that United Way of Western Connecticut, Newtown Savings Bank, or the Board of the Newtown-Sandy Hook Community Foundation, Inc. (collectively, the "Fiduciaries") have made, I do reiterate that based on established legal principles, the Foundation's decision to distribute \$7.7 million directly to the families most affected by the tragedy did not violate donor intent. This conclusion is based on a comprehensive review of relevant materials, interviews, and other information, and not, as has been inaccurately suggested, only a review of gift documents relating to a small percentage of donations.

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<sup>1</sup> The families most affected by the tragedy refers to the twenty-six families who lost loved ones; twelve families of children who survived but were in the classrooms where other children and educators were killed; and two individuals who were injured but survived the tragedy.

A. Donor Intent

As I stated in my May 30 letter, the Fiduciaries are accountable to the public for their decisions in managing the donations to the Sandy Hook School Support Fund ("Fund"). They are accountable for implementing fair and impartial policies and practices for management of the Fund, and for ensuring implementation of balanced and reasonable procedures for determining allocations and distributions from the Fund that are fully compliant with donor intent. My duty as Attorney General is to enforce donor intent, protect the public from false representations in charitable solicitations, and ensure appropriate use of funds solicited from the public.

Under Connecticut law, all gifts intended for a charitable purpose must be used for the purpose intended by the donor. *See* CGS §§ 45a-514 and 47-2; *Yale v. Blumenthal*, 225 Conn. 32 (1993); *Coit v. Comstock*, 51 Conn. 352 (1884). When donations are solicited or invited from the public, donor intent is determined by the representations made to the public in the solicitations, and responsive donations must be used in accordance with those representations. *See* CGS § 21a-190h(1); *State v. Am. Recycling Technologies, Inc.*, CV040832985, 2009 WL 1532330 (Conn. Super. Ct. May 5, 2009); *State v. Children's Charity Fund Corp.*, CV 960558744S, 1997 WL 381220 (Conn. Super. Ct. June 25, 1997).

Thus, the representations made to the public by United Way and Newtown Savings Bank, as the original fiduciaries for the Fund, are critical in determining the purposes for which donations must be used. *See* Conn. Gen. Stat. §§ 45a-514 and 21a-190h. The United Way and Newtown Savings Bank have consistently represented that the Fund is a multipurpose fund intended "to provide support" to "the families" and "the community" affected by the tragedy. These representations are broad and impose upon the Fiduciaries not only significant responsibility but also significant discretion to determine appropriate uses for the Fund that will "provide support" to both "the families" and "the community."

In a press release issued on the day of the tragedy, United Way stated that the fund was established to "provide support services to the families and community affected by this senseless tragedy." *See* United Way press release, December 14, 2012, attached. In a press release dated December 18, 2012 (attached), United Way stated that the fund would "provide support services to the Newtown/Sandy Hook community" and that "[a] local board of Newtown community leaders is being convened to determine how the fund is most needed and best utilized." Other news releases and screenshots showing descriptions of the Fund on the United Way website were consistent in describing the Fund as intended to provide for the community affected by the tragedy or for the families and community affected.

## B. Initial Review

It has been repeatedly and inaccurately reported that my Office reviewed only 3% of donations prior to issuing the May 30 letter. As you are aware, the conclusions set forth in the May 30 letter were premised upon a review that was far more comprehensive than simply examining 3% of the donations to the Fund. In particular, I thoroughly examined the policies and procedures adopted by the Foundation in concluding that they conformed with accepted standards for governance of charitable institutions. The initial review further concluded that the factors the Foundation considered in determining that \$7.7 million was an appropriate amount for the families were neither imprudent nor unreasonable. In addition, my Office reviewed correspondence accompanying many sizeable gifts which specifically provided that the donations were for future needs of Newtown and the families, the solicitation documents for the Hartford Marathon road race, and a spreadsheet reflecting millions of dollars in general purpose donations. We spoke with individuals from United Way about the process and learned that every effort was made in the weeks and months after the tragedy to direct elsewhere donations marked for specific families or victims. My Office reviewed documentation that confirmed those efforts. Finally, beginning in the days immediately after the tragedy, my Office monitored initially United Way's and then the Foundation's statements describing the Fund. As noted above, the statements consistently described the Fund as a multipurpose fund, to provide support to the families and the community most affected by the tragedy.

In the course of our review, Foundation members explained that they exercised discretion regarding allocation of the donations intended for the multiple purposes of the Fund in favor of the families. The Foundation represented that in determining that \$7.7 million should be distributed as direct payments to the families, it began with the premise that the largest portion of the money should go to the families and then considered three additional factors (1) donor intent, (2) input from families who will receive the distributions, and (3) research regarding the long term needs of other communities that have experienced violent tragedies. The Foundation determined that all donations from individuals, which were estimated to represent approximately one-third of the total dollars in the Fund, should go to the families in order to offset or negate any possible misunderstanding or confusion among the thousands of individual donors from across the country and the world about the purpose of the Fund. We found that the Foundation then essentially split the remaining portion of the Fund equally between the forty families most affected and the community. As stated in the May 30 letter, the Foundation confirmed both that donations the families most affected may have received from other funds played no role in the Foundation's allocation decisions, and that the families most affected are part of the Newtown community and would be included in benefits and services that may be funded from the balance of the Fund and future contributions.

