

Tsunami Donations and Financial Management

From the very moment Tsunami struck the shores of Sri Lanka on 26th of December 2004, Sarvodaya has received substantial support from a large number of compassionate individuals from far away corners - from rural impoverished communities in Sri Lanka to the world citizenry including some leading Statesmen. It has also received major contributions from the private sector companies, non-governmental organizations, UN agencies, private foundations and donor agencies.

We have now completed 6 months of Tsunami 5R operations. The waves of compassion which helped us provide services to the affected people include financial and in-kind (material) contributions and volunteers – both local and international. The attached tables and documentation provide an overview of the contributions received by Sarvodaya for its immediate relief operations and long-term rehabilitation programs.

This is part of our long-standing commitment to transparency and accountability. In the current context of non-governmental organizations responsible for managing large amounts of financial contributions made by well meaning individuals and organizations, Sarvodaya believes that it is of paramount importance that all agencies involved in the rebuilding process confirm to highest standards of accountability and transparency. However it is our opinion that such accountability standards should not be confined to *financial accountability* only but also conforms to *social accountability* of adhering to accepted guiding principles of humanitarian action.

The specific steps that Sarvodaya has undertaken to ensure accountability and transparency of its Tsunami 5R operation include:

- The establishment of a National Council to set policies and guidance for the Sarvodaya Tsunami 5R programme.
- Appointment of a committee to manage funds, headed by the former Governor of the Central Bank Mr.A.S.Jayawardene.
- Calling a Press Conference within 3 weeks after Tsunami disclosing all financial and programmatic information and giving the press to openly question Sarvodaya Tsunami 5R operation.
- Preparation of a Policy on Utilization of Funds and the development of Financial/Donation Management procedures.
- Voluntary Financial Disclosure Policy - Web-based dissemination of financial information and open-book accounting where any individual or organization can directly obtain any financial information pertaining to Tsunami operations by visiting the Finance Division of Sarvodaya Headquarters.
- Voluntary submission to special audits.

Sarvodaya is committed to matching its record of results on the ground with transparency and openness in accounting and communication. We are pleased to present the following information on the financial status pertaining to the entire Tsunami 5R programme of Sarvodaya and please contact our finance division for any further information or clarifications.

Table 1 – Summary of Cash Donations Received as at 26th June 2005

Bank		US Dollar	Sri Lankan Rupee Equivalent	Total in Sri Lankan Rupees
1	Commercial Bank RFC A/C	2,689,103.25	0	263,532,118.50
2	Commercial Bank Disaster Management Account	0	59,255,620.39	59,255,620.39
3	Sarvodaya USA (incl PayPal)	0	37,114,960.00	37,114,960.00
4	Sampath Bank – Online Payments	385,144.43	0	37,744,154.14
TOTAL		3,074,247.68	96,370,580.39	397,646,853.03

The first bank account listed here is a US Dollar account for wire-transfers from organizations and long-standing Sarvodaya donors. Sarvodaya, USA has sent \$1,111,276 to the Commercial Bank account. Sarvodaya, USA has provided a total of \$1,490,000 when the amounts shown on line 3 are included.

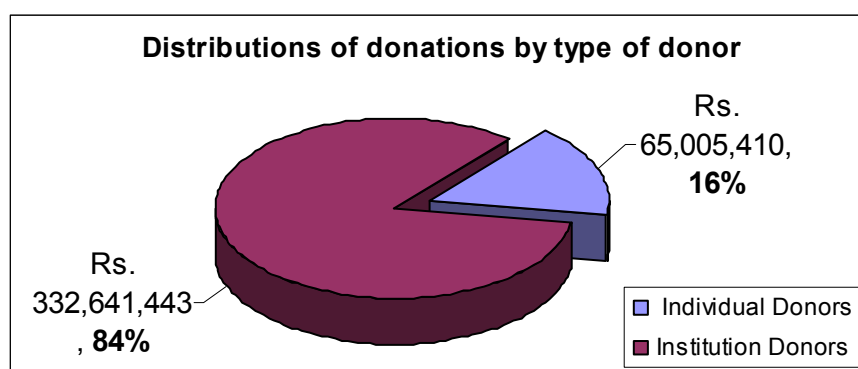
The second account is a Rupee account for donations from within Sri Lanka.

