In the immediate aftermath of September 11, 2001, Lawyers Alliance for New York recognized that nonprofit organizations in New York City, a primary source of social services and funding for countless residents affected by the tragedy, would face special legal challenges. In response, Lawyers Alliance implemented its Disaster Relief Initiative to support these nonprofits in their short-term and long-term disaster relief efforts. We have summarized below highlights of our Disaster Relief Initiative.

**Overview**

During the past two years, Lawyers Alliance represented 38 disaster relief clients on 47 different legal matters, provided approximately 60 telephone consultations on nonprofit issues, and sponsored special educational workshops and trainings on pertinent legal issues that were attended by approximately 250 representatives of nonprofit groups. Of the organizations for which we opened formal matters, over four-fifths had not used Lawyers Alliance services prior to September 11.

**Immediate Response:**

- **Outreach.** Lawyers Alliance staff contacted hundreds of not-for-profit corporations in Lower Manhattan and over 440 clients, through mailings and telephone calls, to offer assistance with their legal needs. Lawyers Alliance responded to organizations’ questions and concerns by telephone and, in many cases, opened a matter to provide direct legal assistance.

- **FAQ Memorandum.** The legal staff prepared and continually updated a frequently asked questions and answers (FAQ) memorandum outlining a range of legal issues affecting both organizations affected by the disaster (e.g., commercial lease, employment and insurance issues) and those responding to it (e.g., fundraising and grant-making regulations). Lawyers Alliance posted the FAQ Memorandum on its website [www.lawyersalliance.org](http://www.lawyersalliance.org) and disseminated it at Lawyers Alliance workshops for nonprofits as well as at attorney trainings of the Association of the Bar of the City of New York.

- **Commercial Lease Issues and Insurance Claims.** Immediately after September 11, many matters involved commercial lease and insurance law issues. Lawyers Alliance staff and volunteers assisted nonprofits (such as Community Resource Exchange, Community Food Resource Center, Partners for Democratic Change and the Center for Appellate Litigation), whose offices
were damaged by the collapse of the towers or whose offices were located in the “Frozen Zone.” We helped organizations in negotiating clean up of their offices with their landlords and in assessing whether their leases afforded them rent reductions or other remedies for their losses. Lawyers Alliance staff and volunteers also utilized Lawyers Alliance’s legal research on nonprofit insurance claims, such as claims based on property damage, to assist nonprofits with analyzing their insurance policies.

Our Disaster Relief Clients and their Matters

In the months following the attacks, many groups formed to raise and dispense money for individual victims of September 11 and their families or to provide much needed support services. In addition, many existing organizations established disaster relief programs. Groups needed assistance with corporate formation, tax exemption, employment issues, contract review and other more complex legal matters.

- **Adopt-a-Firehouse Project.** In early October, 2001, Lawyers Alliance matched pro bono attorneys with nine New York City uniformed services units that lost rescue workers in the tragedy and needed to establish charities to distribute donated funds. Pro bono attorneys helped the units to incorporate and obtain tax-exempt status for their charities on an expedited basis. Lawyers Alliance staff served as co-counsel and provided legal guidance on grant distribution guidelines and corporate governance issues. Within months of September 11, many of these organizations were able to receive and distribute the generous monetary donations that poured in after the tragedy.

- **Newly Forming Organizations.** Many of Lawyers Alliance’s disaster relief clients have been newly forming not-for-profit corporations. We have assisted with incorporation and tax exemption for groups such as Trauma Response Database, which maintains a database of volunteer clinicians, September’s Mission, a nonprofit that provides support for families of those who were lost in the tragedy and CharityWave.com, an internet portal that enables donors to make on-line donations to charities of their choice. We continue to assist well-known coalition groups with incorporation and tax exemption. Such groups include New York City Voluntary Organizations Active in Disaster (NYCVOAD), comprised of large nonprofit organizations such as the American Red Cross of New York and New York Cares that are organizing to better respond to future disasters, and New York Disaster Response Interfaith Task Force (NYDRI), a multi-faith coalition of a diverse range of New York-based faith communities that is coordinating a counseling program for clergy and religious leaders who are working with individuals and families affected by the tragedy.

- **Revitalizing Downtown.** Many of our disaster relief clients are located in Lower Manhattan or provide services to individuals and small businesses located in the affected area. We provided legal assistance to two clients,
Lower East Side Business Improvement District and MBAs4NYC, Inc. (MBAs4NYC), that received grants from the Empire State Development Corporation to provide technical assistance to small businesses near Ground Zero. We helped MBAs4NYC to develop model agreements to memorialize its relationship with the small businesses it takes on as clients and the volunteers and consultants that help the organization provide its services.