The Foundation possessed substantial discretion in allocating these resources between the most affected families and broader community needs in light of the above-described representations about the Fund's unrestricted purpose, as well as the many letters received clearly stating that the donations were given not simply to the families but rather to the community and families or just the Fund. Thus, as stated in the May 30 letter, my Office found no reason to conclude that the Fiduciaries' misrepresented the purpose of the Fund at any time, misused any of the donated funds, abused their discretion, or violated donor intent in determining allocations for distributions from the Fund.

### C. Continued Review

My Office's review continued after the May 30 letter. Although nothing about this continued review alters my initial conclusions, in an effort to provide additional clarity and dispel unfounded assumptions, I am providing more specifics about the review, specifically as it concerns compliance with donative intent.

The total in the Fund as of May 31, 2013 was \$11,732,000,<sup>2</sup> from which the \$7.7 million will be distributed to the forty families in August in accordance with Judge Nevas' distribution committee recommendations. My Office reviewed financial records and reports which reflect the following, in rounded numbers:

\$8,000,000	Direct Donations or Transfers to Newtown Savings Bank (representing more than approximately 20,000 gifts)
\$3,400,000	Credit Card Payments to the Fund (representing approximately 30,000 gifts)
\$ 21,000	From Bank of America representing cumulative total of multiple donations in response to its solicitation for the Fund pursuant to an agreement between the Bank and United Way
\$11,000	From Chelsea Groton Bank representing cumulative total of multiple donations in response to its solicitation for the Fund pursuant to an agreement between the Bank and United Way
\$26,000	From Wells Fargo Bank representing cumulative total of multiple donations in response to its solicitation for the Fund pursuant to an agreement between the Bank and United Way

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<sup>2</sup> This represents a \$300,000 increase from the total as of May 7, 2013, *see* May 30 letter at 2. Although the decision to distribute the \$7.7 million to the families was made when the Fund total was \$11.4 million, the analysis of donor intent contained in section C will be based on the fund total as of May 31.

\$2,000	From Union Savings Bank representing cumulative total of multiple donations in response to its solicitation for the Fund pursuant to an agreement between the Bank and United Way
\$135,000	From E-Bay Pay Pal, raised from a banner ad on E-Bay pursuant to an agreement between E-Bay and United Way.
\$34,000	Anthem Blue Cross/Blue Shield nationwide employee giving campaign conducted from its Indiana headquarters pursuant to an agreement with United Way.
\$103,000	From Network for Good representing payments made by individuals on Crowdrise; \$102,095 of the Crowdrise total represents fundraising for the Marathon originated from the Hartford Marathon Foundation website. The difference in the Network for Good total represents small individual fundraising efforts not related to the Hartford Marathon Foundation.
\$11,732,000	Total as of May 31, 2013

As the above summary notes, donations of \$8 million were made to the Newtown Savings Bank.<sup>3</sup> My Office reviewed a spreadsheet maintained by the Bank which itemized \$7.6 million in donations by donor. The spreadsheet contains 18,141 entries. My Office learned that the difference of approximately \$400,000, (\$8 million minus \$7.6 million), was the result of the fact that donations of less than \$250 each were not itemized and included on the spreadsheet.<sup>4</sup> My Office reviewed the different items that made up the \$8 million by category as described in the paragraphs below. Because of the number of donations and the generalized nature of the

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<sup>3</sup> The response in gifts from the public, worldwide, was immediate and overwhelming. It understandably challenged all established systems for processing mail, gifts and payments in the small Newtown community, Newtown Savings Bank, and United Way of Western Connecticut. The U.S. Postal Service informed the Town in the days soon after the tragedy that it could not sort the extraordinary volume of mail addressed to Newtown and that the Town would need to designate a location for the mail to be delivered in trucks, unsorted. A warehouse was donated and a volunteer task force assembled to sort all Newtown-addressed mail. Mail addressed to the Sandy Hook School Support Fund was delivered unopened by the task force to Newtown Savings Bank, where a team assembled by the Bank opened and removed all checks and money and then delivered the envelopes with all non-monetary enclosures still in them to United Way, without any further processing and without notation on the envelope or its enclosure as to the amount of the gift, if any, that was removed from the envelope.

