

# Nonprofit Business Advisor

*Business Strategies and Best Practices for Nonprofits*

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## Reduce risk: Consider SAFETY Act designation

To most dedicated, hard-working nonprofit professionals, an act of terrorism taking place during an agency-sponsored event, conference or exhibit is unthinkable.

But for nonprofit organizations, whether they are governmental, academic, arts-related or environmentally centered—among others—it’s critical to understand the enormous risk involved and the steps available to reduce an organization’s liability.

Bob Karl, founder and managing partner at SAFETY Act Consultants, said organizations that are not planning and implementing security and threat detection measures are opening themselves up to “huge liability exposures,” and that if an organization is found to be lacking in its efforts, it may confront, “one of the toughest liability, defense, public

relations, and financial challenges your management and organization may ever have to face. Any entity, including a nonprofit, could get ‘creamed’ in court.”

According to the Department of Homeland Security’s Support Anti-terrorism by Fostering Effective Technologies (SAFETY) Act website, an act of terrorism is defined as “any act that the Secretary determines meets the requirements under subparagraph (b) of the Act,” such as one that: “(i) is unlawful; (ii) causes harm to a person, property, or entity, in the United States, or in the case of a domestic United States air carrier or a United

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### Blackbaud enters into AFP “Strategic Partnership”

Blackbaud, Inc., a leading global provider of software and services designed specifically for nonprofit organizations, has entered into a Strategic Partnership agreement with the Association of Fundraising Professionals (AFP), the largest community of fundraising professionals in the world. In doing so, Blackbaud said it will continue its work with AFP to support educational opportunities for fundraising professionals.

The AFP Strategic Partners program was designed for companies that want to create a year-round partnership with AFP that showcases their commitment to the association and its mission to advance philanthropy and ethical fundraising throughout the world, according to a Blackbaud release.

“Blackbaud has a long and rich legacy of partnering with nonprofits and helping them successfully overcome challenges and provide important services to their communities,” said Paulette V. Maehara, CFRE, CAE, president and CEO of AFP in a statement. “Blackbaud’s involvement underscores its terrific dedication to the philanthropic sector, and I believe our new relationship will greatly enhance the international fundraising profession.”

To earn more, go to [www.blackbaud.com/default.aspx?pgId=2531&PRID=409](http://www.blackbaud.com/default.aspx?pgId=2531&PRID=409). ■



**SAFETY** (continued from page 1)

States—flag vessel (or a vessel based principally in the United States on which the United States income tax is paid and whose insurance coverage is subject to regulation in the United States), in or outside the United States; and (iii) uses or attempts to use instrumentalities, weapons, or other methods designed or intended to cause mass destruction, injury, or other loss to citizens or institutions of the United States.”

Nonprofit executives that believe their organizations work without controversy or are too small to worry about domestic or foreign terrorism should take heed. Potential threats to organizations might include a bombing at a university sporting event, a shooter infiltrating a local high school, or a chemical release at a foreign aid organization’s charitable event or relief center.

Fortunately, Karl, who has an extensive background in aerospace, insurance, captives and terrorism financial impact mitigation, and is a sought-after advocate and expert on the SAFETY Act, said that organizations can reduce these risks by applying for SAFETY Act protection.

The SAFETY Act was enacted in 2002 as part of the Homeland Security Act, the consultant said, and it provides organizations with liability protection such as:

- a maximum dollar limit, or “cap,” on an organization’s total liability;
- the guarantee of having a case heard in federal court; and
- barring of punitive damage claims, among others.

In fact, Karl said, nonprofits may already have numerous procedures and “hard box,” or technological procedures in place to help them on their way to SAFETY Act designation.

“To qualify for the SAFETY Act, [the] technologies or services that you’re applying for protection do not have to be dedicated exclusively to anti-terrorism,” Karl said. “Fire alarm systems, evacuation procedures, information technology, automatic notifications through cell phones or social sites—a lot of things can qualify.”

The SAFETY Act expert admits that although the application process looks relatively easy online, it can be “fairly onerous,” especially when you consider the amount of information that must be gathered, such as employee background checks, hiring procedures, emergency evacuation procedures and the integration of other security-related technologies the organization has in place.

Karl recommended that organizations interested in applying for SAFETY Act designation:

- Consider their mission, activities, risk exposure and potential liabilities.
- Secure board and employee buy-in.
- Consult an attorney.
- Consult a risk management/insurance specialist.
- Hire a SAFETY Act expert to assist in the application process.

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### For more information

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SAFETY Act Consultants educates individuals, corporations, and other organizations in evaluating and understanding their terrorism-related liability exposures and financial risks. To learn more, or to contact Bob Karl, go to [www.safetyactconsultants.com/](http://www.safetyactconsultants.com/). To learn more about the SAFETY Act, visit [www.safetyact.gov/](http://www.safetyact.gov/). ■

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#### Advisory Panel

Jeffrey S. Tenenbaum, Esq.  
Partner and Chair of Nonprofit Organizations Practice  
Venable LLP, Washington, D.C.

David Kelleher  
Communications and Research Analyst  
GFI Software, Malta

Lawrence Zimble, MST, EA, Tax Principal  
4square Tax & Accounting, LLC  
Fenton, Michigan

Terrie Temkin, Ph.D., Founding Principal  
CoreStrategies for Nonprofits, Inc.  
Miami, Florida

Gene Siciliano, CMC, CPA, President  
Western Management Associates  
Los Angeles, California

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