The third bank account is a receivable account rupee account Sarvodaya USA. You may see that this is an option on the donate page. All online donations (PayPal) and checks to Sarvodaya USA go to this bank account.

The donations through the website Sampath Bank credit card account are credited to the 4th account.

The total donations received as at 26th June 2005 amounts to Rs.397,646,853/= (approximately US \$ 3,986,834 at the prevailing exchange rate of 26th June 2005)

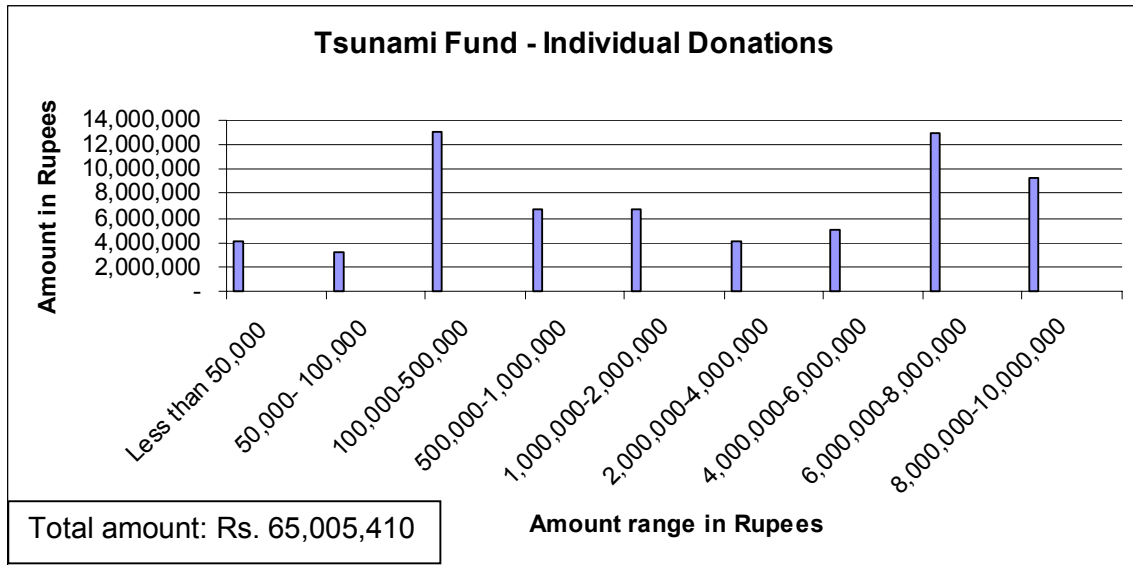
Figure 1 – Distribution of Donations by Type of Contributions



Of the total donations received Rs.65,005,410 (16%) were from individual donors while Rs.332,641,443 (84%) were institutional donors. **However, it should be noted that more than 80% of this amount consists of remittances from Sarvodaya USA**