<sup>4</sup> The Foundation reported that gifts over \$250 each were acknowledged in accordance with the Internal Revenue Service requirement that gifts of \$250 or more be acknowledged in writing by the recipient charity, and that volunteer groups sent postcard acknowledgments to many donors who gave less than \$250.

documentation and record keeping, certain items were most likely considered in more than one category and double counted but not to a degree that alters the conclusions set forth herein.

The United Way maintained every envelope, note, or letter that accompanied any donation, regardless of the amount, and my Office reviewed each piece of correspondence individually, approximately 20,000 notes, letters, emails and envelopes. As part of this review, my Office determined that thousands of letters had no dollar amount referenced, and it was often impossible to determine whether these letters had in fact contained a gift. As a result, and in addition to the \$400,000, my Office was simply unable to match \$179,240.80 to any donor on the spreadsheet and could not otherwise categorize the source of these funds. Finally, the review also identified \$45,890 in stock transfers and \$14,308.81 in wire transfers for which there was no documentation other than the identity of the donors and amounts. Although a reasonable interpretation based on established legal principles of donative intent would be to consider these donations to be unrestricted gifts, for purposes of this analysis and erring in favor of the families, we have assumed the \$639,439.61, or 6% of the \$11.7 million, was directed to the families most affected.

My Office separated out any correspondence in which the donor expressed a wish to benefit the families of those who lost loved ones, expressed sympathy especially for the victims of the massacre, referred to the "26 angels," or directed their comments to the families of the victims or families most affected. Of the approximately 20,000 pieces of paper, approximately 1,373 cards, notes, or emails were identified as containing these expressions which could be interpreted as intent to benefit only the victim's families or the families of the 26 victims. Of the 1,373 cards and notes that contained such an expression, 404 included a reference to the dollar amount of the enclosed donation. The cumulative total for those 404 gifts was \$361,153.79. The average amount per card or note was \$893.95 ( $\$361,153.79/404 = \$893.95$ ). Extrapolating the average amount per card that included a dollar amount to the 969 that did not reference any amount, the projection comes out to \$866,237.55 ( $\$893.95 \times 969 = \$866,237.55$ ) for a projected total dollar amount of \$1,227,391.34 of the \$8 million in donations made to the Newtown Savings Bank, or approximately 10% of the \$11.7 million in the Fund as of May 31, 2013.

In addition, included as part of the \$8 million is approximately \$1.2 million in special event donations. The events included bake sales, collections from churches, schools, classrooms, teachers, voluntary fire departments, and PTA's, just to identify a few. Most events were done without consultation or communication with United Way and cash or checks were sent directly to the Newtown Savings Bank with notes indicating support for the Fund or the Newtown community. In response to questions from United Way immediately after the tragedy, my Office advised that Newtown Savings Bank should accept donations from any organization or individuals that had raised funds on behalf of Sandy Hook to ensure money was accounted for and directed to purposes related to the tragedy.

Newtown Savings Bank did not document the source of the funds as special events. As part of this review, United Way personnel reviewed the Newtown Savings Bank spreadsheet and based on several assumptions, provided my Office with a best assessment on whether a line item was a special event donation.<sup>5</sup> In addition, my Office learned that the larger organizations contacted United Way prior to fundraising. These organizations and United Way entered into agreements which detailed the terms and conditions under which the fundraising would be conducted and directed that any promotional materials would state that the Fund was created to provide support services to the families and community affected by this devastating event. This special event money represents 10% of the \$11.7 million. Based on the totality of this information, the gifts collected through these special events are legally interpreted to have been made by informed donors who intended their gifts to be used at the discretion of the Fiduciaries in accordance with the general purposes represented both in the different agreements and in the consistent representations by the Fiduciaries.<sup>6</sup>

Of the approximately 20,000 pieces of mail reviewed, approximately 280 pieces of correspondence totaling \$1,681,032.74 referenced only the community or all the families of Newtown (14% of the \$11.7 million), and approximately 1973 pieces of correspondence and three electronic or wire transfers totaling \$3,151,429.25 referenced "families and community," stated that the gift was for the Sandy Hook School Support Fund, or was simply a check stub without a note but for which the payee was the Fund (27% of the \$11.7 million). Thus, a total of \$4,832,461.99 of the \$8 million, or 41% of the \$11.7 million, specifically referenced the community or the Fund.

Also included in the \$8 million are donations totaling \$101,492.06 that are matching gifts made by 109 companies. Specifically, approximately 786 employees of 109 companies gave donations through a corporate matching program. (The individual employee donations are not included in the \$101,492.06). My office interviewed individuals from United Way involved in this program. The process followed was that the employee included with the donation a confirmation request. United Way would review their records to determine that it had received a donation from the individual and, if it had, would then submit a form to the particular company to provide a matching gift. Each company had a slightly different confirmation notice but United Way estimated that approximately 90% of the notices designated that the gift was for the Fund or

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<sup>5</sup> To identify probable special event fundraising, United Way employees explained that they reviewed the spreadsheet to identify donations that were not for even dollar amounts, i.e. donations that included "odd" dollar and cent amounts, such as \$356.12 or \$17.53, and corresponding names that appeared to be collected by groups, coworkers, events, etc.

