



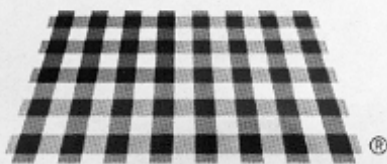
Statement of Understanding

Between

The American National

Red Cross and

America's Second Harvest



America's Second Harvest
Ending Hunger



**American
Red Cross**

Statement of Understanding Between the American National Red Cross and America's Second Harvest

I. Purpose

The purpose of this statement of understanding (SOU) is to reaffirm the working relationship that exists between The American National Red Cross (hereinafter referred to as the American Red Cross or the Red Cross) and America's Second Harvest in preparing for and responding to disaster relief situations at all levels. This agreement provides the broad framework for cooperation between the two organizations in rendering assistance and service to victims of disaster, as well as other services for which cooperation may be mutually beneficial.

II. Concept of Operations

Each party to this SOU is a separate and independent organization. As such, each organization retains its own identity in providing service, and each organization is responsible for establishing its own policies and financing its own activities.

III. Definition of Disaster

A disaster is a threatening or occurring event of such destructive magnitude as to suddenly dislocate people from their homes and separate family members, damage or destroy homes and/or cause injury, illness and death. A disaster produces a range and level of immediate suffering and basic human needs that cannot be promptly or adequately addressed by the affected people, and impedes them from initiating and proceeding with their recovery efforts.

Natural disasters include floods, tornadoes, hurricanes, typhoons, winter storms, tsunamis, hailstorms, thunderstorms, wildfires, windstorms, epidemics and earthquakes. Human caused disasters — whether intentional or unintentional — include residential fires, the structural failure of buildings, mass transportation accidents, hazardous material incidents, explosions, and acts of terrorism.

IV. Authority of the American Red Cross

In providing disaster relief, the American Red Cross has both a legal and a moral mandate that it has neither the authority nor the right to surrender. The American Red Cross has both the power and the duty to act in disaster, and our prompt action is clearly expected and supported by the public.

The American Red Cross authority to perform disaster services was formalized when the organization was chartered by the Congress of the United States in 1905. Among other provisions, this charter charged the Red Cross —

to continue and carry on a system of national and international relief in time of peace and apply the same in mitigating the sufferings caused by pestilence, famine, fire, floods, and other great national calamities, and to devise and carry on measures for preventing the same.

— U.S. Congress, act of January 5, 1905, as amended, 36 U.S. C

The authority of the American Red Cross to provide disaster services was reaffirmed by federal law in the 1974 Disaster Relief Act (Public Law 93-288) and in the 1988 Robert T. Stafford Disaster Relief and Emergency Assistance Act.

V. Organization of the American Red Cross

The national headquarters of the American Red Cross is located in Washington, D.C. National headquarters is responsible for implementing policies and regulations that govern American Red Cross activities and for giving administrative and technical supervision and guidance to the chartered units. Chartered units include chapters and Blood Services regions. The Board of Governors has delegated to the duly-constituted volunteer governing board of each chartered unit the authority and responsibility for: (a) governance of the chartered unit,

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(b) delivery of authorized services in the territorial jurisdiction of the chartered unit, and (c) meeting corporate obligations, in conformance with and subject to the limitations stated in corporate regulations.

The American Red Cross provides the following five (5) services: Armed Forces Emergency Services; Biomedical Services; Disaster Services; Health and Safety Services, Youth and Community Services; and International Services.

Each chartered unit has the authority and responsibility for carrying out the purposes of the American Red Cross, for delivering local American Red Cross services, and for meeting corporate obligations within the territorial jurisdiction assigned in conformity with corporate regulations. The chartered units ("chapters") coordinate their work through voluntary state councils. There are more than 950 chapters across the United States.

Each chapter is responsible for providing disaster planning, preparedness, education, and response. Each chapter has a disaster leadership team or committee. This team or committee studies the hazards of the locality and surveys local resources for personnel, equipment, supplies, transportation, emergency communications, and facilities available for disaster relief. The chapter disaster leadership also formulates cooperative plans and procedures with local government agencies and private organizations for carrying on relief operations should a disaster occur. Through its nationwide organization, the American Red Cross coordinates its total resources for use in large disasters. Services will be provided to those in need regardless of citizenship, race, religion, age, sex, or political affiliation.

VI. AMERICA'S SECOND HARVEST

America's Second Harvest (formerly known as "Second Harvest National Food Bank Network") is the largest domestic, non-governmental hunger relief organization in the United States. America's Second Harvest is a 501 (c) 3 non-profit charity with headquarters located in Chicago, IL. The network of food banks and food-rescue organizations serves all 50 states and Puerto Rico.