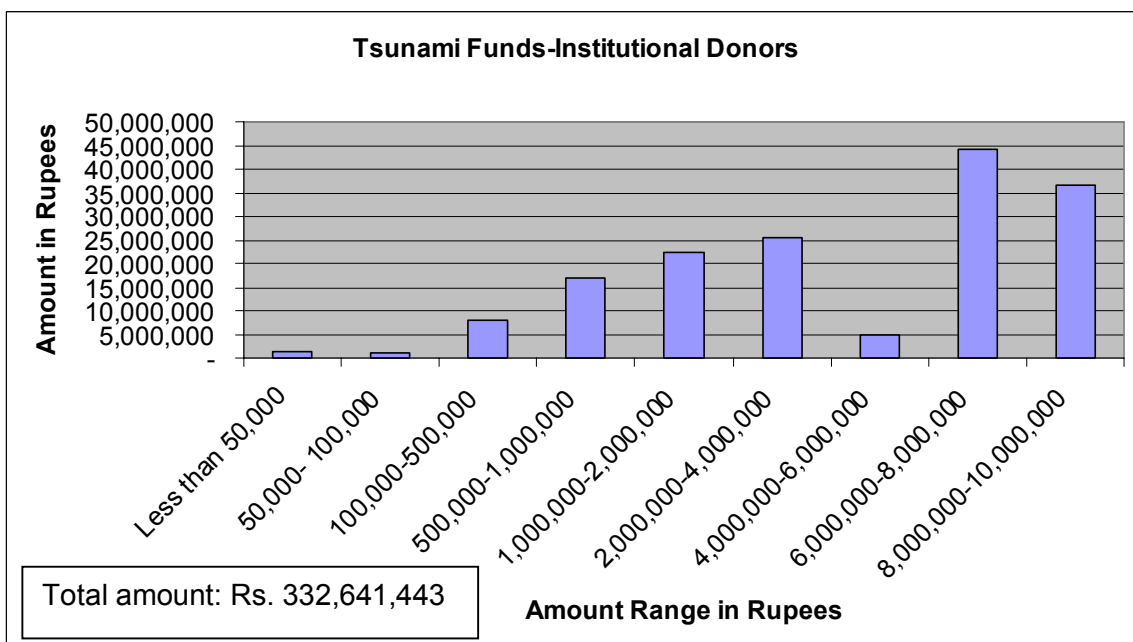
which is comprises largely of individual donations from the United States. Hence, of the total contributions received by Sarvodaya Tsunami Fund, an overwhelming proportion consists of individual contributions in contrast to institutional donations. *Please note however that some of the institutional donors are now funding specific projects which are not included in the above Tsunami Fund but are treated separately as earmarked project funds (please refer to Project Summary Table).*

Figure 2 – Distribution of Donations by Size of Contribution – Individual Donors



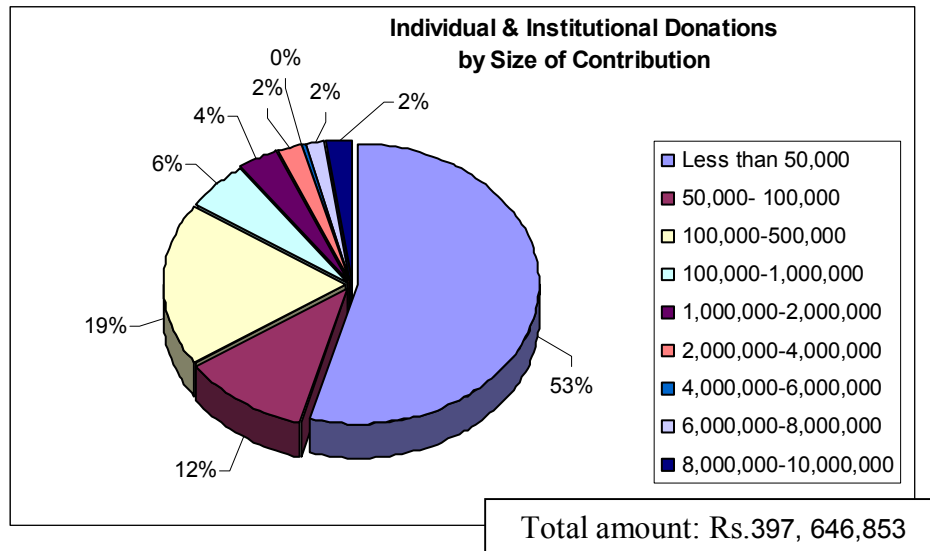
There was a tremendous response from many individuals and organizations from the world over, known and unknown to Sarvodaya. Many well known and respected web sites recommended donations to Sarvodaya. It is quite obvious from the above Table that the largest proportion of contributions were small donations from a large number of people – ordinary people with a big heart both from Sri Lanka and else where.