<sup>6</sup> Based on established legal principles of donative intent, it is reasonable to treat the special event donations as unrestricted gifts. For purposes of this analysis, however, I note that even if my Office were to consider these special event donations to be gifts directed only to the families, it would not change the conclusion that the Foundation's decision to distribute \$7.7 million to the families or 66% of the \$11.7 million did not violate donor intent.

Sandy Hook. The United Way coordinator was aware that gifts specifically designated for the family should be directed elsewhere and made every effort to do so. Thus, based on the totality of this information, the corporate matching gifts, totaling \$101,492.06, which represents slightly less than 1% of the \$11.7 million, are legally interpreted to have been made by informed donors who intended their gifts to be used at the discretion of the Fiduciaries in accordance with the general purposes represented.

Referenced in the above summary of the \$11.7 million on pages 4 and 5 are agreements between the United Way and Bank of America, Chelsea Groton Bank, Wells Fargo Bank, Union Savings Bank, E-Bay, and Anthem Blue Cross/Blue Shield that specifically provided for each company's "collection of donations to support the Sandy Hook School Support Fund ("the Fund") established by United Way, which provides support services to the Newtown, CT community" or similar language. In addition, and also referenced in the summary above, is fundraising on Crowdrise for the Hartford road race. As previously noted in the May 30 letter, the Hartford Marathon Foundation acknowledged in correspondence to United Way that 100% of event participation fees and direct donations were intended as an "unrestricted gift" to the Fund and the gift would be used "to support current and future needs of the Sandy Hook community." The Foundation has also represented that at the time of the fundraising, the same language was on the Hartford Marathon website.<sup>7</sup> Based on the totality of this information, the gifts collected by all these entities, totaling \$332,000, are legally interpreted to have been made by informed donors who intended their gifts to be used at the discretion of the Fiduciaries in accordance with the general purposes represented in the agreements or correspondence.

The 30,000 credit card payments that make up the \$3.4 million cumulative total reflected in the summary above were all made on the donation page of United Way's website, sometimes via links to that page from other websites. The United Way donation page included the general purpose language described above, indicating that donations would be used to provide support for the families and the community affected by the tragedy. *See* United Way donation page screenshot, attached. Donors filled in blanks on the donation webpage to specify the amount donated, credit card information, and name and address, without need or opportunity to convey other information. Based on this information, the credit card gifts, totaling \$3,400,000, are legally interpreted to have been made by informed donors who intended their gifts to be used at

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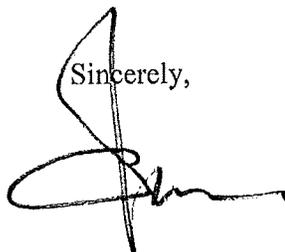
<sup>7</sup> A total of approximately \$450,000 was raised by the Hartford Marathon Foundation, the balance of which is reflected in the \$8,000,000 deposited directly to Newtown Savings Bank. As noted in the May 30 letter, the Hartford Marathon's labeling of the race was unfortunate and subject to misinterpretation. However, and contrary to well established legal principles of donor intent, even if the total amount, \$450,143.30 or 4% of the \$11.7 million, raised by the Hartford Marathon were to be considered a gift intended for only the families most affected, it would not alter the conclusion that the Foundation appropriately exercised its discretion in the allocations for distributions from the Fund.

the discretion of the Fiduciaries in accordance with the general purposes represented on the webpage.

Therefore, the general purpose funds total \$9,865,954.05 ( \$1,200,000(special events) plus \$4,832,461.99 (general purpose correspondence) plus \$101,492.06 (corporate matching) plus \$332,000 (corporate agreements and Crowdrise) plus \$3,400,000 (credit card payments)) and represent 84% of the \$11.7 million. Accordingly, there is simply no basis to conclude that the Foundation's decision to retain \$4 million or 34% of the Fund for the community and the families fails to comport with donor intent or is otherwise unreasonable.<sup>8</sup>

As I stated in the May 30 letter, reasonable minds may differ on the precise allocation of the funds, and this letter should not be interpreted as either an endorsement or a criticism of the Foundation's decisions. I am, however, concerned about the lack of transparency the Fiduciaries have demonstrated in communicating with the public about their process for establishing the Foundation and selecting its directors as well as about the procedures the Foundation would follow in determining allocations from and uses of the Fund. Much of that information, including the bylaws for the Foundation that provide the procedures for decision-making and distributions, as well as for selection of directors, was not made public until I began the initial review of the Fund in early May and discussed the need for greater transparency with the Fiduciaries. I believe that the lack of transparency about processes and procedures has facilitated the misunderstandings about and inaccurate public information related to the Fund. However, based on the information provided and reviewed by my Office to date, it appears that the actions and decisions of the Fiduciaries have been reasonable and compliant both with donor intent as well as the Foundation's governing documents. Therefore, I conclude that the Foundation's conduct to date has been in compliance with legal duties and obligations applicable to the management of charitable donations.