America's Second Harvest solicits donated food products from the nation's food industry

and other sources and channels the products through its network of more than 200 food banks and food-rescue organizations to over 50,000 501 (c) 3 non-profit charities (soup kitchens, pantries, shelters, etc.) that directly serve America's needy. America's Second Harvest provides an effective and efficient method of channeling donated food to the needy.

America's Second Harvest distributes donated products only to affiliated food banks and food-rescue organizations that meet stringent industry standards in key areas of operations. Each America's Second Harvest affiliate food bank and food-rescue organization is responsible for raising sufficient fund and food donations on a local level. The national office is a resource of training, expertise and technical assistance to the network food banks and food-rescue organizations.

While the overall mission of America's Second Harvest is "ending hunger," the means to that end also involves responding to disaster situations. America's Second Harvest is an active member of the National Voluntary Organizations Active in Disasters (NVOAD) and strives to maintain its professionalism by capitalizing on training opportunities offered by the Federal Emergency Management Agency (FEMA) and by nurturing relationships with other disaster relief response organizations. America's Second Harvest is also a member in good standing of the International Association of Emergency Managers (IAEM).

Disaster response coordination is the responsibility of and under the guidance of the Affiliate Services Department of America's Second Harvest. During times of disaster, the level of involvement by the national offices of America's Second Harvest is proportionate to the size/scope of the disaster. The food banks and food-rescue organizations respond locally to the needs, and the national office may augment or manage this response when necessary. The appropriate actions for America's Second Harvest to take are outlined in the Disaster Response Plan that has been distributed to all network food banks and food-rescue organizations.

America's Second Harvest is domestic in scope and practice.

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VII. METHODS OF COOPERATION

So that the resources of American Red Cross and America's Second Harvest may be coordinated and used to the fullest advantage in rendering disaster relief/response, both organizations agree to the following:

1. Close liaison will be maintained between American Red Cross national headquarters and America's Second Harvest through conferences, meetings, telephone, e-mail, facsimile, and other means. Each organization will share current data regarding disasters, declarations and changes in legislation. The same interaction and liaison will be encouraged at all levels of both organizations.
2. Chapters and other administrative units of each organization, with general guidance and assistance from their national units, will be encouraged to engage in training and exercises, as appropriate, at local levels. Also these units may perform other cooperative efforts such as disaster planning and preparedness, mitigation, and community disaster education, as well as providing disaster relief services and supplies.
3. America's Second Harvest agrees to cooperate with Red Cross in carrying out the Red Cross' task under the Federal Response Plan, Emergency Support Function 6, Mass Care.
4. The American Red Cross may provide transportation for America's Second Harvest personnel for a designated period within specific financial limitations when the two organizations are working cooperatively in warehouse training or on disaster response operations. Responsibility for cost of these endeavors will be assigned in advance in writing.
5. The Red Cross will encourage its leaders in chapters, disaster service centers, and units to share appropriate referral information and other vital statistical data with America's Second Harvest Disaster Response Coordinator and other project leaders.
6. When appropriate, the Red Cross and America's Second Harvest will provide joint identification for their members to carry/display when working together on disaster relief assignments.
7. American Red Cross and America's Second Harvest personnel may serve on each other's local disaster committees and boards as mutually agreed upon.
8. Recognizing the need for advising the public of the work of both organizations, the American Red Cross and America's Second Harvest will make every effort, through their public information offices during the time of disaster, to keep the public informed of their cooperative efforts. Their public information offices will work together to ensure that the messages are consistent and the goals of both organization are being met.
9. Red Cross and America's Second Harvest also agree to work together to foster a better understanding among their units, the public, and the media of appropriate food drive and other disaster response activities.
10. American Red Cross will make training and educational opportunities for their staff and volunteers available to America's Second Harvest. Accordingly, America's Second Harvest will make its training and expertise in warehousing and other logistical activities available to Red Cross.
11. Each organization will recognize the capability of the other to give assistance to disaster victims. America's Second Harvest may refer clients to the Red Cross for disaster assistance. America's Second Harvest is not designed to provide direct services to disaster victims, but does offer an infrastructure that channels goods to those organizations that serve the impacted population. During disaster operations, liaison will be maintained between the two organizations to ensure cooperation, to expedite services to those in need, and to minimize duplication of services.
12. During disaster operations, where the two agencies are working in cooperation, Red Cross and America's Second Harvest, may discuss offers of food and essential non-food items for appropriate disposition.
13. The Red Cross and America's Second Harvest agree that there will be no charge to clients for any donated products provided to the Red Cross for use in its mass care sites.
14. American Red Cross agrees to reimburse the affiliate food banks and food-rescue organizations for actual costs incurred in the receipt and distribution of products requested by American Red Cross for use in its local disaster relief programs