Figure 3 – Distribution of Donations by Size of Contribution – Institutional Donors



The largest proportion of institutional donations were in the range of Rs.6,000,000 – 8,000,000.

Figure 4 – Distribution of Donations by Size of Contribution – Individual & Institutional

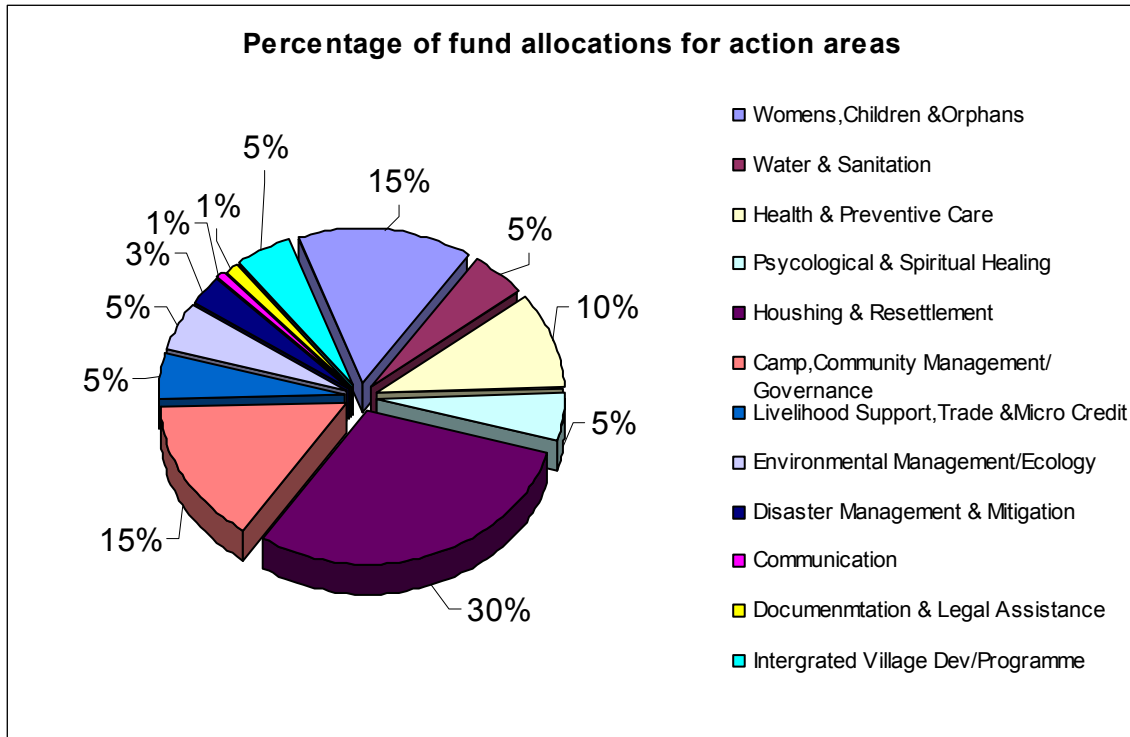


When all donations (both individual and institutional) are considered, a large proportion of donations were from individuals and a majority of the donations were less than Rs.50,000 in size.

Figure 5 – Percentage of Fund Allocation by Action Area

The proportion of financial allocation for each action area was determined based on criteria such as the magnitude of the need based assessment reports received from Sarvodaya field staff, the Sarvodaya internal expertise & capacity, availability of external technical and other resource partners and the degree of involvement & availability of resources by other agencies such as the government, private sector, UN agencies and the donors.

From the 3rd month post-Tsunami, in terms of long term recovery work, Sarvodaya is focusing primarily on the 226 affected Sarvodaya villages and the allocations are made on detailed needs assessment carried out jointly by the respective specialist/programme units at the Headquarters and the district coordinators.



To date a sum of Rs.79,794,180.85 has been spent on the Tsunami 5R programme.