Sincerely,



GEORGE JEPSEN  
Connecticut Attorney General

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<sup>8</sup> Stated differently, and candidly contrary to established legal principles but in complete deference to the families, to illustrate compliance with donor intent, even if \$3,516,831.04 or 30% of the \$11.7 million (\$639,439.61(unidentifiable donations) plus \$1,227,391.43(correspondence referencing families) plus \$1,200,000(special events) plus \$450,000(Hartford race)) was given specifically for the families, it would not change the conclusion that the Foundation exercised reasonable discretion in its decision to distribute 66% of the \$11.7 million to the families most affected and retain 34% for distribution to the community and families for future needs.

**APPENDIX IV**

**CONNECTICUT COORDINATED ASSISTANCE AND RECOVERY ENDOWMENT  
(CT CARE) FUND**



**Substitute House Bill No. 6374**

**Public Act No. 13-275**

**AN ACT CONCERNING COORDINATED LONG-TERM DISASTER RELIEF AND RECOVERY.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Section 4-37e of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

As used in this section and sections 4-37f to 4-37j, inclusive, as amended by this act:

- (1) "State agency" means each state board, authority, commission, department, office, institution, council or other agency of the state including, but not limited to, each constituent unit and each public institution of higher education.
- (2) "Foundation" means an organization, fund or any other legal entity which is (A) exempt from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, [as amended] or any subsequent corresponding internal revenue code of the United States, as from time to time amended, and (B) established for the principal purpose of receiving or using private funds for charitable, scientific, cultural, educational or related purposes that support or improve a state agency or for coordinated emergency recovery purposes. Such an organization, fund or other legal entity shall not be deemed to be a state agency or a public agency, as defined in section 1-200.
- (3) "Executive authority" means (A) a department head, as defined in section 4-5, (B) the executive secretary or president of a constituent unit, (C) the chief executive officer of a public institution of higher education, and (D) the chief executive officer of any other state agency.
- (4) "Constituent unit" means a constituent unit as defined in section 10a-1.
- (5) "Public institution of higher education" means a public college or university in the state system of higher education or The University of Connecticut School of Law.
- (6) "Coordinated emergency recovery" means the support and improvement of state services affected by a natural disaster, act of domestic terrorism, catastrophic event or other unforeseen emergency, including, but not limited to, services provided by the Department of Emergency Services and Public Protection and the Office of Victim Services.

Sec. 2. Section 4-37f of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

The executive authority of each state agency for which a foundation is established shall, in accordance with a policy adopted by the board of trustees of the constituent unit for each state agency which is a constituent unit or which is a public institution of higher education under the jurisdiction of the constituent unit, ensure that, or the executive authority of each state agency for which a foundation is established for the principal purpose of coordinated emergency recovery shall ensure that:

(1) The foundation shall have a governing board to oversee its operation;

(2) If the state agency is a constituent unit, the following persons shall serve as nonvoting members of the governing board of the foundation unless the bylaws of the foundation provide that they be voting members: The executive authority of the constituent unit, or his designee, a student enrolled at an institution under the jurisdiction of the constituent unit, who shall be elected by the students enrolled at the institutions under the jurisdiction of the constituent unit, and a member of the faculty of any such institution, who shall be elected by the faculty of the institutions under the jurisdiction of the constituent unit. Elections pursuant to this subdivision shall be conducted in accordance with procedures for such elections established by the board of trustees of the constituent unit;

(3) If the constituent unit is the Board of Trustees of the Community-Technical Colleges or the Board of Trustees of the Connecticut State University System, the purposes of the foundation shall be limited to providing funding for (A) scholarships or other direct student financial aid, and (B) programs, services or activities at one or more of the institutions within its jurisdiction;

(4) If the state agency is a public institution of higher education, the following persons shall serve as nonvoting members of the governing board of the foundation unless the bylaws of the foundation provide that they be voting members: The executive authority of the institution, or his designee, a student enrolled at the institution, who shall be elected by the students enrolled in the institution and a member of the faculty of the institution, who shall be elected by the faculty of the institution. Elections pursuant to this subdivision shall be conducted in accordance with procedures for such elections established by the board of trustees of the constituent unit which has jurisdiction over the institution;

(5) The governing board of the foundation shall annually file with the state agency an updated list of the members and officers of such board;

(6) The salaries, benefits and expenses of officers and employees of the foundation shall be paid solely by the foundation;

(7) The foundation shall use generally accepted accounting principles in its financial record-keeping and reporting;