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15. Upon American Red Cross request, America's Second Harvest may transport and warehouse products for a specific disaster site. Responsibility for cost of these endeavors will be assigned in advance and will be based upon expenses incurred as a result of the actual assistance.
16. American Red Cross will not be expected to reimburse America's Second Harvest for products provided to any other agency unless authorized by the Red Cross.
17. All administrative costs incurred by America's Second Harvest in carrying out its disaster response efforts will be borne by America's Second Harvest.
18. The Red Cross may offer to donate to America's Second Harvest products that remain at the close of its mass care operations.
19. To the extent possible, the two organizations will share large donations that have been received from suppliers in order to coordinate the requests and offers from the same suppliers.
20. America's Second Harvest will encourage, if appropriate, all of its affiliate food banks and food-rescue organizations to participate in local food drives and to coordinate the pickup, sorting and storage of such products.
21. Both organizations are separate and independent entities working cooperatively to provide disaster relief/response. As such, each retains its own identity in providing services and each is responsible for financing its own activities.
22. During active disaster situations, liaisons will be maintained at the national level as well as at the disaster site of both American Red Cross and America's Second Harvest to encourage cooperation, to expedite services and to minimize the unnecessary duplication of services.
23. The use of the American Red Cross name and emblem by America's Second Harvest shall be allowed only in the case of special projects and with prior express written consent. Additionally, such projects must conform to American Red Cross regulations.
24. The use of America's Second Harvest name and emblem by the American Red Cross shall be allowed only in the case of special projects and with prior express written consent. Additionally, such projects must conform to America's Second Harvest regulations.
25. America's Second Harvest will encourage participation and coordination of services between its departments and the American Red Cross for mutual service to the community. The American Red Cross will encourage participation and coordination of services between its departments and America's Second Harvest for mutual service to the community.
26. The American Red Cross and America's Second Harvest will actively seek to determine other areas/services within their respective organizations where cooperation and support will be mutually beneficial and to amend this statement of understanding accordingly to include appropriate agreements.
27. The American Red Cross and America's Second Harvest will inform all of their chapters, other units or departments, and administrative offices of, and otherwise widely distribute, this agreement and will urge full cooperation with each other.
28. The two organizations agree that any expenses incurred as a result of cooperation or collaboration under the terms of this statement of understanding will be apportioned as agreed to in writing by both parties prior to incurring such expenses.
29. America's Second Harvest recognizes that the American Red Cross is dependent primarily upon voluntary public financial support to carry out its programs. America's Second Harvest will be sympathetic with the position of the American Red Cross in conducting special appeals and campaigns for funds during times of disaster and will help interpret the need for such to its membership.
30. The American Red Cross also recognizes that America's Second Harvest is dependent primarily upon voluntary public financial support to fulfill its mission. The American Red Cross will be sympathetic with the position of America's Second Harvest in conducting special appeals and campaigns for funds during times of disaster and will help interpret the need for such to its membership.

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VIII. Periodic Review

Representatives of the American Red Cross Disaster Services and America's Second Harvest will, on an annual basis, on or around the anniversary date of this agreement, jointly evaluate progress in the implementation of the statement of understanding and revise and develop new plans or goals as appropriate.

IX. Term of Statement of Understanding

This SOU shall be effective on 27 January 2003 and terminate on 26 February 2008. Six months prior to termination, the parties shall meet to review the progress and success of the SOU and

determine whether it shall be extended for an additional five years. In no event shall any extension of this SOU be for a period exceeding five years.

Both parties understand that at any time this statement of understanding may be terminated by written notification from either party to the other.

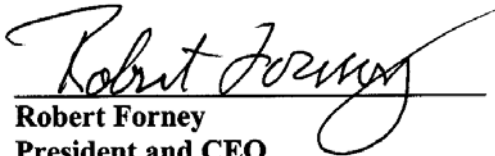
X. Miscellaneous

This statement of understanding does not create a partnership or a joint venture, and neither party has the authority to bind the other.



Marsha Johnson Evans
President and CEO
American National Red Cross

February 27,2003



Robert Forney
President and CEO
America's Second Harvest

February 27,2003