- Employment Assistance. Many organizations received sufficient funding for their September 11 disaster relief programs to expand their staff and consequently required assistance with employee manuals and volunteer policies. Organizations we have assisted with such matters include Working Playground, Inc., an arts organization that used art therapy to help children deal with trauma after September 11, South Asian Youth Action (SAYA!), Inc., a youth services organization that empowers South Asian youth, and Manhattan Youth Recreation and Resources, which runs programs for children living in the Seaport area, Tribeca and Battery Park City.

**Lawyers Alliance Workshops and Seminars**

In early 2002, Lawyers Alliance initiated the first in a series of five special workshops addressing topics of specific interest to organizations participating in the disaster relief effort. As the relief effort evolved, we created five new workshops tailored to the needs of organizations responding to the traumatized and the unemployed. These workshops were in addition to the two-dozen workshops Lawyers Alliance presented each year on nonprofit legal issues.

- “Operating a Nonprofit in the Aftermath of 9/11” was offered on February 13, 2002 for representatives of nonprofits engaging in disaster relief work. We covered the legal aspects of fundraising and distribution of funds to individuals and nonprofits, governance and corporate purposes, and legislative and tax law developments relating to disaster relief.

- “Grantmaking in the Aftermath of 9/11” was offered on March 4, 2002 for representatives from organizations providing cash grants to individuals and charities related to 9/11. Topics included an overview of the federal tax laws governing disaster relief grants and programs, grantmaking to individuals, employer-sponsored funds, aid to small businesses and the legal aspects of collaborative ventures.

- “Access to Jobs in Today’s Economy” was offered on May 23, 2002 and was attended by over 70 nonprofit organizations. This workshop addressed the legal challenges facing job development organizations, exacerbated by September 11, such as protecting the legal rights of job-seekers who are ex-offenders or have histories of substance abuse, physical and mental disabilities or poor credit histories or face other barriers to employment.

- “Helping New Yorkers Cope: Legal Issues for Nonprofits Providing Mental Health Services After 9/11” was offered on November 22, 2002.
The workshop covered the legal issues relating to providing mental health services, including organizational structure and mission, regulations and licensing by the Office of Mental Health, clients’ right to privacy and an organization’s resulting obligations and the effects of the newly amended Health Insurance Portability and Accountability Act.

- “Creating Jobs in a Post-9/11 Economy” was offered on April 4, 2003 and explored a range of creative strategies and programs for organizations working with the unemployed. The workshop focused on public and private incentives for private sector businesses to hire certain hard-to-employ individuals, financial incentives for nonprofits located in, or relocating to, Lower Manhattan and business ventures by nonprofits as vehicles for job creation and job training.

**Education and Research**

We have continually monitored developments in laws and regulations applicable to disaster relief organizations. Relevant legal issues include standards for charitable aid under the Victims of Terrorism Tax Relief Act of 2001, audit-style reviews to be conducted by the Internal Revenue Service of Form 990s submitted by organizations that received September 11-related funding, legislation passed by Congress to address insurance claims, and developments in federal and local tax laws with respect to the treatment of disaster relief payments and grants. We have advised clients with respect to such issues and distributed a memorandum on the Terrorism Risk Insurance Act of 2002, which expanded insurance coverage for damage resulting from acts of terrorism. We have prepared a white paper summarizing the broad role of nonprofits in responding to disasters and the legal issues they face in the process, "Disaster Relief and Recovery: The Role of Nonprofits Beyond Ground Zero and the Legal Implications of Their Work."

**Lawyers Alliance in the Disaster Relief Community**

Through our outreach efforts and the success of our workshops, Lawyers Alliance has maintained a presence in the disaster relief community in New York City. Lawyers Alliance’s disaster relief team has been deeply involved with several disaster relief-related coalitions, including The Civic Alliance to Rebuild New York, the Labor Community Advocacy Network, the Legal Services of New York 9/11 Task Force and NYCVOAD. We have also participated in professional committees of nonprofit attorneys, including the Nonprofit Coordinating Committee of New York’s Government Relations Committee and committees of the Association of the Bar of the City of New York. As committee members, we analyzed and commented on the evolving law relating to disaster relief. Lawyers Alliance was recently invited to be a founding member of the Lawyers Committee within NYCVOAD, which will examine the legal community’s response to September 11 and how to better respond to a disaster in the future.
Lawyers Alliance remains committed to providing business law services to nonprofits engaged in disaster relief. For further information about our ongoing Disaster Relief Initiative, contact Legal Director Elizabeth M. Guggenheimer or Staff Attorney Sunita Subramanian at 212-219-1800.