(8) A foundation which has in any of its fiscal years receipts and earnings from investments totaling one hundred thousand dollars per year or more, or a foundation established for the principal purpose of coordinated emergency recovery that operated in response to an eligible incident, as defined in section 4 of this act, during the fiscal year or with funds that exceeded one hundred thousand dollars in the aggregate, shall have completed on its behalf for such fiscal year a full audit of the books and accounts of the foundation. A foundation which has receipts and earnings from investments totaling less than one hundred thousand dollars in each fiscal year during any three of its consecutive fiscal years beginning October 1, 1986, shall have completed on its behalf for the third fiscal year in any such three-year period a full audit of

the books and accounts of the foundation, unless such foundation was established for the principal purpose of coordinated emergency recovery and had completed on its behalf such an audit for any year in any such three-year period. For each fiscal year in which an audit is not required pursuant to this subdivision financial statements shall be provided by the foundation to the executive authority of the state agency. Each audit under this subdivision shall be conducted (A) by an independent certified public accountant or, if requested by the state agency with the consent of the foundation, the Auditors of Public Accounts, and (B) in accordance with generally accepted auditing standards. The audit report shall include financial statements, a management letter and an audit opinion which address the conformance of the operating procedures of the foundation with the provisions of sections 4-37e to 4-37i, inclusive, as amended by this act, and recommend any corrective actions needed to ensure such conformance. Each audit report shall disclose the receipt or use by the foundation of any public funds in violation of said sections or any other provision of the general statutes. The foundation shall provide a copy of each audit report completed pursuant to this subdivision to the executive authority of the state agency and the Attorney General. Each financial statement required under this subdivision shall include, for the fiscal year to which the statement applies, the total receipts and earnings from investments of the foundation and the amount and purpose of each receipt of funds by the state agency from the foundation. As used in this subdivision, "fiscal year" means any twelve-month period adopted by a foundation as its accounting year; [and]

(9) There shall be a written agreement between the state agency and the foundation which (A) addresses any use by the foundation of the agency's facilities and resources including, but not limited to, office space, storage space, office furniture and equipment, utilities, photocopying services, computer systems and the maintenance by the state agency of the books and records of the foundation, provided any such books and records maintained by the state agency shall not be deemed to be public records and shall not be subject to disclosure pursuant to the provisions of section 1-210, (B) provides that the state agency shall have no liability for the obligations, acts or omissions of the foundation, (C) requires the foundation to reimburse the state agency for expenses the agency incurs as a result of foundation operations, if the agency would not have otherwise incurred such expenses, (D) in the case of foundations established for a constituent unit of the state system of higher education or for a public institution of higher education, requires the foundation to establish and adhere to an investment policy and a spending policy that are consistent with sections 45a-535 to 45a-535i, inclusive, and (E) provides that if the foundation ceases to exist or ceases to be a foundation, as defined in section 4-37e, as amended by this act, (i) the foundation shall be prohibited from using the name of the state agency, (ii) the records of the foundation, or copies of such records, shall be made available to and may be retained by the state agency, provided any such records or copies which are retained by the state agency shall not be deemed to be public records and shall not be subject to disclosure pursuant to the provisions of section 1-210, and (iii) there are procedures for the disposition of the financial and other assets of the foundation. If the state agency is a constituent unit, the board of trustees of the constituent unit shall approve such agreement. If the state agency is a public institution of higher education, the board of trustees of the constituent unit which has jurisdiction over the institution shall approve such agreement; and

(10) If the foundation is established for the principal purpose of coordinated emergency recovery, the Department of Emergency Services and Public Protection shall be deemed the state agency for purposes of this section, and the deputy commissioner of said department with jurisdiction over the Division of Emergency Management and Homeland Security shall be deemed the executive authority for purposes of this section.

Sec. 3. Section 4-31a of the general statutes is repealed and the following is substituted in lieu thereof

*(Effective from passage):*

(a) Any gift, contribution, income from trust funds, or other aid from any private source or from the federal government, except federal aid for highway and bridge purposes or federal funds in the possession of the Board of Control of the Connecticut Agricultural Experiment Station, the Board of Trustees of the University of Connecticut, the Board of Trustees of the Connecticut State University System, the Board of Trustees of the Community-Technical Colleges, or the Employment Security Division of the Labor Department, or any other gift, grant or trust fund in the possession of any of said boards, shall be entered upon the records of the General Fund in the manner prescribed by the Secretary of the Office of Policy and Management. When so recorded, such amounts shall be deemed to be appropriated to the purposes of such gift, contribution or other aid and shall be allotted in accordance with law. No gift, contribution, income from trust funds, or other aid from any private source or from the federal government that is subject to this subsection shall require allotment, except upon a notice by the Secretary of the Office of Policy and Management that the state agency receiving such funding has failed to consistently provide the notifications required in subsection (e) of section 4-66a.

