



Nonprofit Notes

“D” Is For Disaster Plan

In a year of hurricanes, flooding and natural disasters, now might be a good time to review your organization’s disaster recovery plan. A good plan prioritizes what is *vital* to protect, what is *important* to protect and what is *useful* to protect.

Of course, the first thing that is *vital* to protect is your people. After that, the essentials are:

- Financial data
- Copies of signed contracts
- Databases
- Custom software
- Human resources files
- Insurance files
- Proof of ownership/proof of loss

U.S. Donors More Generous in 2004

U.S. charities saw an 11.6 percent increase in donations during 2004 over the previous year, according to a study by *The Chronicle of Philanthropy*.

Among large charities, the United Way, the Salvation Army and Feed the Children were the top three donation recipients. And while the U.S. public’s charitable giving shows signs of continued growth, some observers worry that rising fuel prices and fears of an economic downturn could reverse the trend in

2006.

Small Charity Study Shows Weaknesses

A study of small international charities has suggested that organizational shortcomings undermine the impact of much of the important work done by these charities, while lax financial controls and loose regulation increase the risk of abuse.

Overseas development organization Allavida surveyed small British charities operating in developing countries. The charities are typical of those that often spring up in the wake of televised disasters. Study observations include:

- Shared learning was inadequate. As a result, much of the experience and expertise gained by small charities is either going to waste or not being fully capitalized on.
- Activities are undertaken but barely evaluated. Any learning is ad hoc.
- These charities are dependent on volunteers and dominated by a few strong personalities.
- A general lack of financial controls offered "potential for widespread abuse."