(b) Notwithstanding the provisions of subsection (a) of this section, any funds that are donated or contributed by any private source with the intent that such gift or contribution be used to support coordinated emergency recovery, as defined in section 4-37e, as amended by this act, shall not be entered upon the records of the General Fund and such amounts shall not be deemed to be appropriated to the purposes of such gift or contribution.

~~[(b)]~~ (c) No fund shall be created and set up on the books of the state except by act of the General Assembly or upon the approval of the Governor.

Sec. 4. (NEW) *(Effective from passage)* As used in this section and sections 5 to 7, inclusive, of this act:

- (1) "Eligible incident" means any emergency declared by a political subdivision of the state, declared by the Governor in accordance with section 28-9 of the general statutes or declared by two-thirds vote of the board following a request of the Governor;
- (2) "CT CARE" means the Connecticut Coordinated Assistance and Recovery Endowment foundation established under section 5 of this act;
- (3) "Board" means the governing board of CT CARE;
- (4) "Victims' relief" means direct financial payments to those individuals determined by the board to be most affected by an eligible incident;
- (5) "Assistance" means moneys payable by CT CARE in furtherance of coordinated emergency recovery, as defined in section 4-37e of the general statutes, as amended by this act, other than victims' relief, to assist eligible recipients affected by an eligible incident including individuals, municipalities and nonprofit organizations; and
- (6) "Endowment fund eligible gift" means a gift from a private source to or for the benefit of CT CARE that the donor has specifically designated for deposit in an endowment fund or that, by the terms of the gift, CT CARE may and does deposit or permit to be deposited in an endowment fund.

*Effective from passage*

Sec. 5. (NEW) ( ) (a) There is established, in accordance with the provisions of section 4-37f of the general statutes, as amended by this act, a foundation that shall be known as the Connecticut Coordinated Assistance and Recovery Endowment or CT CARE. The purpose of the foundation is to support coordinated emergency recovery, as defined in section 4-37e of the general statutes, as amended by this act. The foundation may accept disbursements from the Coordinated Emergency Recovery Fund pursuant to section 6 of this act and may accept gifts, grants or donations from private sources to enable the foundation to carry out its purposes.

(b) (1) CT CARE shall be administered by a governing board. The board shall include the following voting members: (A) Seven members appointed by the Governor who shall have experience in finance or accounting or with the operation of a nonprofit or other corporation, each of whom shall serve at the pleasure of the Governor; (B) the Secretary of the Office of Policy and Management, or the secretary's designee; (C) the Deputy Commissioner of Emergency Services and Public Protection with jurisdiction over the Division of Emergency Management and Homeland Security, or the deputy commissioner's designee; (D) an employee of the Office of Victim Services within the Judicial Department appointed by the Chief Court Administrator; (E) the chairperson of each regional emergency planning team established by the Division of Emergency Management and Homeland Security within the Department of Emergency Services and Public Protection; and (F) two members, appointed by the Connecticut Council for Philanthropy, each of whose term shall be coterminous with that of the Governor, provided such member's term shall extend through the duration of an eligible incident and, after expiration of such member's term, through any period in which a new appointment to replace such member has yet to be made.

(2) The following persons shall serve on the governing board as nonvoting members in an advisory capacity, in a manner determined by the executive committee pursuant to subsection (g) of this section: (A) The State Emergency Management Director, or the director's designee; (B) the Commissioner of Social Services, or the commissioner's designee; (C) the Insurance Commissioner, or the commissioner's designee; (D) (i) the executive director of the Connecticut Conference of Municipalities or the executive director's designee, and (ii) the executive director of the Connecticut Council of Small Towns or the executive director's designee, each of whose term shall be coterminous with that of the Governor, provided such member's term shall extend through the duration of an eligible incident; and (E) such other persons as determined by the executive committee established pursuant to subsection (g) of this section.

(3) All appointments to the governing board shall be made not later than thirty days after the effective date of this section. Any vacancy shall be filled by the appointing authority. The Governor shall select the chairperson of the governing board and the chairperson shall call the first meeting of the board, which shall be held not later than sixty days after the effective date of this section.

(c) The governing board shall: (1) Adopt policies, bylaws and governing documents and undertake other measures to (A) ensure that the foundation receives and maintains its status as a legal entity exempt from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended, and (B) receive and distribute funds donated in response to an eligible incident; (2) register CT CARE with applicable state or federal agencies; (3) establish best practices for operating and administering CT CARE to provide coordinated emergency recovery; (4) in anticipation of eligible incidents, create objective guidelines, protocols, scenarios or bases tailored to respond to foreseeable eligible incidents; (5) take actions necessary to ensure financial independence and sustainability, which may include engaging in solicitation of private donations including for the purpose of funding its operations with restricted or endowment funds; (6) for

each eligible incident, certify to the Governor and the State Treasurer that the foundation is ready, willing and able to receive private donations and carry out coordinated emergency recovery, as defined in section 4-37e of the general statutes, as amended by this act; (7) establish a distribution committee pursuant to the provisions of subsection (f) of this section, receive recommendations from such distribution committee and formally adopt any proposed formula to distribute victims' relief funds; and (8) fund its operations and pay its expenses from sources of funding designated for that purpose.

(d) The board may: (1) Sue and be sued; (2) employ fiscal agents, accountants, legal counsel or other professionals to carry out the purposes of CT CARE, including, but not limited to, an executive director or such other staff as the board may deem necessary; (3) negotiate for services with state agencies or qualified nonprofit entities; (4) delegate decision making authority on the distribution of funds, except as provided in subdivision (7) of subsection (c) of this section concerning adoption of any proposed formula to distribute victims' relief funds; and (5) consider and promote the concepts and best practices associated with coordinated emergency recovery.

(e) Any person employed by the board pursuant to the provisions of subdivision (2) of subsection (d) of this section shall not be considered a state employee.

(f) For each eligible incident, the board shall establish a distribution committee. The distribution committee shall include: (1) The regional coordinator for the Division of Emergency Management and Homeland Security within the Department of Emergency Services and Public Protection of any region affected, as determined by the board or as otherwise provided for in a declaration of emergency causing an incident to become eligible; (2) the chief executive officer for each affected municipality, as determined by the board or as otherwise provided for in a declaration of emergency causing an incident to become eligible; (3) the chairperson of each regional emergency planning team established by the Division of Emergency Management and Homeland Security within the Department of Emergency Services and Public Protection affected, as determined by the board or as otherwise provided for in a declaration of emergency causing an incident to become eligible; and (4) not more than two residents of an affected municipality or municipalities who shall be appointed by the chairperson of the board. The distribution committee shall assist the board in determining eligibility requirements for recipients of distributions from any fund established by CT CARE, provided no distribution shall be made except by action of the board.

(g) The board shall establish an executive committee with membership determined by the board. The executive committee shall inform nonvoting members of the board of their roles as advisors and attend to any other duties prescribed to the executive committee by the board.

Sec. 6. (NEW) (*Effective from passage*) (a) There is established a fund to be known as the Coordinated Emergency Recovery Fund. The State Treasurer shall be the custodian of said fund and is authorized to accept gifts, grants or donations from private sources to be held in the fund and disbursed in accordance with subsection (b) of this section and sections 45a-514 and 47-2 of the general statutes. The sums received by the fund shall be accounted for separately and apart from all other state moneys, and the full faith and credit of the state of Connecticut is pledged for their safekeeping.

(b) Disbursements from the fund shall be made by the State Treasurer or the State Treasurer's designee to CT CARE upon (1) the declaration of an eligible incident, and (2) receipt of the certification required in subdivision (6) of subsection (c) of section 5 of this act.

(c) On or before January 1, 2014, and monthly thereafter, the State Treasurer shall submit to the Governor

and the Attorney General a report on the financial condition of the Coordinated Emergency Recovery Fund. Such report shall include (1) an estimate of the fund's value as of the date of the report; (2) the effect of disbursements and scheduled disbursements on the fund's value; and (3) an estimate of the monthly administrative costs necessary to operate the fund.

Sec. 7. (NEW) (*Effective from passage*) (a) CT CARE shall provide victims' relief and assistance to individuals, municipalities, nonprofit organizations and other eligible recipients affected by an eligible incident. Upon the declaration of each eligible incident, the board shall establish the following funds to provide victims' relief and assistance as indicated: (1) A victims' relief fund to provide victims' relief in accordance with the formula adopted by the board pursuant to subdivision (7) of subsection (c) of section 5 of this act; (2) an individual assistance fund to provide needs-based assistance to affected individuals; and (3) a public assistance fund to provide local emergency funding to affected municipalities, nonprofit organizations and other eligible recipients. Such funds shall contain moneys disbursed to CT CARE by the State Treasurer pursuant to section 6 of this act. For each eligible incident, the board may establish such other funds as it deems necessary or desirable to provide coordinated emergency recovery with respect to each eligible incident.

(b) In the event the moneys in any of the funds established pursuant to subsection (a) of this section, other than the victims' relief fund, are insufficient to provide full and complete assistance, such assistance shall be provided on a pro rata basis at the discretion of the board. Victims' relief or assistance provided under this section shall be deemed unavailable for repayment of assistance given by the Federal Emergency Management Agency.

(c) The board may establish permanent endowment funds, including, but not limited to, a permanently unrestricted fund to pay for the operating expenses of CT CARE. Any such endowment funds shall be administered by the board and shall be held in a trust fund with a bank or trust company separate and apart from all other funds and accounts of CT CARE. There shall be deposited into any such endowment fund: (1) Endowment fund eligible gifts, and (2) interest or other income earned on the investment of moneys in such endowment fund pending application or transfer or use of earnings on the principal thereof for the purposes for which such fund was established.

Approved July 11, 2013